

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
May 27, 2004

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

Submit to appropriate District Office

☒ 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, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-015-33184
⁴ Property Code 33226	⁵ Property Name Clarence BCU	⁶ Well No. 3
⁹ Proposed Pool 1 Unders. Pecos River Morrow		¹⁰ Proposed Pool 2

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
K	23	16S	26E		1980'	South	1800'	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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3324'
¹⁶ Multiple N	¹⁷ Proposed Depth 8100'	¹⁸ Formation Morrow	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 32'		Distance from nearest fresh water well 2400'		Distance from nearest surface water 200'
Pit: Liner: Synthetic XX 12 mils thick Clay <input type="checkbox"/> Pit Volume: ____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> <input checked="" type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.375"	48#	450'	400 sx	0
12.25"	9.625"	36#	1400'	700 sx	0
8.75"	5.5"	15.5#	8100'	2300 sx	0
As a condition of approval, if during pit construction water is encountered or if water seeps in pits after construction the <u>OCD MUST BE CONTACTED IMMEDIATELY!</u>					

²² Describe the proposed program. If this application is for a new well, describe the blowout prevention program, if any.

Yates Petroleum Corporation proposes to drill and test the Morrow and Artesia formations. Approximately 450' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-450' FW; 450'-1400' Fresh Water; 1400'-7450' Cut Brine; 7450'-8100' Salt Gel/Starch.
BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.
NO H2S ANTICIPATED.
Thank you.

productive zone and proposed new productive

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 NM OCD guidelines <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Cy Cowan</i>		Approved by: BRYAN G. ARANT	
Printed name: Cy Cowan		Title: DISTRICT II GEOLOGIST	
Title: Regulatory Agent		Approval Date: JAN 10 2007	Expiration Date: JAN 10 2008
E-mail Address:			
Date: 1/5/07	Phone: (505) 748-4372	Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED