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

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

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OCD-ARTESIA

Form C-101
May 27, 2004

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	[2] OGRID Number
Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210	025575
	[3] API Number 30 – 015 - 21881

[3] Property Code	[5] Property Name	[6] Well No.
20904	Dee 36 SE State	1

[9] Proposed Pool 1	[10] Proposed Pool 2
Cemetary Morrow	

[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
J	36	19S	24E		1980	South	1980	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

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
P	G	Pulling Unit	S	3601'GR
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	N/A	Morrow	N/A	ASAP

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
None	None	None

Pit: Liner: Synthetic ☐ ____ mils thick Clay ☐ Pit Volume:____ bbls

Closed-Loop System ☒

Drilling Method:
Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
		IN PLACE			

[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 plans to recomplete this well as follows: TIH with bit and tubing to plug at 7794' to make sure there is no fill over Canyon perfs or junk in the hole before cement squeeze. Run retainer on wireline and set at 7675'. Cement squeeze Canyon perfs 7707'-7784'. Drill out retainer and squeeze cement and pressure test. Drill out cement plug from 7794'-7855' and test 4 squeeze holes at 7855'. Drill out CIBP at 7940' and pressure test DV tool at 8148'. Clean out to CIBP at 9015'. Drill on CIBP to see if there is any cement on top. TIH with bit and scraper and go down to CIBP at 9015' and circulate hole clean. Swab casing dry or rig up nitrogen services and unload fluid from the well. POOH with bit and scraper. Knock out CIBP at 9015' and push below Morrow perfs 9126'-9148'. If unable to knock out CIBP consider RU coil tubing to foam drill CIBP. Morrow perfs 9126'-9148' have produced a large amount of gas and pressure is expected to be low. Allow pressure to stabilize and POOH with bailer and chisel. GIH with Uni-VI packer with on/off tool and profile nipple with blanking plug on wireline and set at approximately 9075'. GIH with tubing and overshot. Latch onto packer. Load annulus and test packer. ND BOP and NU tree. Pull blanking plug. Flow Morrow perfs or swab if needed to clean up and test.

[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: Tina Huerta

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tinah@ypcnm.com

Date: December 1, 2004 Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by: TIM W. GUM

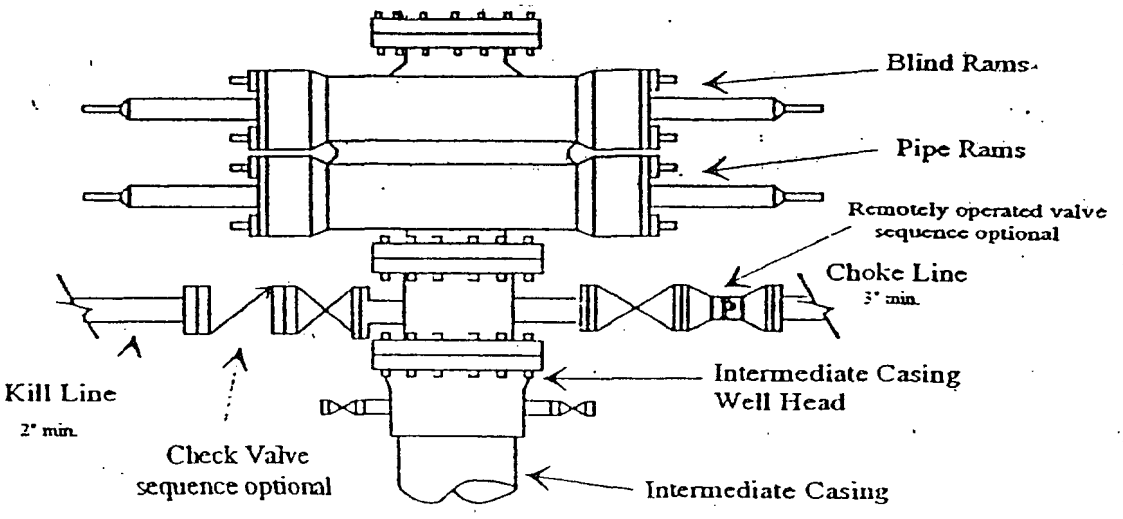
Title: DISTRICT II SUPERVISOR

Approval Date: DEC 05 2004 Expiration Date: DEC 05 2005

Conditions of Approval Attached ☐

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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