

NM OIL CONSERVATION ARTESIA DISTRICT

DISTRICT I
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Phone (505) 393-6161 Fax: (505) 393-0720

DISTRICT II
811 S. First St., Artesia, NM 88210
Phone (505) 748-1283 Fax: (505) 748-9720

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone (505) 334-6176 Fax: (505) 334-6170

DISTRICT IV
1219 S. St. Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax: (505) 476-3462

AUG 21 2014

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

RECEIVED CONSERVATION DIVISION 1219 South St. Francis Dr. Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-42591	Pool Code 50270	Well Name PENASCO DRAW SA-VERO Undesignated Res.
Property Code 12835	Property Name THOMAS AJJ	Well Number 8H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3541

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	8	19 S	25 E		2310	NORTH	15	EAST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	8	19 S	25 E		2310	NORTH	330	WEST	EDDY
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
160									

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

<p>N: 612247.5 E: 485272.5 (NAD 83)</p> <p>Project Area</p> <p>2310'</p> <p>B.H.</p> <p>330'</p> <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°40'35.89" Long - W 104°30'52.18" NMSPCE- N 609939.0 E 485596.3 (NAD-83)</p> <p>N: 612255.1 E: 487939.6 (NAD 83)</p> <p>Production Area</p> <p>Penetration Point: 2310' FNL and 504' FEL</p> <p>4969.8'</p> <p>S.L.</p> <p>15'</p> <p>SURFACE LOCATION Lot - N 32°40'36.11" Long - W 104°29'54.04" NMSPCE- N 609952.9 E 490564.8 (NAD-83)</p> <p>N: 606938.2 E: 485258.2 (NAD 83)</p> <p>N: 606907.9 E: 490581.9 (NAD 83)</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Cy Cowan</i> 8/18/14 Signature Date</p> <p>Cy Cowan Printed Name</p> <p>Email Address</p> <p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.</p> <p>FEBRUARY 18 2014 Date Surveyed</p> <p><i>[Signature]</i> Signature of Professional Surveyor</p> <p>7977 Certificate Number</p> <p>7977 BASIC SURVEY</p> <p>0' 500' 1000' 1500' 2000' SCALE: 1" = 1000' WO Num.: 30087</p>
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Well Name:	Thomas AJJ #8H	Tgt N/S:	-13.90	EOC TVD/MD:	2247.69 / 2532.38
Surface Location:	Section 8 , Township 19S Range 25E	Tgt E/W:	-4968.50	VS:	4968.52
Bottom Hole Location:	Section 8 , Township 19S Range 25E	VS Az:	269.84	EOL TVD/MD:	2135.00 / 7011.43

