

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

JAN 09 2009 ☐ AMENDED REPORT

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 Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30 - 015-36891
³ Property Code	⁵ Property Name Pinochle BNP State Com.	⁶ Well No. 1H
⁹ Proposed Pool 1 Wildcat Bone Springs		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
P	22	25S	28E		860	South	630	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
M	22	25S	28E		660	South	330	East	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 2975'
¹⁶ Multiple No	¹⁷ Proposed Depth TVD 8700' & MD 12920'	¹⁸ Formation Bone Springs	¹⁹ Contractor Undetermined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	11 3/4"	42#	400'	275	Surface
11"	8 5/8"	32#	2550'	700	Surface
7 7/8"	5 1/2"	17#	12920' MD	2225	TOC-2050'

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 Bone Springs/Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set at 2550' and cement circulated to surface. If the well is determined that it maybe commercial, production casing will be ran to TD with DV Tool at 6300' and cemented in two stages with top of cement back to approximately 2050', perforated and stimulated as needed to gain production.

MUD PROGRAM. 0 to 400' w/Fresh Water; 400' to 2550' w/Brine Water; 2550' to 8700' w/Cut Brine; 8023' to 12920 w/Cut Brine (Horizontal Section)

BOP PROGRAM It is requested that a variance be given to test the BOP on the surface casing to 1000 psi using rig pumps. A 3000 psi BOP will be nipped up on the 8 5/8" casing.

H2S IS NOT ANTICIPATED

*LEASE EXPIRES 1/31/09

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Cy Cowan

Title:

Regulatory Agent

E-mail Address:

Date:

January 9, 2009

Phone

575-748-4372

OIL CONSERVATION DIVISION

Approved by:

District II Supervisor

Approval Date:

1/12/09

Expiration Date:

1/12/11

Conditions of Approval Attached ☐



1-12-09

YATES PETROLEUM CORPORATION

Pinochle BNP State Com. #1H

860' FSL & 630' FEL, Surface Hole

660' FSL & 330' FWL, Bottom Hole

Section 22-T25S-R28E

Eddy County, New Mexico

ADDITIONAL COMMENTS: A pilot hole will be drilled vertically to 8700'. The well will then be plugged back and then kicked off at approximately 8023' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 12,920' MD (8500' TVD) where 5 1/2" casing will be set and cemented. The penetration point of the producing zone will be encountered at 838' FSL & 1107' FEL of 22-25S-28E. Deepest TVD in the well is 8700' in the pilot hole. Deepest TVD in the lateral is 8500'.

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DISTRICT IV

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-36891	Pool Code 96053	Pool Name WC; Wildeat Bone Springs
Property Code 37553	Property Name PINOCHLE "BNP" STATE COM	Well Number 1H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 2975'

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	22	25 S	28 E		860	SOUTH	630	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
M	22	25 S	28 E		660	SOUTH	330	WEST	EDDY
Dedicated Acres 160	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

BOTTOM HOLE LOCATION Lat - N32°06'36.22" Long - W104°04'57.83" SPC- N.: 403866.383 E.: 618928.782 (NAD-83)		Producing Zone		Project Area		Penetration Point 838' FSL & 1107' FEL		SURFACE LOCATION Lat - N32°06'37.82" Long - W104°04'06.73" SPC- N.: 404039.112 E.: 623322.629 (NAD-83)	

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 order heretofore entered by the division.

[Signature] 1/9/09
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.

