

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

RECEIVED

APR 27 2006

OCU-ARTESIA

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		² OGRID Number 025575 API Number 30 -015-23751	
³ Property Code	⁴ Property Name Cordova SWD	⁶ Well No. 1	

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	24S	27E		2005'	North	660'	West	Eddy

⁸ Proposed 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
⁹ Proposed Pool 1 Delaware					¹⁰ Proposed Pool 2				

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	25	24S	27E		2005'	North	660'	West	Eddy
Depth to ground water 70'				Distance from nearest fresh water well 3 miles			Distance from nearest surface water .6 miles		
¹¹ Work Type Code E		¹² Well Type Code S		¹³ Cable/Rotary Pulling Unit		¹⁴ Lease Type Code S		¹⁵ Ground Level Elevation 3143'	
¹⁶ Multiple N		¹⁷ Proposed Depth 4810'		¹⁸ Formation Delaware		¹⁹ Contractor Not Determined		²⁰ Spud Date ASAP	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	500'	275 sx	In Place
7 7/8"	5 1/2"	14#	4810'	2325 sx	In Place
5 1/2"	2 7/8"	4.7# Liner	3194'	0 sx	In Place

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED PAGE 2.

Operator to follow all orders set forth in SWD -1027

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit X or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address: debbiec@ypcn.com

Date: April 26, 2006.

Phone: (505) 748-4372

BGA OIL CONSERVATION DIVISION
Approved by:

BRYAN G. ARANT
DISTRICT II GEOLOGIST

Approval Date: APR 28 2006

Expiration Date: APR 28 2007

Conditions of Approval:

Attached ☐

YATES PETROLEUM CORPORATION

Cordova SWD #1
Re-entry Procedure
Page 2

This well was originally drilled by Amoco Production Company as the State IS No. 1Y. It was spudded on April 13, 1981 and was P/A'd on April 28, 1982.

Yates Petroleum Corporation proposes to re-enter this well with a pulling unit. Will then drill out cement and cast iron bridge plugs in the 5 1/2" casing down to a cast iron bridge plug that is set at +/- 4810' the original TD of the well was 5500'. 5 1/2" casing was run and set at 5497'. Will run 2 7/8" PC tubing to 100' above the original Delaware perforations being approximately 3194' a nickel plated injector packer will also be run on the 2 7/8" liner and set at 2800'. The annulus will be loaded with packer fluid and cleaned out. The well will then be turned over to the production department for injection.

MUD PROGRAM: 0-4810' Cut Brine WT 8.6-9.1 VIS 35 <10-15 water loss.

CASING PROGRAM: 2 7/8" 4.7 # J-55 surface to +/-4810'.

CEMENTING PROGRAM: No new cement will be needed.

BOPE PROGRAM: A 3000# BOPE will be nipped up on the 8 5/8" casing.

No H2S is anticipated.

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DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name SWD Delaware
Property Code	Property Name Cordova SWD	Well Number 1
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3143.8

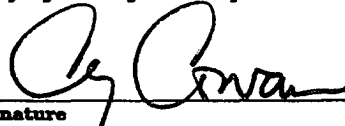
Surface Location

UL or Lot No. E	Section 25	Township 24S	Range 27E	Lot Idn	Feet from the 2005'	North/South line North	Feet from the 660'	East/West line West	County Eddy
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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
Dedicated Acres N/A	Joint or Infill	Consolidation Code	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

					<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Cy Cowan</p> <p>Printed Name Regulatory Agent</p> <p>Title April 26, 2006</p> <p>Date</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>REFER TO ORIGINAL PLAT.</p> <p>Date Surveyed Signature & Seal of Professional Surveyor</p> <p>Certificate No. Herschel L. Jones RLS 3640</p> <p>GENERAL SURVEYING COMPANY</p>

N MEXICO OIL CONSERVATION COMMISS. N
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-65

All distances must be from the outer boundaries of the Section.