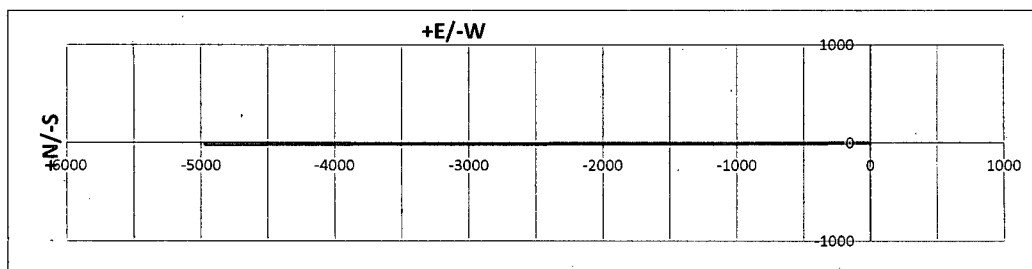
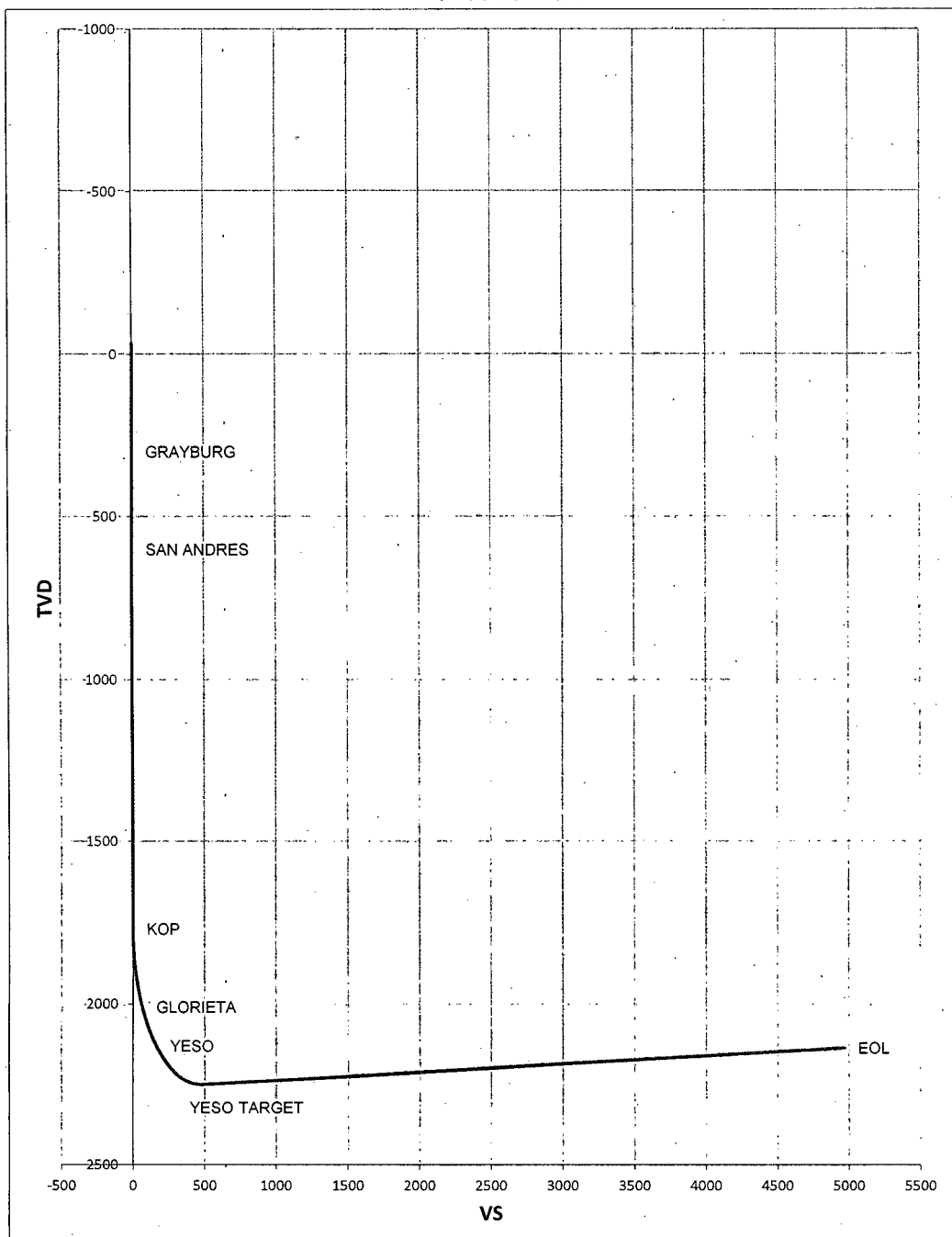
MD	Inc.	Azi.	TVD	+N/S	+E/W	VS	DLS	Comments
0	0	0	0	0	0	0	0	
300.00	0.00	0.00	300.00	0.00	0.00	0.00	0.00	GRAYBURG
600.00	0.00	0.00	600.00	0.00	0.00	0.00	0.00	SAN ANDRES
1770.37	0.00	0.00	1770.37	0.00	0.00	0.00	0.00	KOP
1775.00	0.56	269.84	1775.00	0.00	-0.02	-0.02	12.00	
1800.00	3.56	269.84	1799.98	0.00	-0.92	0.92	12.00	
1825.00	6.56	269.84	1824.88	-0.01	-3.12	3.12	12.00	
1850.00	9.56	269.84	1849.63	-0.02	-6.62	6.62	12.00	
1875.00	12.56	269.84	1874.16	-0.03	-11.42	11.42	12.00	
1900.00	15.56	269.84	1898.41	-0.05	-17.49	17.49	12.00	
1925.00	18.56	269.84	1922.31	-0.07	-24.82	24.82	12.00	
1950.00	21.56	269.84	1945.79	-0.09	-33.39	33.39	12.00	
1975.00	24.56	269.84	1968.79	-0.12	-43.18	43.18	12.00	
2000.00	27.56	269.84	1991.25	-0.15	-54.16	54.16	12.00	
2020.25	29.98	269.84	2009.00	-0.18	-63.90	63.90	12.00	GLORIETA
2025.00	30.56	269.84	2013.10	-0.19	-66.30	66.30	12.00	
2050.00	33.56	269.84	2034.29	-0.22	-79.57	79.57	12.00	
2075.00	36.56	269.84	2054.75	-0.26	-93.93	93.93	12.00	
2100.00	39.56	269.84	2074.43	-0.31	-109.33	109.33	12.00	
