

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
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 4TH ST., ARTESIA, NM 88210		² OGRID Number 25575
³ Property Code 2-7794	⁴ Property Name STATE GAS COM BH	⁵ API Number 30-045-32972
⁶ Well No. 2		
⁷ Proposed Pool 1 HARPER HILLS FULTON-KUTZ PICTURED CLIFFS		⁸ 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
M	32	31 N	13 W		1140	SOUTH	825	WEST	SAN JUAN

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 ROTARY	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 5,618'
¹⁶ Multiple N	¹⁷ Proposed Depth 1,775'	¹⁸ Formation LEWIS	¹⁹ Contractor UNKNOWN	²⁰ Spud Date UPON APPROVAL
Depth to Groundwater 100'		Distance from nearest fresh water well >3,000'		Distance from nearest surface water >100'
Pit: Liner: Synthetic ☒ 12 mils thick Clay ☐ Pit Volume: 1,025 bbls Drilling Method: Fresh Water ☒ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				
Closed-Loop System ☐				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
8-3/4"	7"	17#	500'	125	SURFACE
6-1/4"	4-1/2"	10.5#	1,775'	225	SURFACE

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.

Use 2,000 BOP system



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 NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐ .		OIL CONSERVATION DIVISION	
Printed name: BRIAN WOOD		Approved by:	
Title: CONSULTANT		Title: DEPUTY OIL & GAS INSPECTOR, DIST. IV	
E-mail Address: brian@permitswest.com		Approval Date: MAR 21 2005 Expiration Date: MAR 21 2006	
Date: 3-19-05	Phone: (505) 466-8120	Conditions of Approval Attached ☐	

State of New Mexico
Energy, Minerals & Mining Resources Department

Form C - 102

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

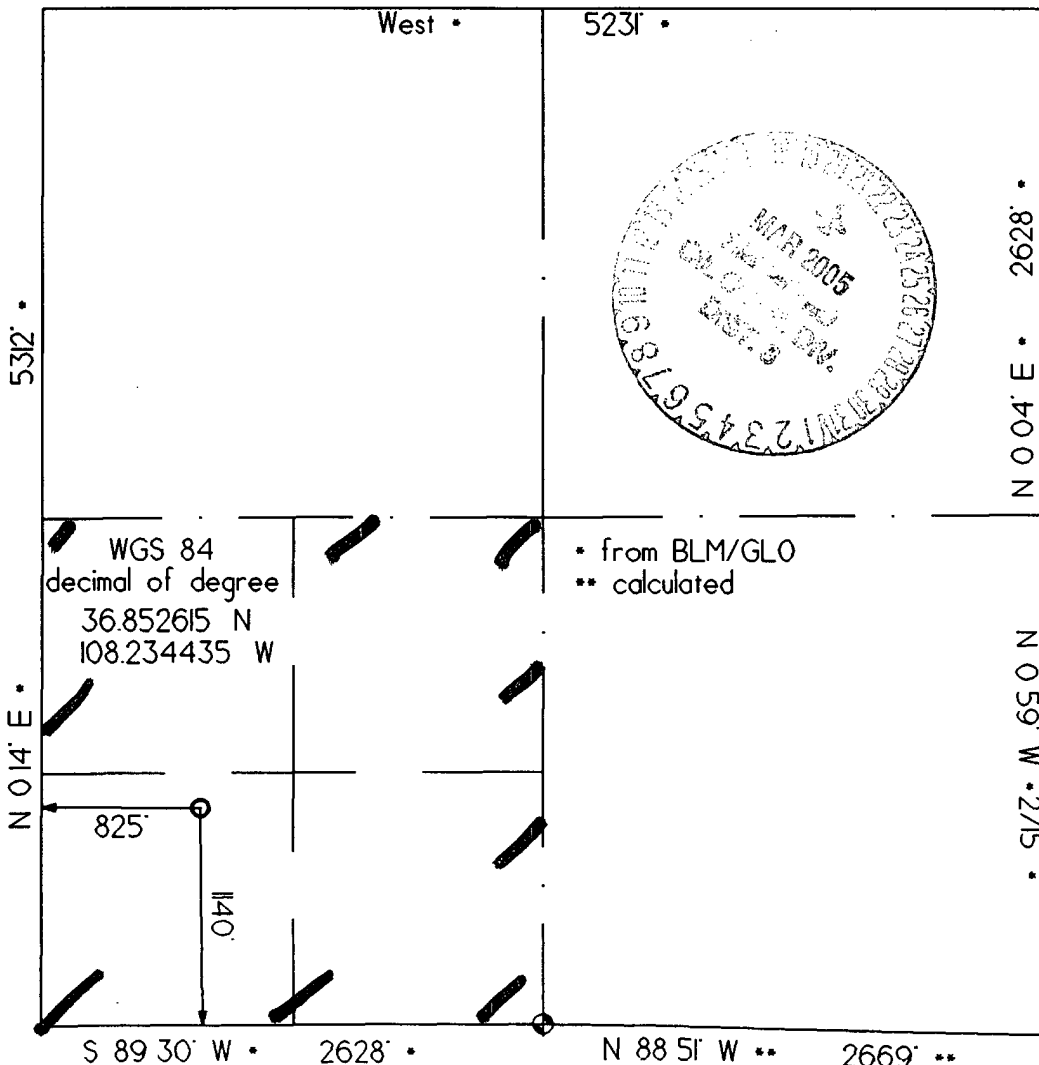
APA Number 30-045-32972	Pool Code 77200 78160	Pool Name FULCHER-KUTZ-PICTURED CLIFFS
Property Code 27794	Property Name STATE GAS COM BH	Well Number 2
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 5618'