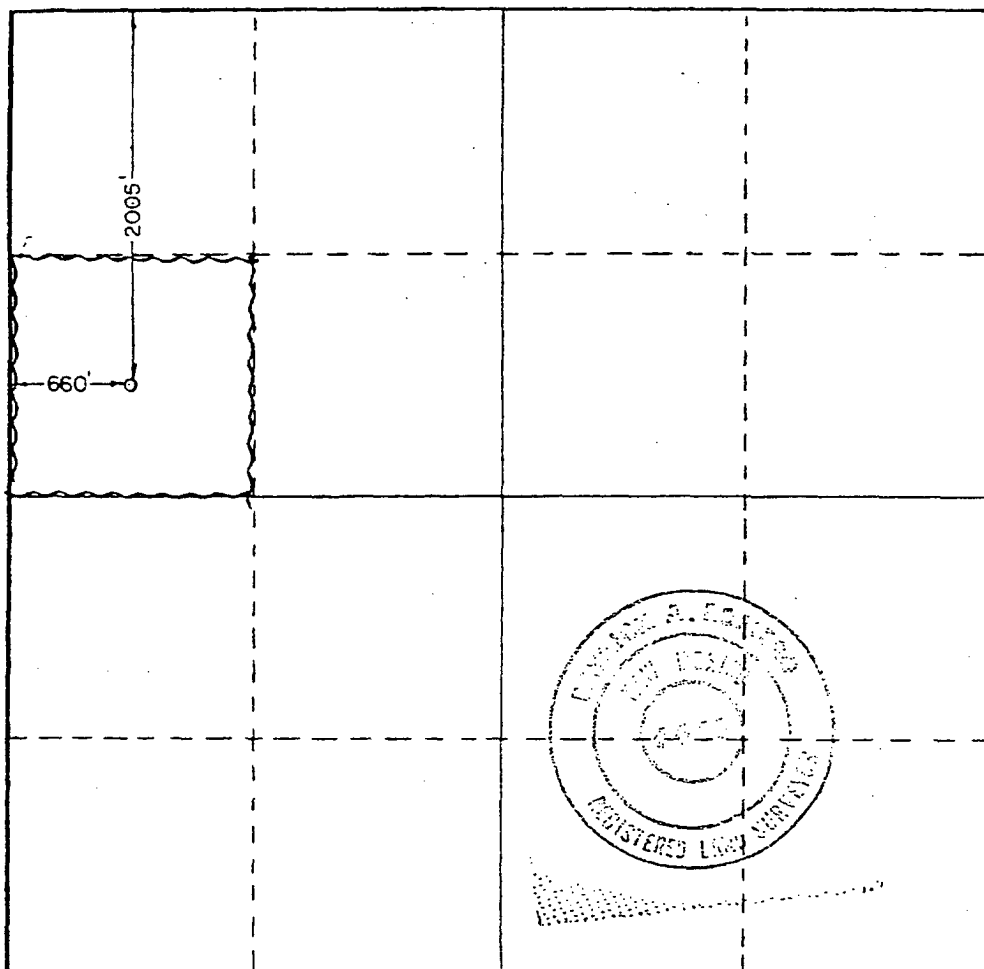
Operator AMOCO Production Co.			Lease State IS.		Well No. 1-Y
Unit Letter E	Section 25	Township 24 South	Range 27 East	County Eddy	
Actual Footage Location of Well: 2005 feet from the north line and 660 feet from the west line					
Ground Level Elev. 3143.8	Producing Formation Delaware		Pool Wildcat Delaware		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Benton Green*

Position
Assist. Admin. Analyst

Company
Amoco Production Company

Date
4-14-81

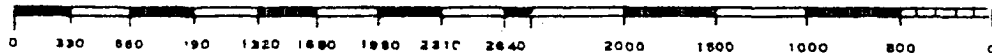
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
7-9-80

Registered Professional Engineer
and/or Land Surveyor

Patrick A. Romero

Certificate No **JOHN W. WEST 878**
PATRICK A. ROMERO 8465
Ronald J. Eidson 3239



WELL NAME: Cordova SWD No. 1 **FIELD:** Wildcat
LOCATION: Unit letter E, 2,005' FNL & 660' FWL Sec 25-24S-27E Eddy County
GL: 3,143.8' **ZERO:** **KB:** **CASING PROGRAM**
SPUD DATE: 04/13/81 **COMPLETION DATE:** 07/03/81
COMMENTS: API No. 30-015-23751
 Formally Amoco's State IS No. 1y

8 5/8" 24 # K-55, ST&C	500'
5-1/2" 14# K-55	5,497'

12-1/4" Hole

Before

Tops:
 Fresh Water 300'
 Top of Salt 584'
 Base of Salt 2,320'
 Delaware 2,430'

8-5/8" at 500'
w\ 275 sx cmt (circ)

CMT RET at 550'
 Squeeze perms at 575'
 Squeezed w\ 50 sx

7-7/8" Hole

TOC @ 1,920'

25 sx plug 1,650' – 1,902'

25 sx plug 2,293' – 2,546'

Del. Perfs 3,294' – 3,298' (9), 3,473' – 3,475' (5),
 3,544' – 3,546' (5)
 IP 0 BO, 1993 BW 0 MCFD in 218 hours

CIBP @ 3,700'

Del. Perfs: 3,800' – 3,850' (86), 4,142' – 4,152' (21)