2125.00	42.56	269.84	2093.28	-0.35	-125.75	125.75	12.00	
2150.00	45.56	269.84	2111.25	-0.40	-143.13	143.13	12.00	
2175.00	48.56	269.84	2128.28	-0.45	-161.43	161.43	12.00	
2176.08	48.68	269.84	2129.00	-0.45	-162.23	162.23	12.00	YESO
2200.00	51.56	269.84	2144.33	-0.51	-180.60	180.60	12.00	
2225.00	54.56	269.84	2159.35	-0.56	-200.57	200.58	12.00	
2250.00	57.56	269.84	2173.31	-0.62	-221.31	221.31	12.00	
2275.00	60.56	269.84	2186.16	-0.68	-242.75	242.75	12.00	
2300.00	63.56	269.84	2197.88	-0.74	-264.83	264.83	12.00	
2325.00	66.56	269.84	2208.42	-0.80	-287.50	287.50	12.00	
2350.00	69.56	269.84	2217.76	-0.87	-310.68	310.69	12.00	
2375.00	72.56	269.84	2225.88	-0.94	-334.33	334.33	12.00	
2400.00	75.56	269.84	2232.74	-1.00	-358.36	358.36	12.00	
2425.00	78.56	269.84	2238.34	-1.07	-382.72	382.73	12.00	
2450.00	81.56	269.84	2242.66	-1.14	-407.35	407.35	12.00	
2475.00	84.56	269.84	2245.68	-1.21	-432.16	432.16	12.00	
2500.00	87.56	269.84	2247.40	-1.28	-457.10	457.10	12.00	
2525.00	90.56	269.84	2247.81	-1.35	-482.09	482.09	12.00	
2532.38	91.44	269.84	2247.69	-1.37	-489.47	489.47	12.00	YESO TARGET
7011.43	91.44	269.84	2135.00	-13.90	-4968.50	4968.52	0.00	EOL

