

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

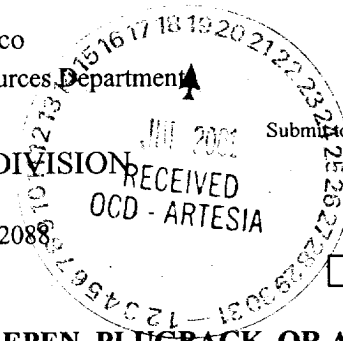
DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO BOX 2088
Santa Fe, NM 87504-2088



CISF
BLM
SEHA
Form C-101
Revised March 17, 1999
Instructions on back
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

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- 005-63403 |
| ⁴ Property Code 28492 | ⁵ Property Name Casino "AXC" State | ⁶ Well No. 1 |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 2 | 10S | 26E | | 1980' | South | 660' | West | Chaves |

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 |
|---|---------|----------|-------|---------|-------------------------------|------------------|---------------|----------------|--------|
| ⁹ Proposed Pool 1 Wildcat Precambrian | | | | | ¹⁰ Proposed Pool 2 | | | | |

| | | | | |
|-----------------------------------|---------------------------------------|-------------------------------------|--|---|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code State | ¹⁵ Ground Level Elevation 3847' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 6655' | ¹⁸ Formation Basement | ¹⁹ Contractor Not Determined | ²⁰ Spud Date ASAP |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/feet | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 12 1/4" | 8 5/8" | 24# | 1100' | 750 sx | Surface |
| 7 7/8" | 5 1/2" | 15.5# | 6655' | 550 sx | ** |

** Cement to cover all oil, gas & waterbearing zones.

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 Basement and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-1100' FWGel/Paper/LCM; 1100-4490' Brine; 4490-6655' Starch/Salt Gel.
BOPE PROGRAM: A 2000# BOPE will be installed on the 8 5/8" casing and tested daily.

| | |
|---|---|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Pat Perez</i> | OIL CONSERVATION DIVISION Approved by: ORIGINAL SIGNED BY TIM W. GUM Title: DISTRICT II SUPERVISOR |
| Printed name: Pat Perez | Title: DISTRICT II SUPERVISOR |
| Title: Regulatory Agent | Approval Date: JUL 22 2001 Expiration Date: JUL 22 2002 |
| Date: 7-19-2001 | Conditions of Approval Attached <input type="checkbox"/> |
| Phone: (505) 748-1471 | |

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Revised March 17, 1999
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Fee Lease - 3 Copies

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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 Precambrian |
| Property Code | Property Name CASINO "AXC" STATE | Well Number 1 |
| OCED No. 025575 | Operator Name YATES PETROLEUM CORPORATION | Elevation 3847 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 2 | 10S | 26E | | 1980 | SOUTH | 660 | WEST | CHAVES |

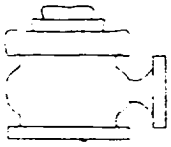
Bottom Hole Location If Different From Surface

| 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

| | | | | |
|--|---------|--|---------------------------|--|
| | | | | <p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Pat Perez</i></p> <p>Signature</p> <p>Pat Perez</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>7-19-2001</p> <p>Date</p> |
| | | | | |
| | | | | <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>2/16/2001</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Herschel L. Jones</i></p> <p>HERSHEL L. JONES NEW MEXICO REGISTERED PROFESSIONAL SURVEYOR Certificate No. Herschel L. Jones RLS 3640 CASINO - L C/D-1 GENERAL SURVEYING COMPANY</p> |
| | | | | |
| <p>N.33°28'21.7" W.104°16'28.1"</p> <p>660'</p> <p>1980'</p> | VO-5583 | | <p>1980'</p> <p>1980'</p> | |

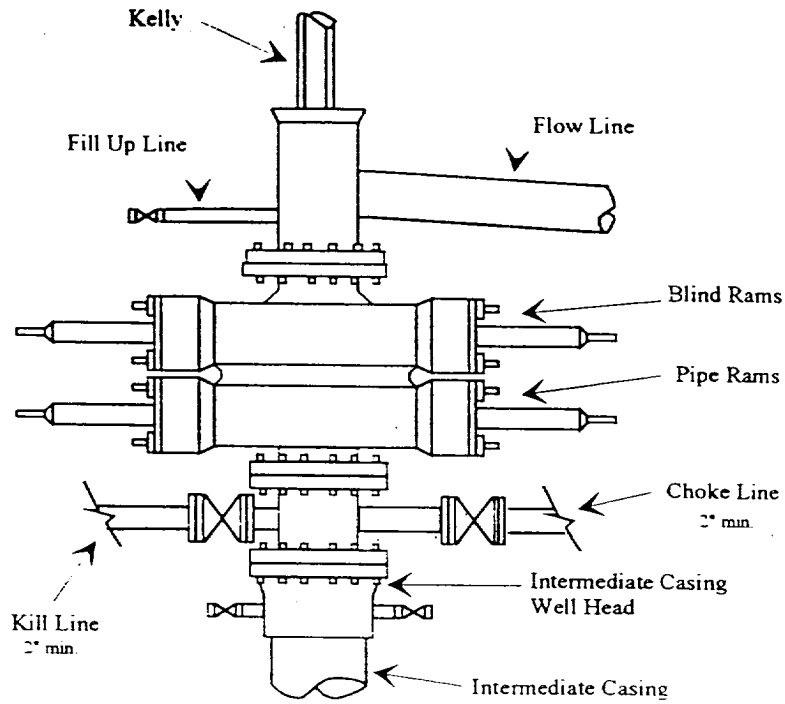


Yates Petroleum Corporation

BOP-2

Typical 2,000 psi Pressure System Schematic

Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features

