

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
June 16, 2008

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

Submit to appropriate District Office

☐ AMENDED REPORT

JUN 15 2008
OCD-ARTESIA

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

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Sstreet Artesia, New Mexico		² OGRID Number 025575
		³ API Number 30 - 015-36421
³ Property Code 26974	⁵ Property Name Junior AWW State	⁶ Well No. 4H
⁹ Proposed Pool 1 Wildcat Wolfcamp		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
I	17	16S	28E		2130	South	150	East	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
L	17	16S	28E		1980	South	330	West	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3563
¹⁶ Multiple no	¹⁷ Proposed Depth TVD 6495' & MD 11125'	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	400'	425	Surface
11"	8 5/8"	24#	1850'	550	Surface
7 7/8"	5 1/4 "	17#	11125' MD	1950	TOC-1350'

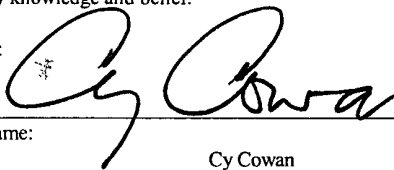
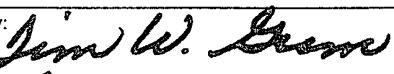
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposed to drill and test the Wolfcamp/Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set at 1850' and cement circulated to surface. If the well is determined that it maybe commercial, production casing will be ran to TD and cemented back to approximately 1350', perforated and stimulated as needed to gain production.

MUD PROGRAM: 0-400' w/Fresh Water Gel; 400' to 1850' w/Brine Water; 1850' to 6697' W/Cut Brine; (Horizontal Section)6044' to 11125' w/Cut Brine.

BOP PROGRAM: 1 3000 psi BOP will be nipped up on the 8 4/8" casing.

H2S IS NOT ANTICIPATED.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Cy Cowan		Title: District II Supervisor	
Title: Regulatory Agent		Approval Date: 7/18/08	Expiration Date: 7/18/10
E-mail Address:			
Date: 7/15/08	Phone: 575-748-4372	Conditions of Approval Attached ☐	

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36421	Pool Code 96794	Pool Name Wildcat Wolfcamp
Property Code	Property Name JUNIOR "AWW" STATE	Well Number 4H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3564'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	17	16 S	28 E		2130	SOUTH	150	EAST	EDDY

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
L	17	16 S	28 E		1980	SOUTH	330	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