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ARTESIA DISTRICT

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Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

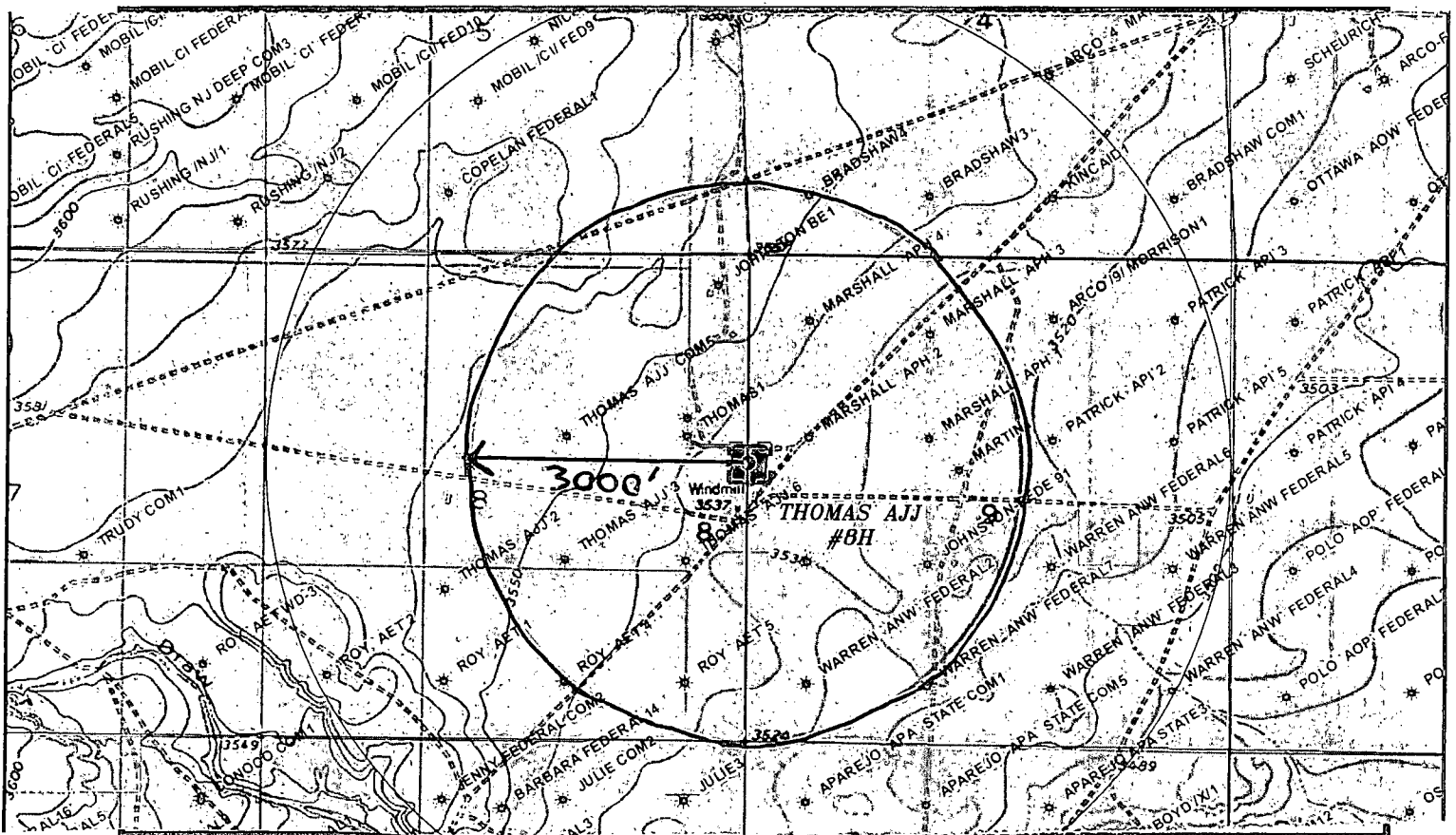
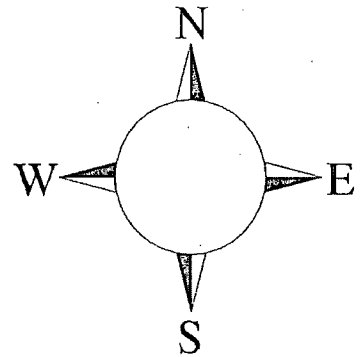
Hydrogen Sulfide (H₂S) Contingency Plan

For

**Thomas AJJ #8H
2310' FNL and 15' FEL
Section 8, T-19S, R-25-E
Eddy County, NM**

Thomas AJJ #8H

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'
100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office	(575) 748-1471
Jim Brown/Operations Manager	(575) 748-4189
LeeRoy Richards/Prod Superintendent	(575) 748-4228
Joe Chaves/Assistant Prod Superintendent	(575) 748-4212
Bruce Noles/Drilling	(575) 748-4224
Paul Hanes/Prod. Foreman/Roswell	(575) 624-2805
Tim Bussell/Drilling Superintendent	(575) 748-4221
Artesia Answering Service	(575) 748-4302
(During non-office hours)	

Agency Call List

Eddy County (575)

Artesia

State Police	746-2703
City Police.....	746-2703
Sheriff's Office	746-9888
Ambulance.....	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD.....	748-1283

Carlsbad

State Police	885-3137
City Police.....	885-2111
Sheriff's Office.....	887-7551
Ambulance.....	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee).....	887-3798
US Bureau of Land Management.....	887-6544
New Mexico Emergency Response Commission (Santa Fe)	(505) 476-9600
24 HR	(505) 827-9126
New Mexico State Emergency Operations Center.....	(505) 476-9635
National Emergency Response Center (Washington, DC) ...	(800) 424-8802

