

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

Sherry B. - Eng.
Mike S. - Eng.
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 30-015-35891
⁵ Property Code 29657	⁴ Property Name Bleu Pearl BAF State Com	⁶ Well No 2
⁹ Proposed Pool 1 Wildcat Chester (Mississippian) (96068)		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	34	16S	27E		1980'	South	1650'	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 R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3387'
¹⁶ Multiple N	¹⁷ Proposed Depth 9200	¹⁸ Formation Chester	¹⁹ Contractor	²⁰ Spud Date ASAP
Depth to Groundwater Approx 70'		Distance from nearest fresh water well Approx. 3300 feet		Distance from nearest surface water Approx 500 feet
²¹ Pit Liner. Synthetic XX 12_mils thick Clay <input type="checkbox"/> Pit Volume 24,000 bbls Drilling Method Closed-Loop System <input 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
14.75	9.625	36#	1100'	1000	0
8.75	5.5	15.5#	9200'	2375	900

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

Yates Petroleum Corporation proposes to drill and test the Chester/intermediate formations. Approximately 1100' of surface casing will be set/cemented. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1400' FWGel; 1400-8200 Cut Brine; 8200-TD SaltGel/Starch/4-6% KCL.

BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S anticipated from the surface to the Chester (Mississippian) formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

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 NMOC guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature

Printed name Cy Cwan

Title Regulatory Agent

E-mail Address:

Date 9/07/2007

Phone (505) 748-4372

OIL CONSERVATION DIVISION

Approved by

BRYAN G. ARANT

Title.

DISTRICT II GEOLOGIST

Approval Date OCT 3 0 2007

Expiration Date

OCT 3 0 2008

Conditions of Approval Attached ☒

Previously approved C-102 attached

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

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

¹ API Number	² Pool Code 96068	³ Pool Name Wildcat Chester (Mississippian)
⁴ Property Code 29657	⁵ Property Name Bleu Pearl BAF State Com	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3387

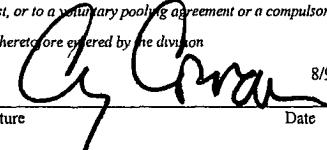
¹⁰ Surface Location

UL or lot no. K	Section 34	Township 16 S	Range 27 E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1650	East/West line West	County Eddy
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¹¹ 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
¹² Dedicated Acres 320 W/2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

<div><div>6 NM-101583</div><div><div>1650'</div><div>1980'</div></div></div>	<div><div>17 OPERATOR CERTIFICATION</div><div>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.</div><div><div></div><div>8/9/2007</div></div><div>Signature</div><div>Date</div><div>Cy Cowan, Regulatory Agent</div><div>Printed Name</div></div>
<div><div>VA-1588</div><div><div>1650'</div><div>1980'</div></div></div>	<div><div>18 SURVEYOR CERTIFICATION</div><div>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</div><div>Date of Survey</div><div>Signature and Seal of Professional Surveyor</div><div>REFER TO ORIGINAL PLAT</div><div>Certificate Number</div></div>

FROM : GENERAL SURVEYING Co
DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

FAX NO. : 5053930023
JUL 11 11:01 AM 2004
Energy, Minerals and Natural Resources Department

Sep. 13 2004 06:07AM P4
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 Wildcat Chester
Property Code	Property Name BLEU PEARL "BAF" STATE COM.	Well Number 2
OGRIID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3387

Surface Location

UL or lot No. K	Section 34	Township 16S	Range 27E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 1650	East/West line WEST	County EDDY
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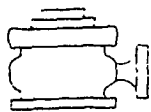
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Cy Cowan Printed Name Regulatory Agent Title September 20, 2004 Date
	SURVEYOR CERTIFICATION 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. 9/10/2004 Date Surveyed Signature of Professional Surveyor HERSHEL L. JONES NEW MEXICO 3640 Certificate No. Hershel L. Jones RLS 3640 BLEU PEARL GENERAL SURVEYING COMPANY