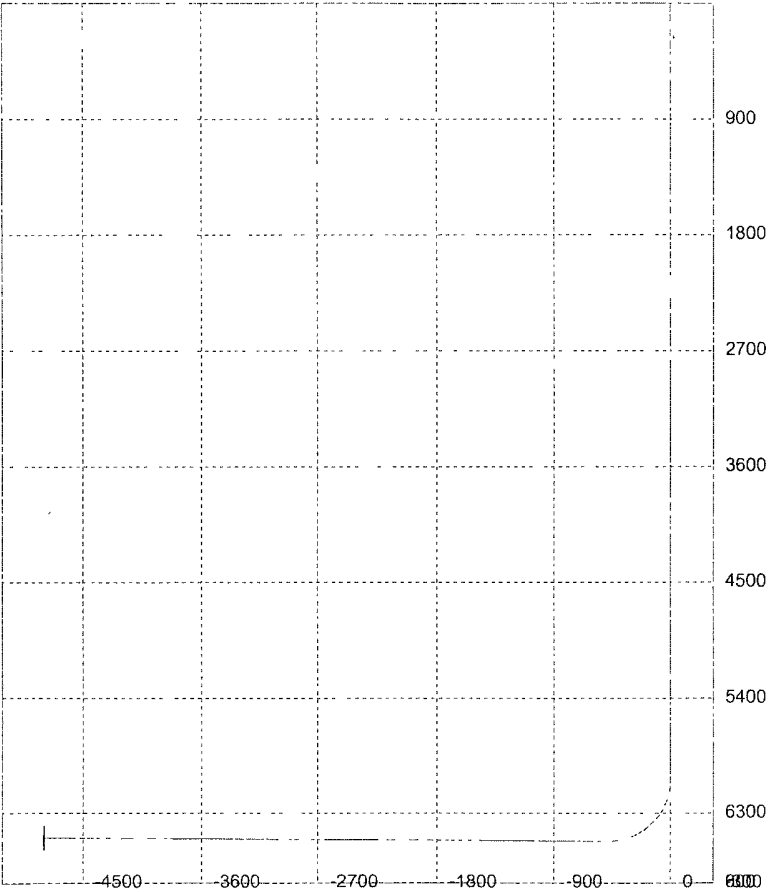
	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling under heretofore entered by the division. <i>Cy Cowan</i> 7/10/08 Signature Date Cy Cowan Printed Name 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. JULY 8, 2008 Date Surveyed <i>Gary L. Jones</i> Signature & Seal Professional Surveyor W.D. 20080566 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
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M.D.	Inclination	Azimuth	T.V.D.	N/S	E/W	D.L.S.	Tool Face	F.F. Ref (HS/GN)	
0	0	0	0	0	0	0			
279	0	0	279	0	0	0			YATES
449	0	0	449	0	0	0			SEVEN RIVERS
975	0	0	975	0	0	0			QUEEN
1,149'	0	0	1,149'	0	0	0			GRAYBURG
1,755'	0	0	1,755'	0	0	0			SAN ANDRES
3,233'	0	0	3,233'	0	0	0			GLORIETA
4,517'	0	0	4,517'	0	0	0			TUBB
5,237'	0	0	5,237'	0	0	0			ABO
6044'	0	0	6044'	0	0	12	273	GN	KOP
6050	0 72	273.46	6050	0	-0 04	12	360	HS	
6075	3 72	273.46	6074.98	0.06	-1	12	360	HS	
6100	6 72	273.46	6099.87	0.2	-3 27	12	0	HS	
6125	9 72	273.46	6124.61	0.41	-6 84	12	0	HS	
6150	12 72	273.46	6149.13	0.71	-11 7	12	0	HS	
6175	15 72	273.46	6173.36	1.08	-17 83	12	360	HS	
6200	18 72	273.46	6197.24	1.52	-25 21	12	0	HS	
6225	21 72	273.46	6220.7	2.04	-33 84	12	0	HS	
6250	24 72	273.46	6243.67	2.64	-43 67	12	0	HS	
6275	27 72	273.46	6266.09	3.3	-54 7	12	0	HS	
6300	30 72	273.46	6287.91	4.04	-66 88	12	0	HS	
6325	33 72	273.46	6309.06	4.84	-80.18	12	0	HS	
6350	36 72	273.46	6329.48	5.71	-94 57	12	0	HS	
6375	39 72	273.46	6349.12	6.65	-110 01	12	0	HS	
6400	42 72	273.46	6367.92	7.64	-126.45	12	0	HS	
6425	45 72	273.46	6385.83	8.69	-143 85	12	0	HS	
6450	48 72	273.46	6402.81	9.8	-162 17	12	0	HS	
6475	51 72	273.46	6418.81	10.96	-181 34	12	360	HS	
6500	54 72	273.46	6433.77	12.16	-201 33	12	0	HS	
6525	57 72	273.46	6447.67	13.42	-222 07	12	0	HS	
6550	60 72	273.46	6460.46	14.71	-243 5	12	0	HS	
6575	63 72	273.46	6472.11	16.05	-265.58	12	0	HS	
6600	66 72	273.46	6482.59	17.41	-288 23	12	360	HS	
6625	69 72	273.46	6491.87	18.81	-311 4	12	0	HS	
6650	72 72	273.46	6499.91	20.24	-335 03	12	360	HS	
6675	75 72	273.46	6506.71	21.69	-359 04	12	0	HS	
6700	78 72	273.46	6512.24	23.16	-383 37	12	360	HS	
6725	81 72	273.46	6516.49	24.65	-407 96	12	0	HS	
6750	84 72	273.46	6519.44	26.14	-432.74	12	0	HS	
6775	87 72	273.46	6521.09	27.65	-457 64	12	0	HS	
6796.92'	90.35	273.46	6521.46'	28.97	-479.51	12	0	HS	Pay Zone
11125.37'	90.35	273.46	6495'	290	-4800	0			Latéral TD

Pilot hole will be drilled to 6697'. Well will then be plugged back and kicked off at approx 6044' at 12 degrees per 100' with a 7 7/8" hole to 11,125' MD with a TVD of 6,495' at TD. Penetration point of producing zone will be 2160' FSL and 630' FEL, Sect 17, 16S-28E

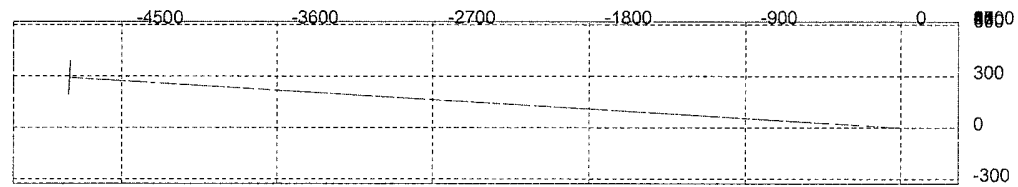
3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Junior AWW State #4H