Other

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....	(915) 699-0139 or (915) 563-3356
Halliburton	(575) 746-2757
B. J. Services.....	(575) 746-3569
Flight For Life -4000 24th St, Lubbock, TX	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM	(505) 842-4949

Yates Petroleum Corporation

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and H₂S Contingency Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operation Plan and the H₂S Contingency Plan. **The location of this well does not require a Public Protection Plan.**

II. H2S SAFETY EQUIPMENT AND SYSTEMS

NOTE: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S.

1. Well Control Equipment:

- A. Flare line
- B. Choke manifold will have a remotely operated adjustable choke system.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

2. Protective equipment for essential personnel:

- A. Mark II Survive Air (or equivalent) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. 3 portable H2S monitors positioned at: Shale Shaker, Bell Nipple, and Rig Floor. These units have warning lights and audible sirens when H2S levels of 10 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (attached).
- B. Caution/Danger signs (attached) shall be posted on roads providing direct access to location. Signs will be painted with high visibility yellow with black lettering of a sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

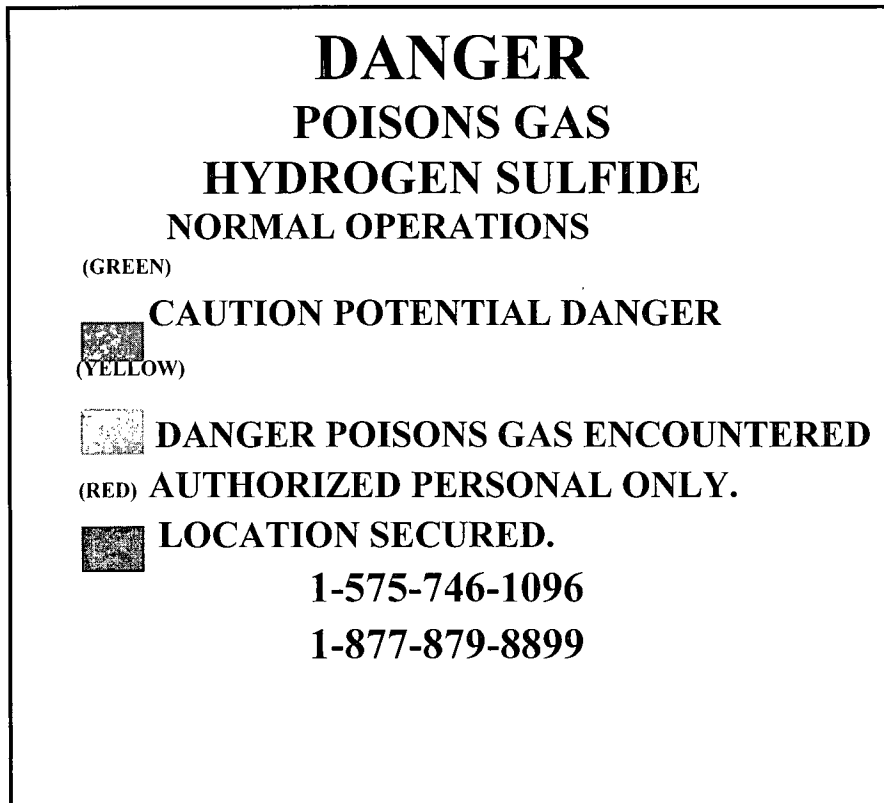
7. Communication:

- A. Cellular communications in company vehicles.
- B. Land line (telephone) communication at the Office.

8. Well testing:

- A. There will be no drill stem testing.

EXHIBIT



EDDY COUNTY EMERGENCY NUMBERS
NUMBERS

ARTESIA FIRE DEPT. 575-746-5050
9308
ARTESIA POLICE DEPT. 575-746-5000
9285
EDDY CO. SHERIFF DEPT. 575-746-9888
396-1196

LEA COUNTY EMERGENCY

HOBBS FIRE DEPT. 575-397-
HOBBS POLICE DEPT. 575-397-
LEA CO. SHERIFF DEPT. 575-