



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

08/06/01

Yates Petroleum Company
105 S. Fourth St.
Artesia, NM 88210-2118

Dear Mr. May:

Listed below are wells that Yates Petroleum Company (YPC) has been operating without the proper New Mexico Oil Conservation Division (NMOCD) authorization:

30-025-01824-Blitzen AUB State #1- M-16-11S-34E

1. Re-entry APD approved 12/16/99
2. Flow testing 5/2/00 Sundry approved 7/18/00
3. Testing allowable granted 7/18/00
4. According to meter run well was put into production 5/2000
5. Well is not being reported on C-115's, but did produce according to chart on meter run ---
6. No completion report submitted as of 8/6/01

Since well is shut in, YPC shall submit to the NMOCD procedures for plugging and abandonment, temporary abandonment or return the well to production by August 27, 2001. YPC shall submit to the NMOCD the appropriate C103, C104, C105, C115, deviation survey and logs by August 27, 2001 to avoid a show cause hearing.

30-025-29496-Yam "AYQ" State #1 -N-20-12S-36E

1. Re-entry approved 4/23/01
2. No other paperwork submitted.
3. According to field inspection this well is complete.
4. No completion report received
5. No sundries showing what was done to this well.
6. No Authorization to transport

YPC shall submit to the NMOCD the appropriate C103; C104, C105, C115, deviation survey and logs shall be submitted to NMOCD by August 27, 2001 to avoid a show cause hearing.

30—25-34790-Sand Springs Unit #1-L-5-11S-35E

1. APD approved 12/14/99
2. Bled well down 6/8/00. Swabbed. Shut well in. Released well to production.
3. Testing allowable granted 8/22/00