JANUARY 7, 2009

Date Surveyed

[Signature]
Signature of Gary L. Jones
Professional Surveyor

[Seal]

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

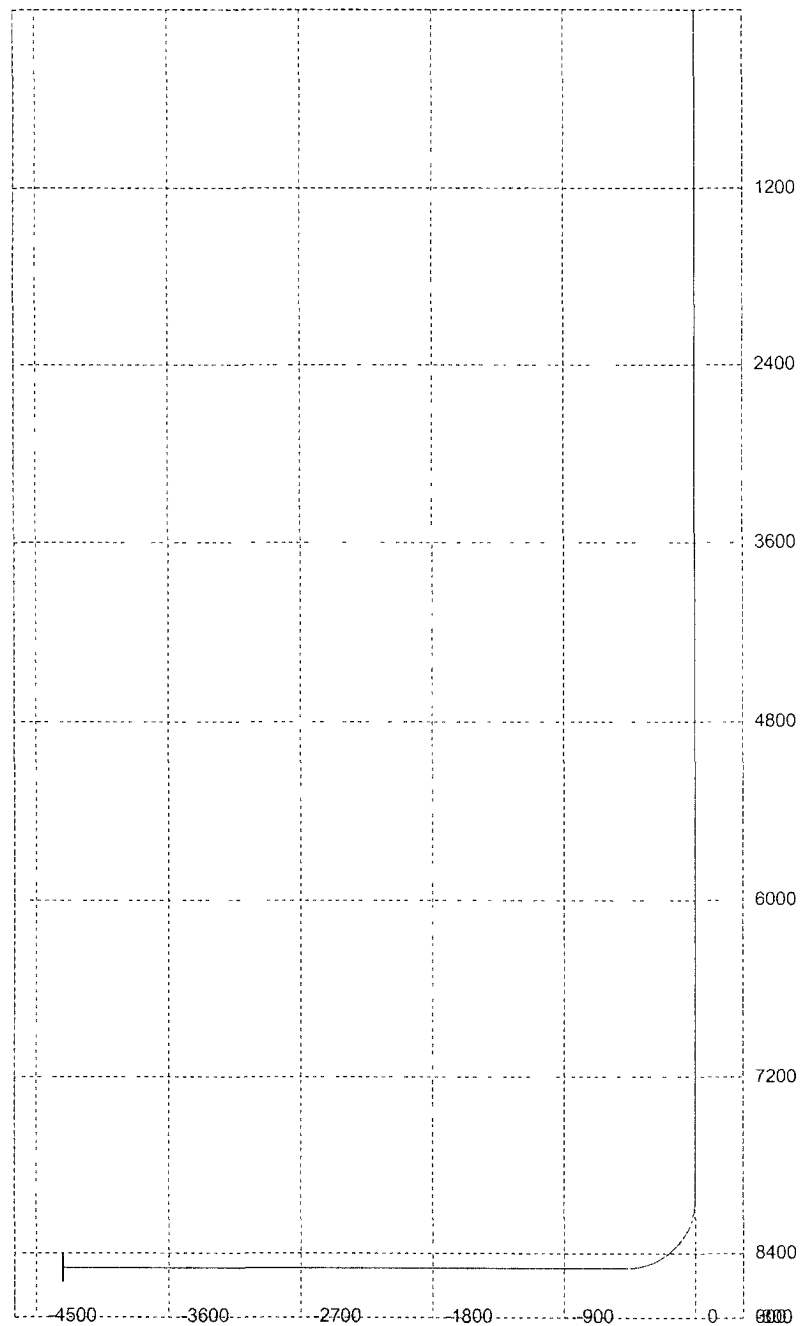
M.D	Inclination	Azimuth	T.V.D	N+S	E+W	DLS	ToolFace	F.R	HS/GN
0	0	0	0	0	0	0			
925	0	0	925	0	0	0			CASTILLE
2,480	0	0	2,480	0	0	0			DELAWARE
3,300	0	0	3,300	0	0	0			CHERRY CANYON
4,555	0	0	4,555	0	0	0			BRUSHY CANYON
6,080	0	0	6,080	0	0	0			BONE SPRINGS
7,150	0	0	7,150	0	0	0			FBSG
7,850	0	0	7,850	0	0	0			SBSG
8023	0	0	8023	0	0	12	267	GN	KOP
8025	0 24	267 35	8025	0	0	12	0	HS	
8050	3.24	267.35	8049.99	-0.04	-0.76	12	360	HS	
8075	6.24	267.35	8074.9	-0.13	-2.83	12	0	HS	
8100	9.24	267.35	8099.67	-0.29	-6.19	12	360	HS	
8125	12.24	267.35	8124.23	-0.5	-10.84	12	0	HS	
8150	15.24	267.35	8148.51	-0.78	-16.77	12	360	HS	
8175	18.24	267.35	8172.45	-1.11	-23.97	12	360	HS	
8200	21.24	267.35	8195.97	-1.5	-32.4	12	360	HS	
8225	24.24	267.35	8219.03	-1.95	-42.05	12	360	HS	
8250	27.24	267.35	8241.54	-2.45	-52.9	12	0	HS	
8275	30.24	267.35	8263.46	-3	-64.9	12	360	HS	