3D³ Directional Drilling Planner - 3D View

Company: **Yates Petroleum Corporation**
Well: **Junior AWW State #4H**



Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Junior AWW State #4H

2130' FSL & 150' FEL, Surface Location

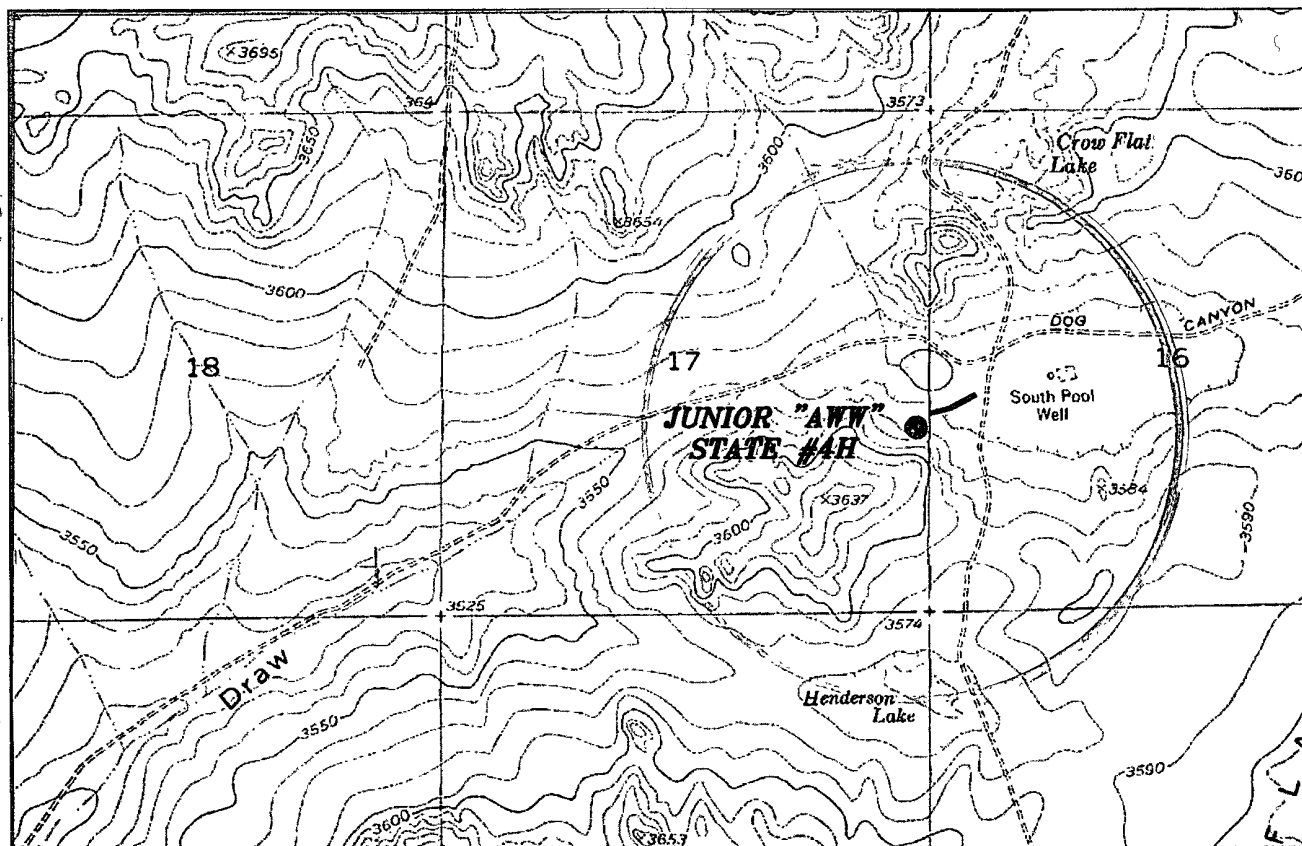
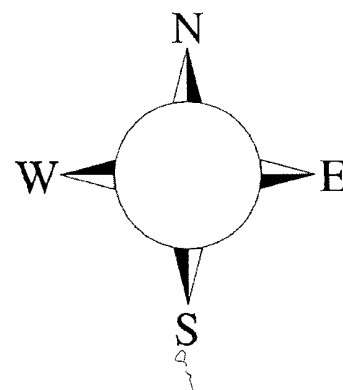
1980' FSL & 330' FWL, Bottom Hole

Section 17 T-16S, R-28E

Eddy County NM

Junior AWW State #4H Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office (575) 748-1471
Paul Ragsdale/Operations Manager (575) 748-4520
Ron Beasley/Production Manager (575) 748-4210
Wade Bennett/Prod Superintendent (575) 748-4236
Mike Lankin/Drilling (575) 748-4222
Paul Hanes/Prod. Foreman/Roswell (575) 624-2805
Tim Bussell/Drilling Superintendent (575) 748-4221
Artesia Answering Service (575) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police 746-2703
City Police..... 746-2703
Sheriff's Office 746-9888
Ambulance..... 911
Fire Department 746-2701
LEPC (Local Emergency Planning Committee) 746-2122
NMOCD..... 748-1283

Carlsbad

State Police 885-3137
City Police..... 885-2111
Sheriff's Office 887-7551
Ambulance..... 911
Fire Department 885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management..... 887-6544

New Mexico Emergency Response Commission (Santa Fe) (505) 476-9600
24 HR (505) 827-9126
New Mexico State Emergency Operations Center..... (505) 476-9635
National Emergency Response Center (Washington, DC) ... (800) 424-8802

Other

Boots & Coots IWC 1-800-256-9688 or (281) 931-8884
Cudd Pressure Control..... (915) 699-0139 or (915) 563-3356
Halliburton (505) 746-2757
B. J. Services..... (505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX (806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX (806) 747-8923

Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM(505) 842-4949