MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY

December 10, 2003

Mr. Bryan Arrant Oil Conservation Division, District II Office 1301 W. Grand Ave. Artesia, NM 88210

Re:

Biplane SWD #3

2310' FNL and 1980 FEL Section 16, T6S-R27E Chaves County, New Mexico

H2S Contingency Plan

30-005-62884

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Silurian Formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Debbie L. Caffall

Regulatory Technician

YATES PETROLEUM CORPORATION

Biplane SWD #3 Re-entry 2310' FNL & 1980' FEL Section 16-T6S-R27E Chaves County, New Mexico Lease #VA-2494 API# 30-005-62884

Drilling Plans: McClellan Oil Corporation as the Pearl State #1 originally drilled this well. It was plugged and abandoned on 2-24-92. Yates Petroleum Corporation filed an APD to re-enter this well on 4/02/02 as the Vertigo AXV State #1 and it was approved on 5/09/02. The APD was withdrawn 2/19/03. Yates Petroleum Corporation plans to re-enter this well bore using a pulling unit and a reverse unit to drill out the cement plugs in the 8 5/8" casing and the 7 7/8" open hole to the old total depth of 6535'. A new suite of open hole logs may be run. After circulating the hole clean a string of 5 ½" Casing will be ran to the total depth and cemented with enough cement to bring the top of cement to approximately 4,000'. The mud program to be used will be 9.5-9.7 ppg brine water with a 55-70 viscosity. A 3,000# BOPE will be installed on the 8 5/8" casing.

The well will be completed using a pulling unit. The well will be converted into a SWD well. The formation to be used as the disposal zone will be the Silurian perforated from 6,326' to 6,386'. Will run 2 7/8" plastic coated tubing with a nickel-plated packer set at approximately 6300'.

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

District IV

1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico Energy. Minerals & Natural Resources Department

Submit to Appropriate District Office

OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

State Lease - 4 Copies

Revised August 15, 2000

Form C-102

Fee Lease - 3 Copies

1220 S. St. Francis Dr., Santa Fe, NM 87505									AMENDED REPORT	
		V	VELL L	OCATIO	N AND ACR	EAGE DEDIC	CATION PLA	TT		
,	г	² Pool Code			³ Pool Name					
30	005-628	884								
⁴ Property Code		⁵ Property Name							Well Number	
		Biplane SWD							3	
⁷ OGRID No.		³ Operator Name							' Elevation	
025575		Yates Petroleum Corporation							4110'	
					10 Surfaçe	Location				
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West li	ne County	
G	16	65	27E		2310	North	1980	East	Chaves	

Bottom Hole Location If Different From Surface UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County Range 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION 17 OPERATOR CERTIFICATION hereby certify that the information contained herein is rue and complete to the best of my knowledge and Clifton R. May Regulatory Agent 12/10/03 1980' 18SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat vas plotted from field notes of actual surveys made by e or under my supervision, and that the same is true and correct to the best of my belief. Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor: Certificate Number