8300	33.24	267.35	8284.72	-3.61	-78.04	12	0	HS	
8325	36.24	267.35	8305.26	-4.27	-92.27	12	0	HS	
8350	39.24	267.35	8325.03	-4.98	-107.55	12	0	HS	
8375	42.24	267.35	8343.97	-5.73	-123.85	12	360	HS	
8400	45.24	267.35	8362.03	-6.53	-141.11	12	360	HS	
8425	48.24	267.35	8379.16	-7.37	-159.3	12	360	HS	
8450	51.24	267.35	8395.32	-8.26	-178.35	12	0	HS	
8475	54.24	267.35	8410.45	-9.18	-198.23	12	0	HS	
8500	57.24	267.35	8424.52	-10.13	-218.86	12	0	HS	
8525	60.24	267.35	8437.49	-11.12	-240.21	12	0	HS	
8550	63.24	267.35	8449.33	-12.14	-262.2	12	0	HS	
8575	66.24	267.35	8460	-13.18	-284.79	12	0	HS	
8600	69.24	267.35	8469.46	-14.25	-307.9	12	0	HS	
8625	72.24	267.35	8477.71	-15.35	-331.47	12	360	HS	
8650	75.24	267.35	8484.71	-16.46	-355.44	12	360	HS	
8675	78.24	267.35	8490.44	-17.58	-379.75	12	0	HS	
8700	81.24	267.35	8494.9	-18.72	-404.32	12	0	HS	
8725	84.24	267.35	8498.05	-19.87	-429.09	12	360	HS	
8750	87.24	267.35	8499.91	-21.02	-453.99	12	0	HS	
8773.06	90.01	267.35	8500.46	-22.08	-477.01	0			SBSG PAY
12620.16	90.01	267.35	8500	-200	-4320	0			LATERAL TD