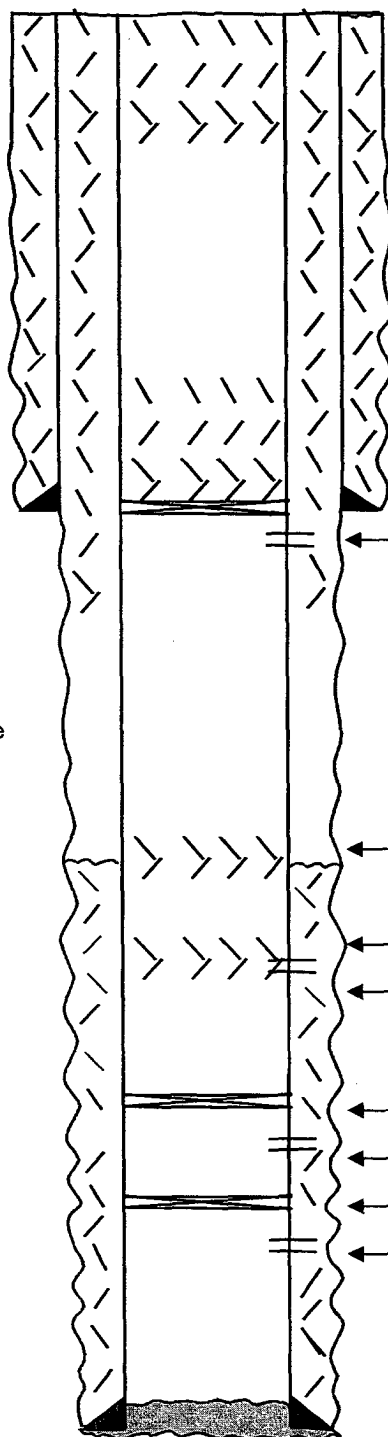
CIBP @ 4,810'