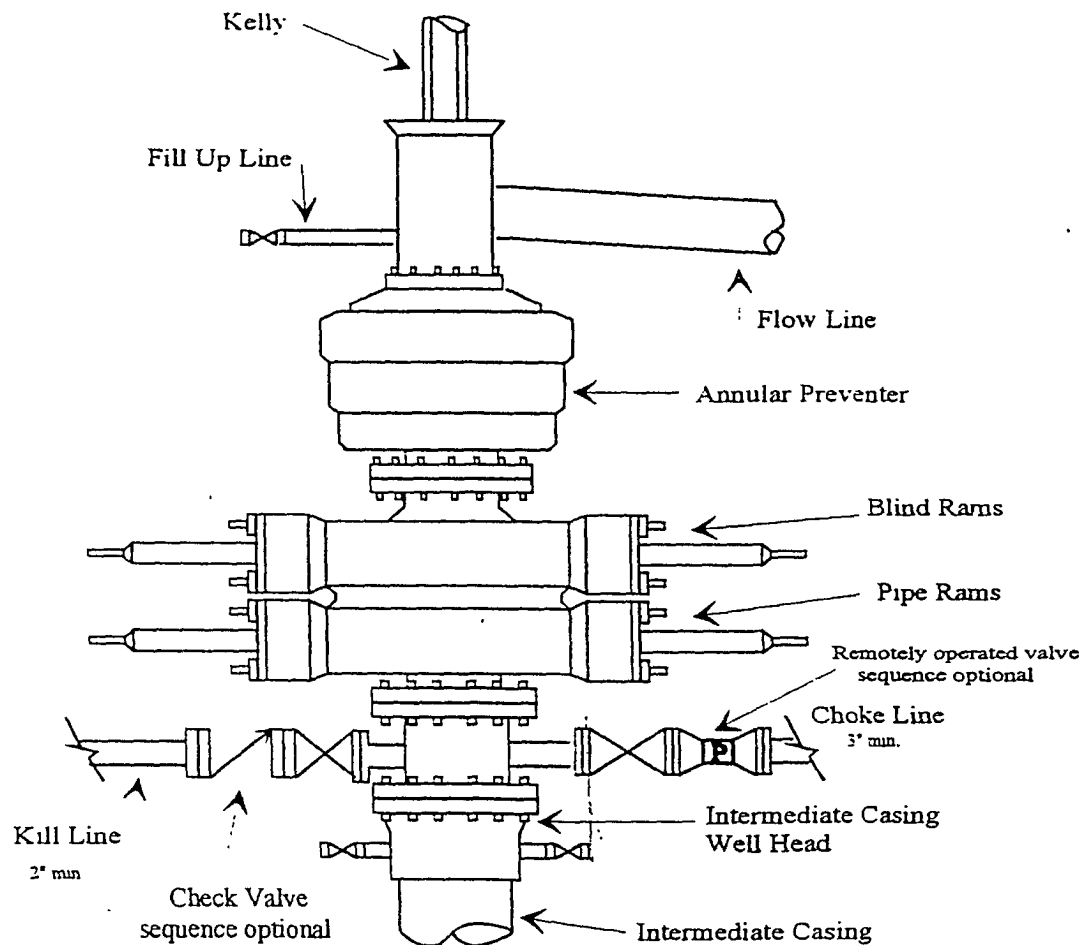
0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 3630' 3960' 4290' 4620' 4950' 5280' 5610' 5940' 6270' 6600'



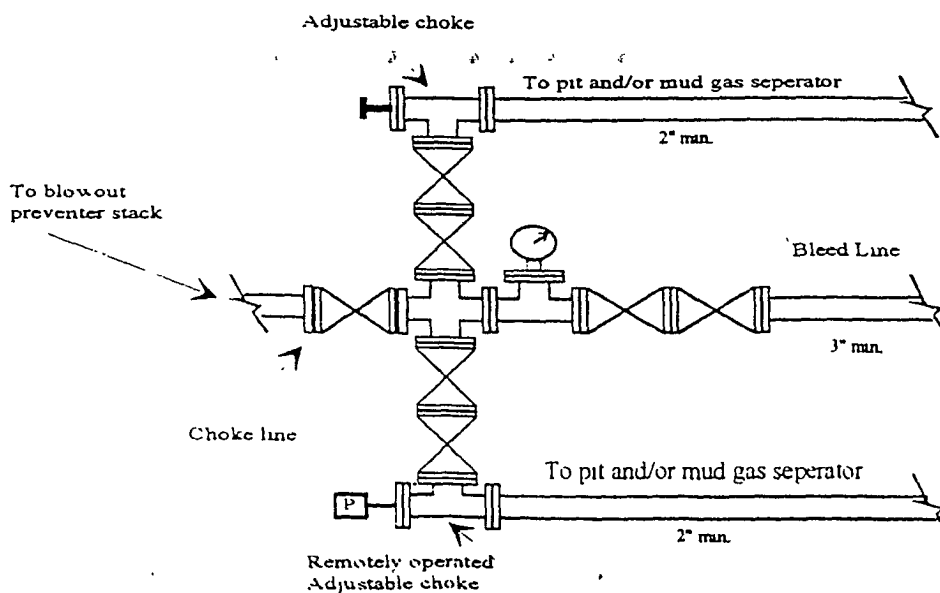
Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features



Permit Conditions Of Approval

C-101, Permit 1532

Operator YATES PETROLEUM CORPORATION , 25575

Well BLEU PEARL BAF STATE COM #002

OCD Reviewer	Condition
BARRANT	A maximum surface casing setting depth of @ 1100 Documented oil shows in Premier sands below
BARRANT	Notify OCD time of spud and time to witness the cementing of the surface casing

Permit Comments**Operator: YATES PETROLEUM CORPORATION , 25575****Well: BLEU PEARL BAF STATE COM. #002**

30 - 015 - 33632

User Name	Comment	Comment Date
DCAFFALL	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Chester Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.	9/20/2004
DCAFFALL	Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with approved general permit on file	9/20/2004
DCAFFALL	Depth of ground water. approx 70 feet, Distance from nearest fresh water well approx 3300', Distance from nearest surface water approx 500'	9/20/2004