

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  
JUN 29 2007  
OCD-ARILL  
☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 S 4 <sup>th</sup> Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
<sup>3</sup> Property Code 35451		<sup>4</sup> API Number 30-015-34639
<sup>5</sup> Property Name Frey BIR		<sup>6</sup> Well No 1
<sup>9</sup> Proposed Pool 1 Eagle Creek, Permo Penn		<sup>10</sup> Proposed Pool 2

**<sup>7</sup> Surface Location**

UL or lot no P	Section 13	Township 17S	Range 25E	Lot Idn	Feet from the 660	North/South line South	Feet from the 710	East/West line East	County Eddy
-------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	----------------

**<sup>8</sup> 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**

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary N/A	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3441'GR
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth N/A	<sup>18</sup> Formation Chester	<sup>19</sup> Contractor N/A	<sup>20</sup> Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit Liner Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls		Drilling Method		
Closed-Loop System <input checked="" type="checkbox"/>		Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

<sup>22</sup> 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.

Yates Petroleum Corporation plans to plugback and recompleat this well as follows: Set an RBP at +/-6538' and packer at +/-6433'. Perforate Upper Penn 6483'-6488' (12). Stimualte as needed.

<sup>23</sup> 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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		<b>OIL CONSERVATION DIVISION</b>	
Signature <i>Tina Huerta</i>		Approved by	
Printed name Tina Huerta		<b>BRYAN G. ARRANT</b>	
Title Regulatory Compliance Supervisor		Title <b>DISTRICT II GEOLOGIST</b>	
E-mail Address tinah@ypcnm.com		Approval Date <b>JUL 03 2007</b>	Expiration Date <b>JUL 03 2008</b>
Date June 27, 2007	Phone 505-748-4168	Conditions of Approval Attached <input type="checkbox"/>	

**District I**

1625 N. French Dr., Hobbs, NM 88240

**District II**

1301 W. Grand Avenue, Artesia, NM 88210

**District III**

1000 Rio Brazos Rd., Aztec, NM 87410

**District IV**

1220 S. St. Francis Dr., Santa Fe, NM 87505

## State of New Mexico

Energy, Minerals &amp; Natural Resources Department

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

JUN 29 2007

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-34639	<sup>2</sup> Pool Code 76280	<sup>3</sup> Pool Name Eagle Creek; Permo Penn
<sup>4</sup> Property Code 35451	<sup>5</sup> Property Name Frey BIR	<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3441'GR

<sup>10</sup> Surface Location

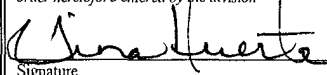
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	17S	25E		660	South	710	East	Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No
--------------------------------------	-------------------------------	----------------------------------	------------------------

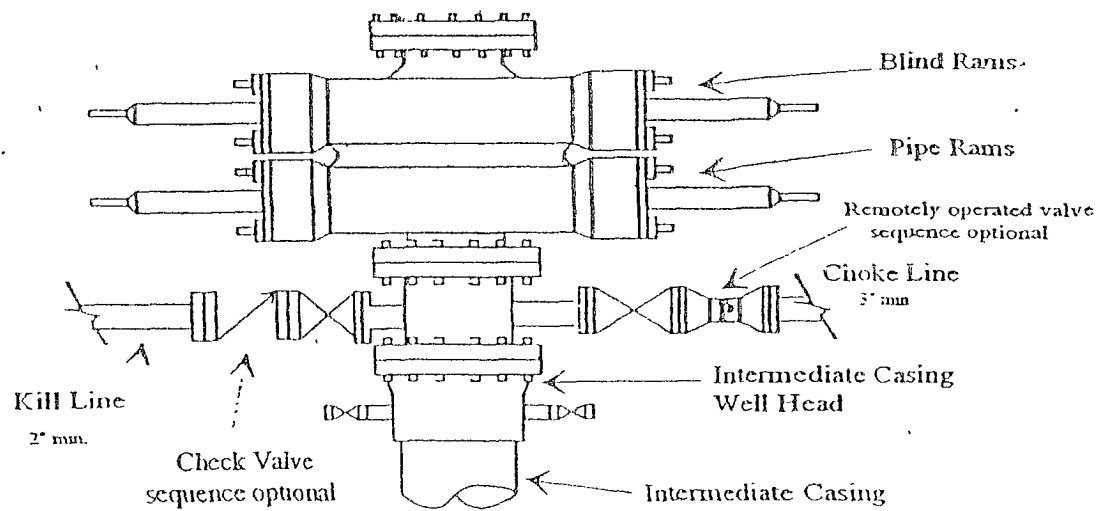
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