Del. Perfs: 4,956' – 4,978' (45), 5,068' – 5,074' (13)
 IP 0 BO, 113 BW 0 MCFD

Not to Scale
 2/9/06
 JMH

5-1/2" @ 5,497'
 w\ 2,325 sx

TD 5,500



WELL NAME: Cordova SWD No. 1 **FIELD:** Wildcat
LOCATION: Unit letter E, 2,005' FNL & 660' FWL Sec 25-24S-27E Eddy County
GL: 3,143.8' **ZERO:** **KB:**
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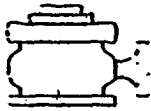
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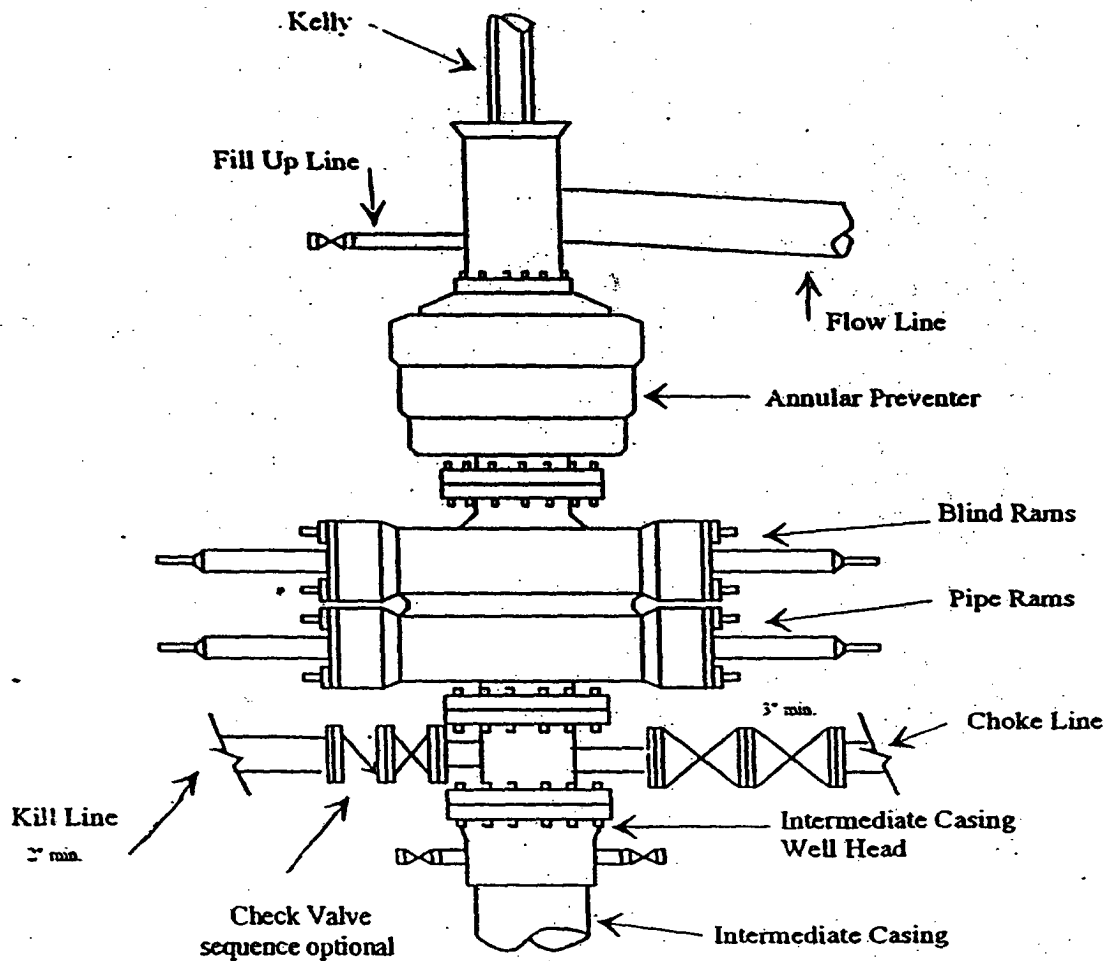
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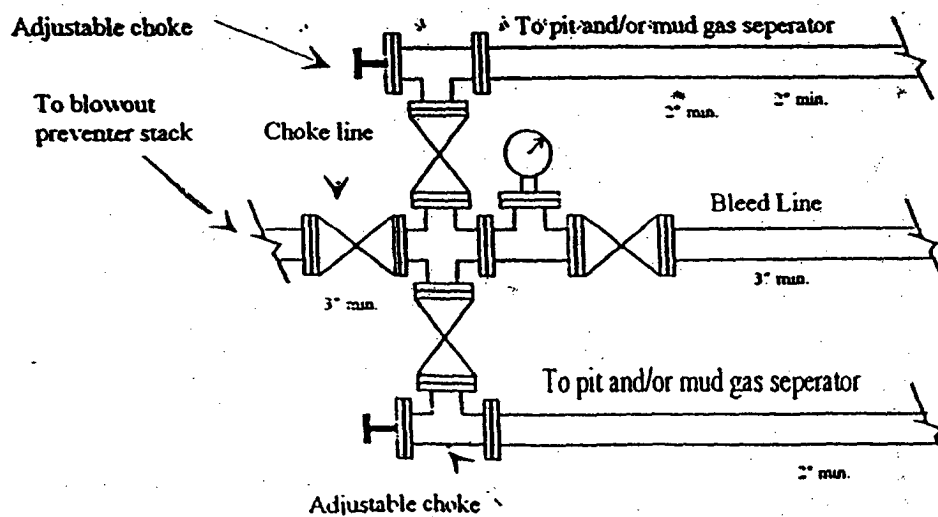
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features





Sent 4/25/04

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT DC

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER SWD-1027

APPLICATION OF YATES PETROLEUM CORPORATION FOR PRODUCED WATER DISPOSAL, EDDY COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701(B), Yates Petroleum Corporation made application to the New Mexico Oil Conservation Division for permission to utilize for produced water disposal its Cordova SWD Well No. 1 (API No. 30-015-23751) located 2005 feet from the North line and 660 feet from the West line of Section 25, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been duly filed under the provisions of Rule 701(B) of the Division Rules and Regulations;
- (2) Satisfactory information has been provided that all offset operators and surface owners have been duly notified;
- (3) The applicant has presented satisfactory evidence that all requirements prescribed in Rule 701 will be met;
- (4) No objections have been received within the waiting period prescribed by said rule; and

IT IS THEREFORE ORDERED THAT:

The applicant is hereby authorized to utilize its Cordova SWD Well No. 1 (API No. 30-015-23751) located 2005 feet from the North line and 660 feet from the West line of Section 25, Township 24 South, Range 27 East, NMPM, Eddy County, New Mexico, in such manner as to permit the injection of produced water for disposal purposes into the Bell Canyon and Cherry Canyon members of the Delaware formation through perforations from 2452 feet to 4152 feet and through plastic-lined tubing set in a packer located within 100 feet of the top of the injection

interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to beginning injection operations, the operator shall report the initial static fluid level in the well to the Division referencing this permit number.

After installing injection tubing, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

The wellhead injection pressure on the well shall be limited to **no more than 490 psi**. In addition, the injection well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface injection pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the injection formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of disposal equipment and of any mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing, or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall provide written notice of the date of commencement of injection to the Artesia district office of the Division.

The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rule Nos. 706 and 1120 of the Division Rules and Regulations.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well; provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Approved at Santa Fe, New Mexico, on April 20, 2006.


MARK E. FESMIRE, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division