Surface Location									
UL or Lot M	Sec. 32	Twp. 31 N.	Rge. 13 W.	Lot Idn.	Feet from 1140'	North/South South	Feet from 825'	East/West West	County SAN JUAN

Bottom Hole Location If Different From Surface									
UL or Lot	Sec.	Twp.	Rge.	Lot Idn.	Feet from	North/South	Feet from	East/West	County

Dedication 160	Joint ?	Consolidation	Order No.
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NO ALLOWABLE WILL 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.

Signature **Brian Wood**

Printed Name **BRIAN WOOD**

Title **CONSULTANT**

Date **MAR. 19, 2005**

SURVEYOR CERTIFICATION
I hereby certify that the well location 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.

Date of Survey **12.6.04**

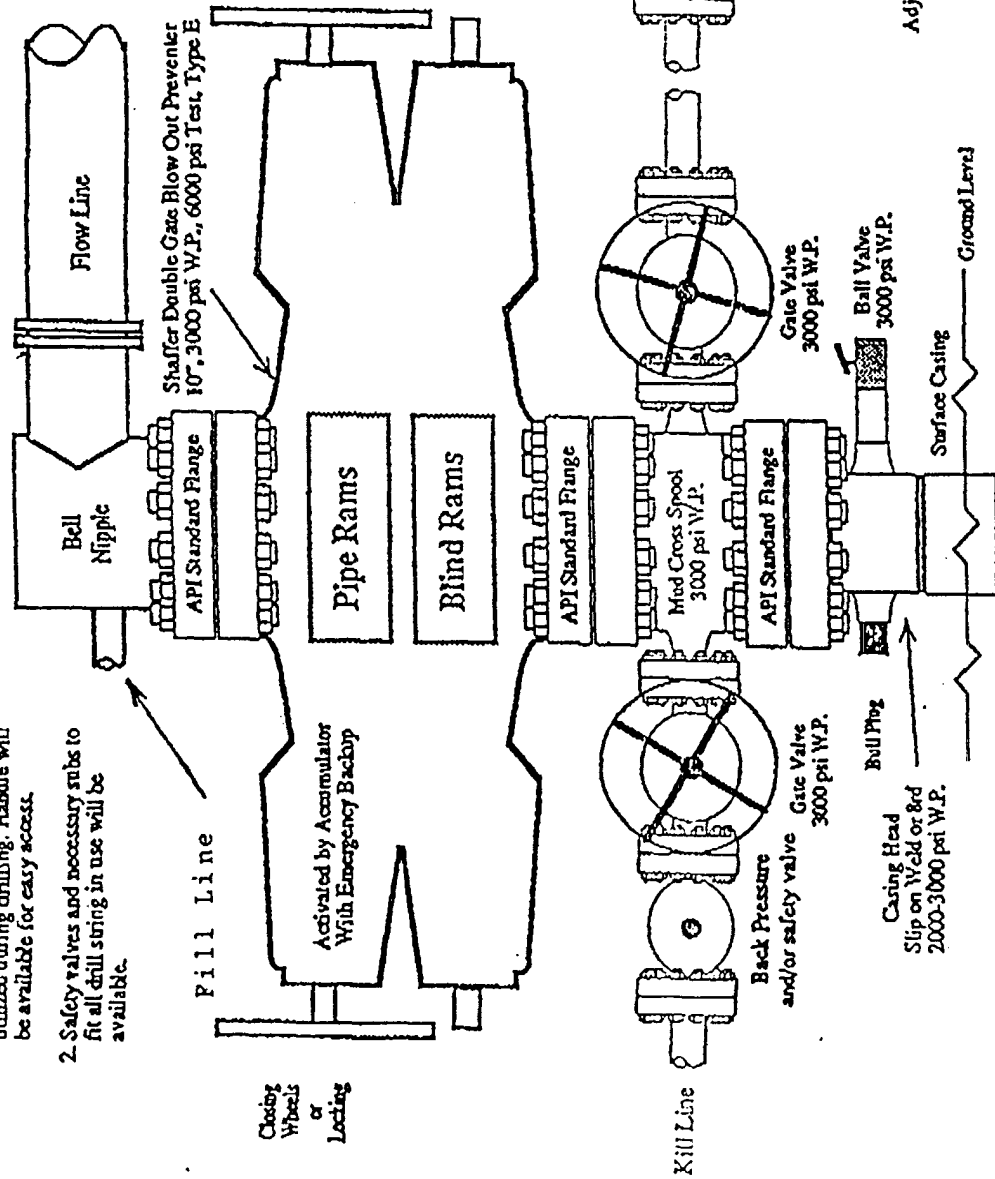
Signature and Seal of Professional Surveyor

GERALD C. HUDDLESTON
REGISTERED LAND SURVEYOR
NEW MEXICO
6844

Pressure Control Equipment

Now: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Minimum 2" Choke Line.
Minimum 2" Kill Line.
At Least One 2" Minimum Kill Line Valve.

Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.