16					<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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.  Signature _____ Date June 27, 2007 Tina Huerta Printed Name
					<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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. Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number _____

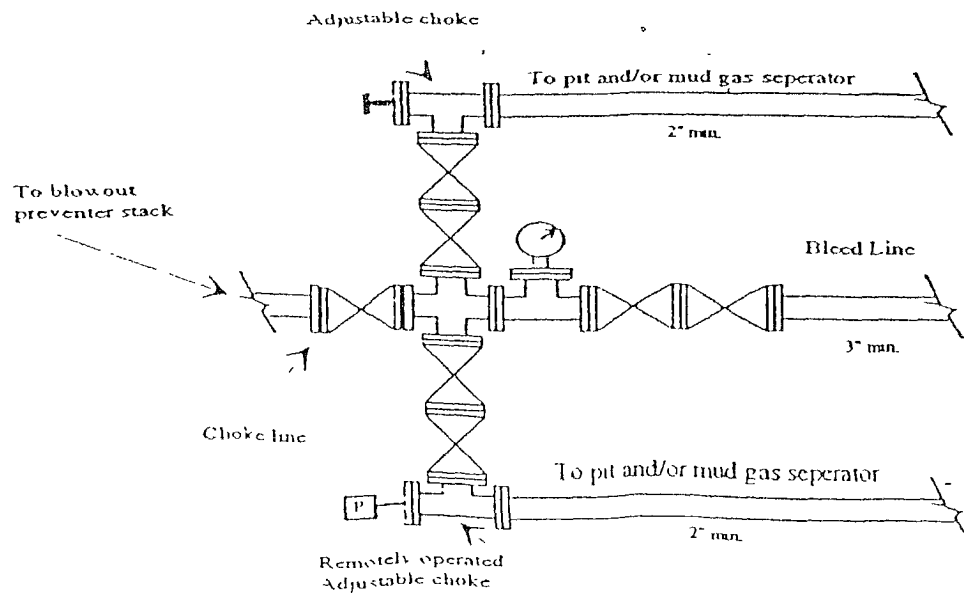
710'E  
660'S

# Yates Petroleum Corporation

## Typical 3,000 psi Pressure System Schematic



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



WELL NAME. Frey BIR #1 FIELD. Eagle Creek Permo Penn

LOCATION: 660' FSL & 710' FEL of Section 13-17S-25E Eddy Co , NM

GL. 3,441' ZERO:                      KB: 3,459'

SPUD DATE. 2/27/06 COMPLETION DATE:                     

