

Submit 3 Copies To Appropriate District Office  
District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Ave., 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 and Natural Resources

Form C-103  
March 4, 2004

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

WELL API NO. 30-005-62553
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. LG-8138
7. Lease Name or Unit Agreement Name Hard As Nails AMD State Com. (26800)
8. Well Number 3
9. OGRID Number 025575
10. Pool name or Wildcat Undes. Foor Ranch; Wolfcamp 76750

SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)	
1. Type of Well: Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <u>Re-Entry</u>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 105 South 4 <sup>th</sup> Street, Artesia, New Mexico, 88210	
4. Well Location Unit Letter: <u>J</u> : <u>1980</u> feet from the <u>South</u> line and <u>1980</u> feet from the <u>East</u> line Section <u>27</u> Township <u>9S</u> Range <u>26E</u> NMPM County <u>Chaves</u>	
11. Elevation (Show whether DR, RKB, RT, GR, etc.) 3803.2' GR	
Pit or Below-grade Tank Application (For pit or below-grade tank closures, a form C-144 must be attached)	
Pit Location: UL <u>J</u> Sect <u>27</u> Twp <u>9S</u> Rng <u>26E</u> Pit type <u>Drilling</u> Depth to Groundwater <u>75'</u> Distance from nearest fresh water well <u>1000' or more</u>	
Distance from nearest surface water <u>1000' or more</u> Below-grade Tank Location UL _____ Sect _____ Twp _____ Rng _____ ; _____ feet from the _____ line and _____ feet from the _____ line	

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/> ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/> PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPLETION <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input type="checkbox"/>
OTHER: <input type="checkbox"/>	OTHER: <input checked="" type="checkbox"/> Extend APD

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation request to extend the captioned well's APD expiration date for one (1) year to August 26, 2008. 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 Wolfcamp Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

SIGNATURE Debbie L. Caffall TITLE Regulatory Agent/Land Department DATE August 10, 2007

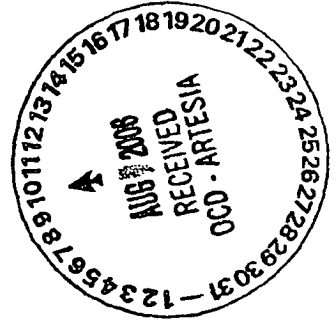
Type or print name: Debbie L. Caffall E-mail address: debbiec@ypcnm.com Telephone No. (505) 748-4376

(This space for State use)

APPROVED BY BRYAN G. ARANT TITLE DISTRICT II GEOLOGIST DATE AUG 16 2007  
Conditions of approval, if any:

**YATES PETROLEUM CORPORATION**

Re-entry Procedure  
Hard as Nails AMD State #3  
Drilling Prognosis  
Page 2



This well was originally drilled by Yates Petroleum Corporation as the Hard as Nails State Unit #1 on November 18, 1987. Yates Petroleum Corporation proposes to re-enter this well with a drilling rig and drill out plugs in the 8 5/8" casing and in the 7 7/8" open hole to 5100'. The well will be deepened to 6200' in the Ordovician Formation. A new suite of open hole logs will be run then a string of 5 1/2" casing will be run to TD and cemented back to 3,000'+-. The well will then be completed with a pulling unit. The formation to be tested will be the Wolfcamp Formation.

MUD PROGRAM: 0-5100' Brine; 5100'-6200' Salt Gel/Starch. Wt 9.3-10.2.  
Vis 32-40. <10cc.

BOPE PROGRAM: 2000 # BOPE will be nipped up on 8 5/8 in casing.

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State of New Mexico  
Energy, Minerals & 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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-005-62553	<sup>2</sup> Pool Code 76750	<sup>3</sup> Pool Name Undes. Foor Ranch; Wolfcamp
<sup>4</sup> Property Code 26800	<sup>5</sup> Property Name HARD AS NAILS AMD STATE COM	<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION	<sup>9</sup> Elevation 3803.2

<sup>10</sup> Surface Location									
UL or lot no. J	Section 27	Township 9S	Range 26E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 1980	East/West line EAST	County CHAVES

<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 E/2	<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.

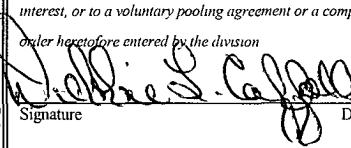
<sup>16</sup>						<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed 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</i>  Signature 8/10/07 Date  Debbie L. Caffall Printed Name  Regulatory Agent Title
						<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <i>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</i>  Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT  Certificate Number

Diagram details: A grid with a highlighted rectangular area labeled 'LG-8138'. Inside this area, a smaller rectangle is labeled 'V-5639'. Dimensions '1980'' are indicated for the width and height of the highlighted area.

# NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-17  
Effective 1-1-85

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

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>HARD AS NAILS STATE UNIT</b>		Well No. <b>1</b>
Unit Letter <b>J</b>	Section <b>27</b>	Township <b>9 South</b>	Range <b>26 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well <b>1980</b> feet from the <b>South</b> line and <b>1980</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3803.2</b>	Producing Formation <b>ABO</b>		Permit <b>PEROS SLOPE ABO</b>		Dedicated Acreage <b>160</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 **IS TO BE COMMUNITIZED**

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.

**Clifton R. May**

Name  
**Clifton R. May**

Position  
**Regulatory Agent**

Company  
**Yates Petroleum Corporation**

Date  
**October 14, 1987**

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  
**10/12/87**

Registered Professional Engineer and/or Land Surveyor

**Herschel L. Jones**  
Certificate No. **3640**

0 200 400 600 800 1000 1200 1400 1600 1800 2000 2200 2400 2600 2800 3000 3200 3400 3600 3800 4000 4200 4400 4600 4800 5000 5200 5400 5600 5800 6000 6200 6400 6600 6800 7000 7200 7400 7600 7800 8000 8200 8400 8600 8800 9000 9200 9400 9600 9800 10000