

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
 Oil, Minerals and Natural Resources

Form C-101
 May 27, 2004

RECEIVED

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

Submit to appropriate District Office

AMENDED REPORT

MAR 03 2008

3

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

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575	
Property Code 34586		API Number 30-005-29022	
Property Name Patsy State Unit		Well No 3	
Proposed Pool 1 Wildcat Mississippian		Proposed Pool 2	

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	12S	31E		660'	North	990'	West	Chaves

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

Work Type Code New well	Well Type Code G	Cable/Rotary	Lease Type Code State	Ground Level Elevation 4457'
Multiple N	Proposed Depth 11175'	Formation Mississippi Limestone	Contractor Not Determined	Spud Date
Depth to Groundwater 126'		Distance from nearest fresh water well 4600'		Distance from nearest surface water 300'
Pit: Liner: Synthetic XX 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls		Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>		
Closed-Loop System <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48	400'	450	0
12.25	9.625	36	3700'	1350	0
8.75	5.5	15.5	11175'	2225	3200

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 Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-400' FW/Spud Mud; 400-1450' Fresh Water; 1450-3700' Red Bed Mud/Oil; 3700-7200' Cut Brine; 7200-8550' S Gel/Oil; 8550-10500 S Gel/Starch; 10500-11375 SW/Starch/4% KCL.

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

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 Mississippian formation meet the OCD's minimum requirements for the submission of a contingency plan per Rule

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 .

Signature: *Debbie L. Caffall*
 Printed name: Debbie L. Caffall
 Title: Regulatory Agent
 E-mail Address: debbiec@ypcnm.com
 Date: 2/14/08 Phone: (575) 748-4376

OIL CONSERVATION DIVISION	
Approved by: <i>Chris Williams</i>	
Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Approval Date: MAR 06 2008	Expiration Date:
Conditions of Approval Attached <input type="checkbox"/>	

**Permit Expires 2 Years From Approval
 Date Unless Drilling Underway**

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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 30-005-29022		² Pool Code ✓	³ Pool Name Wildcat Mississippian
⁴ Property Code 34586	⁵ Property Name Patsy State Unit		⁶ Well Number 3
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 4457'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	12S	31E		660	North	990	West	Chaves

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 W2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

	<p>17 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 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</p> <p><i>Debbie L. Caffall</i> 1/23/08 Signature Date</p> <p>Debbie L. Caffall Regulatory Agent Printed Name</p>
	<p>18 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.</p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>
	<p>REFER TO ORIGINAL PLAT</p> <p>Certificate Number</p>

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

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 Mississippian
Property Code	Property Name PASTY STATE UNIT	Well Number 3
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4457

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	10	12S	31E		660	NORTH	990	WEST	CHAVES

Bottom Hole Location If Different From Surface

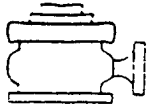
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature _____</p> <p>Printed Name <u>Debbie Caffall</u></p> <p>Title <u>Regulatory Agent</u></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>Date Surveyed <u>2/24/2005</u></p> <p>Signature & Seal of Professional Surveyor _____</p>	
	<p>Certificate No. <u>Wagner L. Jones RLS 3640</u></p> <p>NEW MEXICO GENERAL SURVEYING COMPANY PROFESSIONAL SURVEYOR</p>	

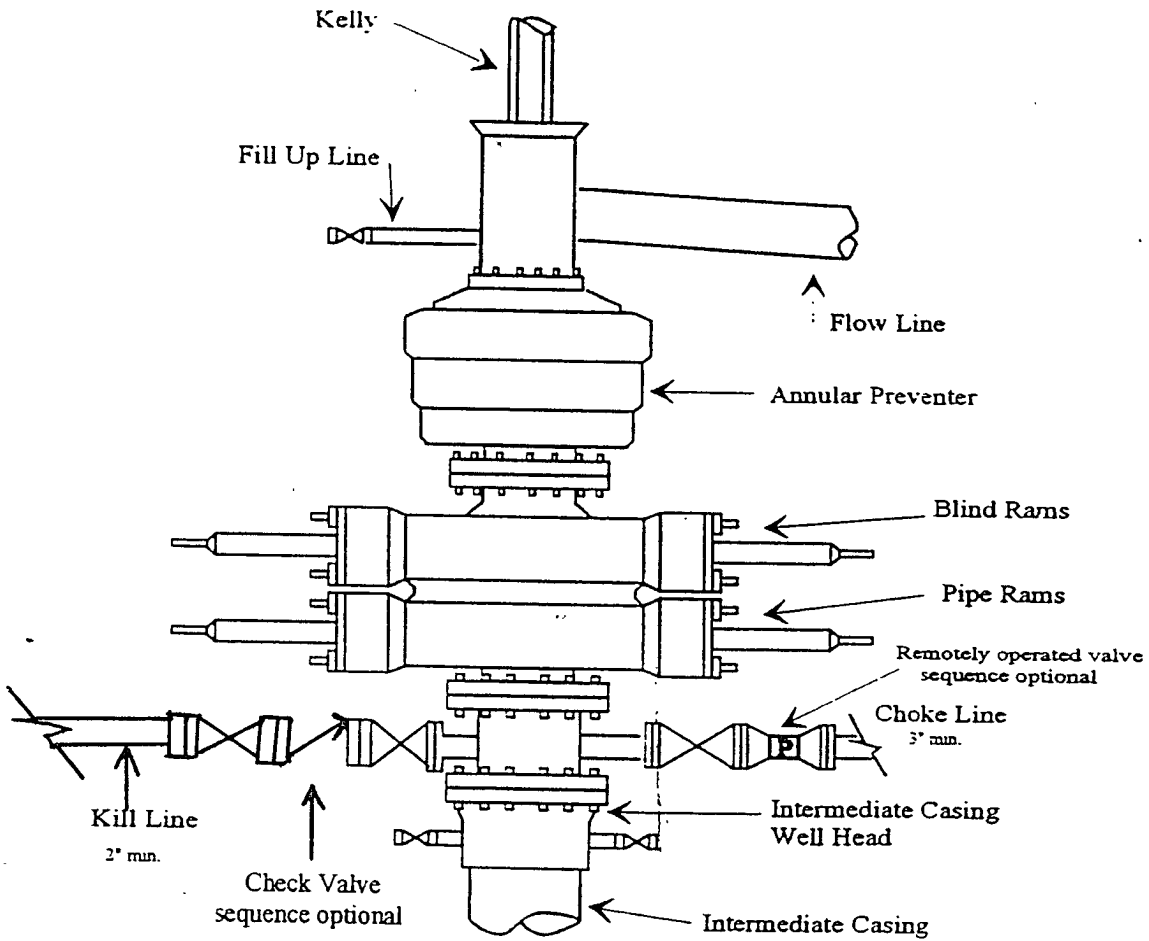
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



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