Pilot hole drilled vertically to 8700'. Well will then be plugged back then kicked off at approx 8023' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 12,920' MD (8,500' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 838' FSL and 1,107' FEL, 22-25S-28E Deepest TVD in the well is 8700' in the pilot hole. Deepest TVD in the lateral is 8500'

3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation

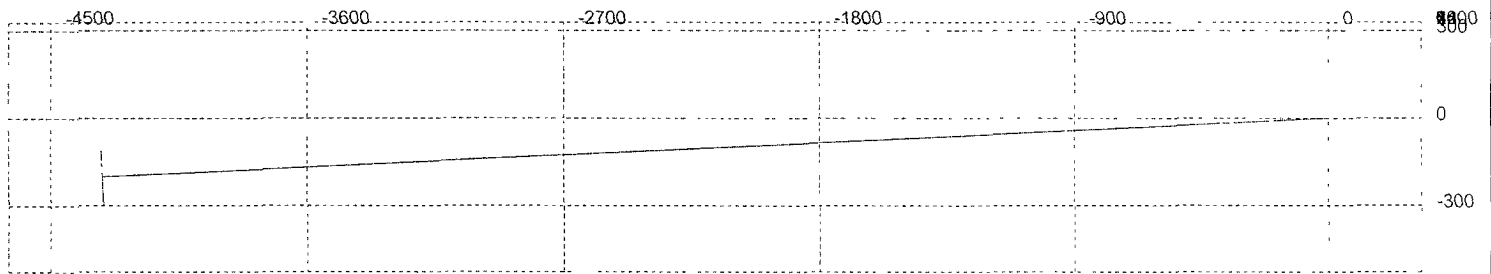
Well: Pinochle BNP State Com. #1H

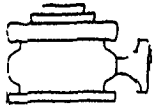


3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation

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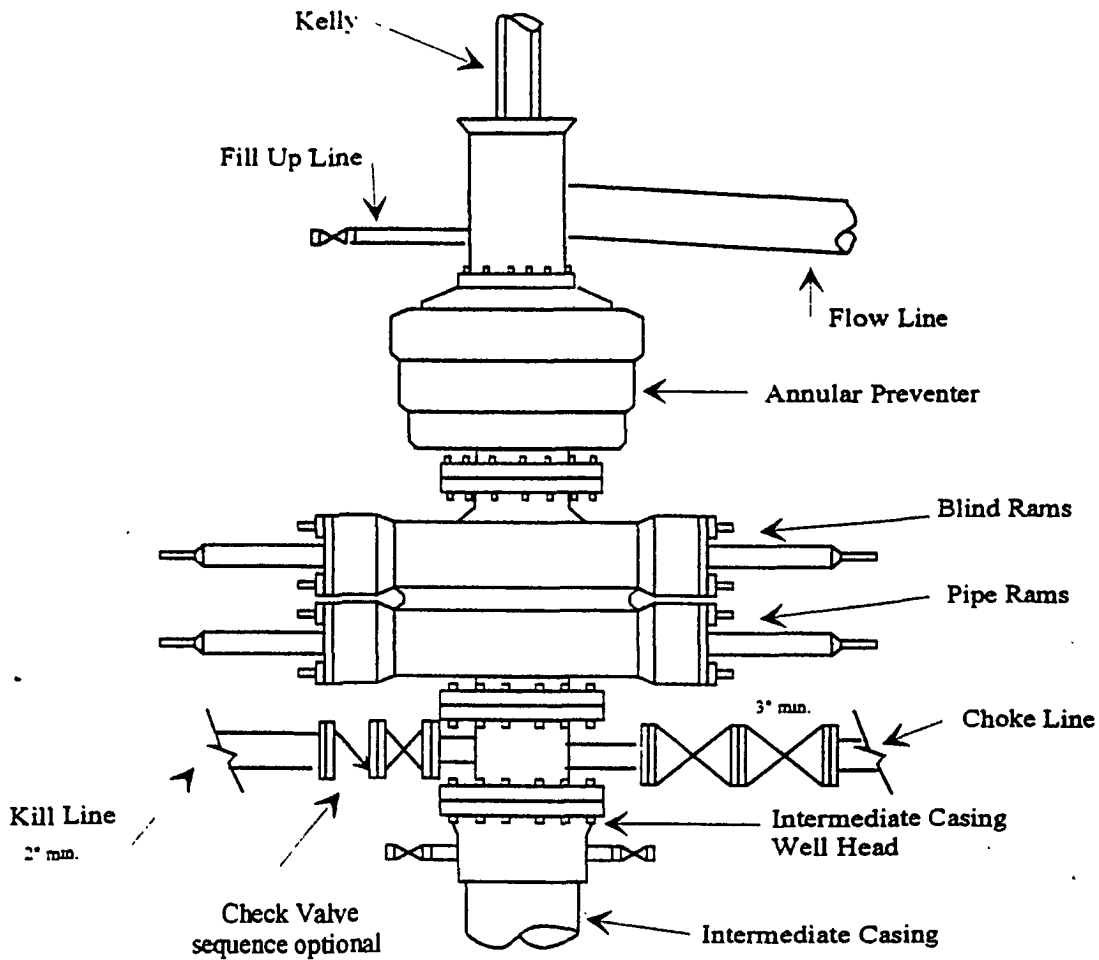




Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



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