COMMENTS API No.: 30-015-34639

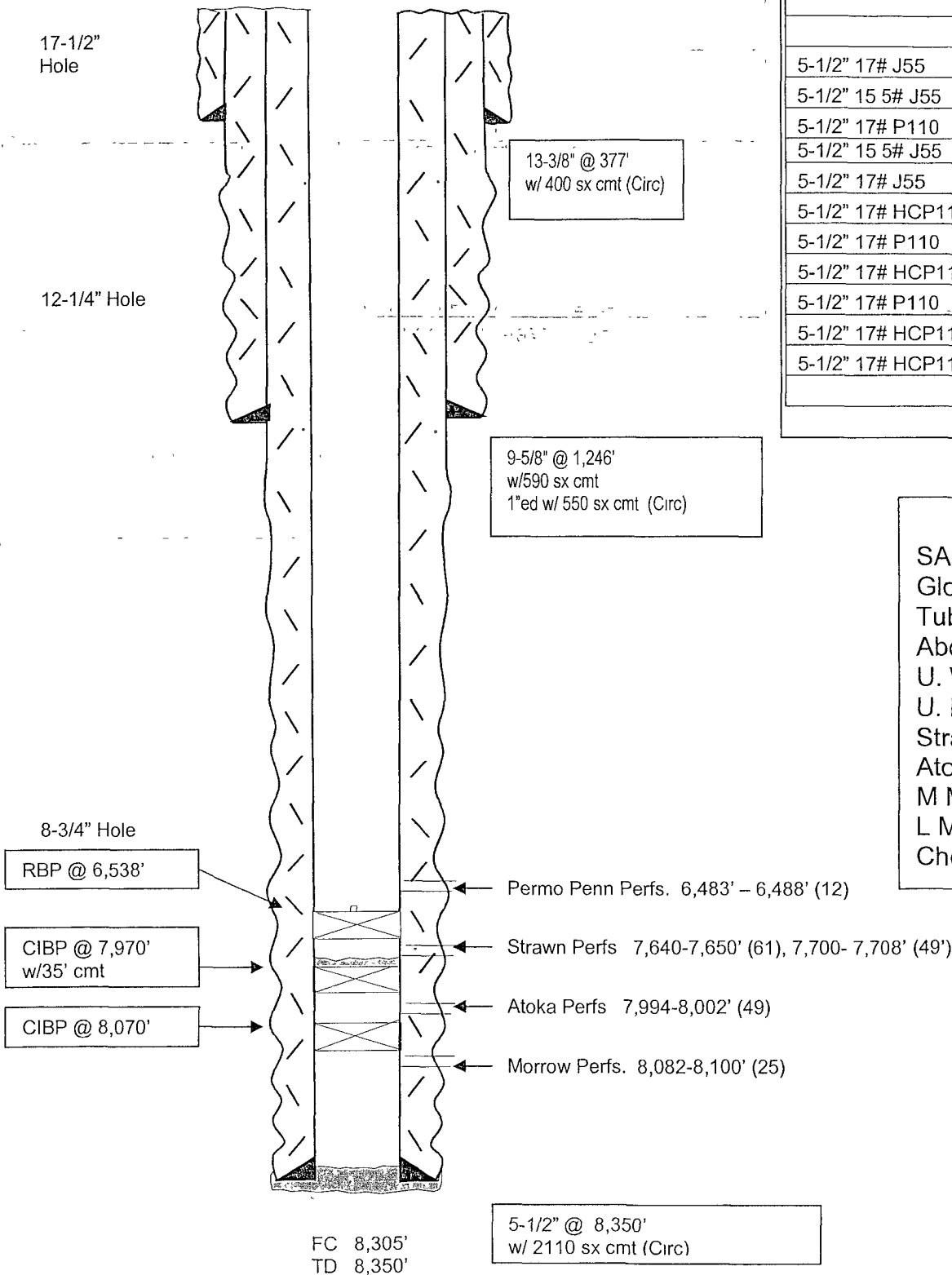
#### CASING PROGRAM

13-3/8" 48# H40		<b>377'</b>
9-5/8" 36# J55		<b>1,246'</b>
5-1/2" 17# J55	43'	
5-1/2" 15 5# J55	4,076'	
5-1/2" 17# P110	22'	
5-1/2" 15 5# J55	2,495'	
5-1/2" 17# J55	388'	
5-1/2" 17# HCP110	557'	
5-1/2" 17# P110	21'	
5-1/2" 17# HCP110	430'	
5-1/2" 17# P110	21'	
5-1/2" 17# HCP110	260'	
5-1/2" 17# HCP110	43'	<b>8,350'</b>

#### TOPS

SA	825'
Glorieta	2,102'
Tubb	3,478'
Abo	4,154'
U. WC	5,315'
U. Penn Lm	6,378'
Strawn	7,461'
Atoka	7,780'
M Morrow	8,040'
L Morrow	8,140'
Chester	8,215'

**After**



Not to Scale  
6/12/07  
Moss

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 EMERITUS

JOHN A. YATES  
CHAIRMAN OF THE BOARD

PEYTON YATES  
PRESIDENT

FRANK YATES, JR.  
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.  
SENIOR VICE PRESIDENT

June 27, 2007

JUN 29 2007  
OCD-ARTESIA

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

Re: Frey BIR #1  
Section 13-T17S-R25E  
Eddy County, New Mexico  
H2S Contingency Plan

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 Penn formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Tina Huerta  
Regulatory Compliance Supervisor