

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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NOV 11 2004

089-ARTESIA

Form C-101
March 4, 2004

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, NM 88210		² OGRID Number 025575 API Number 30 - 015-32096
³ Property Code	⁵ Property Name Boyd BN Com.	⁶ Well No. 3

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
G	15	19S	25E		1650'	North	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
		P							

⁹ Proposed Pool 1

Dagger Draw Upper Penn, North

¹⁰ Proposed Pool 2

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
G	15	19S	25E		1650'	North	1980'	East	Eddy

Depth to ground water

80'

Distance from nearest fresh water well

3000'

Distance from nearest surface water

600'

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3444'
¹⁶ Multiple No	¹⁷ Proposed Depth 8300'	¹⁸ Formation Canyon	¹⁹ Contractor Not Determined	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"	9 5/8"	36# J-55	1150'	1100	Surface
8 3/4"	7"	23# J-55	TD	1350	Surface
		26# N-80			

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 Canyon and intermediate formations. Approximately 1150' 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: FW Gel/LCM to 1150'; FW to 5200'; Cut Brine/KCL to 7200'; Cut Brine/KCL/Starch to TD. BOPE PROGRAM: A 3000# BPOE will be installed on the 9 5/8" casing and tested daily.

Contingency plan attached.

Thank you,

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 NMOC guidelines ☐, a general permit ☒ or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: Debbie L. Caffall

Title: Regulatory Technician / Land Department

E-mail Address: debbiec@ypcnm.com

Date: October 14, 2004

Phone: (505) 748-4364

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date:

DEC 02 2004

Expiration Date:

DEC 02 2005

Conditions of Approval:

Attached ☐

NOTIFY OCD OF SPUD & TIME
TO WITNESS CEMENTING OF
SURFACE CASING

PREVIOUSLY APPROVED

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

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

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Upper Dagger Draw Upper Penn, North	
⁴ Property Code		⁵ Property Name Boyd BN Com.			⁶ Well Number 3
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3444'

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
G	15	19S	25E		1650'	North	1980'	East	Eddy

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 160	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

¹⁶					¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title 10/14/2004 Date
					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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

DISTRICT II
611 South First, Artesia, NM 88210

DISTRICT III
1000 Elc Brazos Ed., Astec, NM 87410

DISTRICT IV
2040 South Pueblo, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Reports

Form C-102
Revised March 17, 1968
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
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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
			Upper Dagger Draw Upper Penn, North
Property Code	Property Name		Well Number
	Boyd BN Com.		3
OCRID No.	Operator Name		Elevation
025575	Yates Petroleum Corporation		3444'

Surface Location

UL or lot No.	Section	Township	Range	Lot Lin	Feet from the	North/South Line	Feet from the	East/West Line	County
G	15	19S	25E		1650'	North	1980'	East	Eddy

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Lin	Feet from the	North/South Line	Feet from the	East/West Line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
160									

**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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: center;"><i>Cy Cowan</i></p> <hr/> <p>Signature</p> <hr/> <p>Printed Name</p> <hr/> <p>Regulatory Agent</p> <hr/> <p>Title</p> <hr/> <p>11-09-01</p> <hr/> <p>Date</p> <hr/>
			<p>SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>Refer to original plat</p> <hr/> <p>Date Surveyed</p> <hr/> <p>Signature & Seal of Professional Surveyor</p> <hr/>
			<p>Certificate No. Herschel L. Jones RLS 3640</p> <hr/> <p>GENERAL SURVEYING COMPANY</p>

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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

Form C-11
Revised February 10, 1996
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name Dagger Draw, Upper Penn, North	
4 Property Code		5 Property Name BOYD "BN" COM			6 Well Number 3
7 OGRID No. 025575		8 Operator Name YATES PETROLEUM CORPORATION			9 Elevation 3444.

10 Surface Location

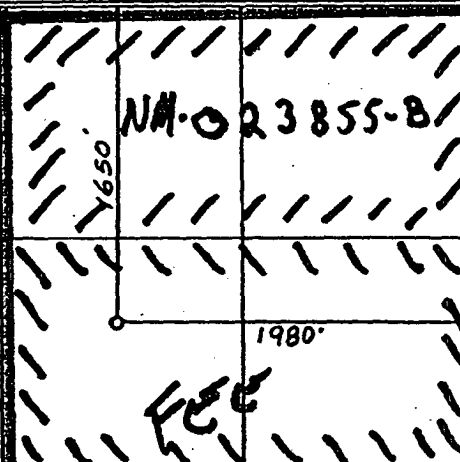
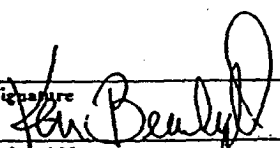
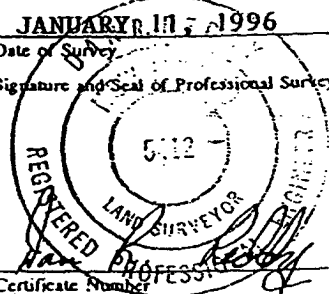
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	15	19-S	25-E		1650	NORTH	1980	EAST	EDDY

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 160	13 Joint or Infill	14 Consolidation Code	15 Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
		Signature:  Printed Name: Ken Beardemph Title: Landman Date: 1-12-96	
		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.	
		JANUARY 17, 1996 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number: NM-PE&PS NO. 5412	

Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Boyd BN Com. #3

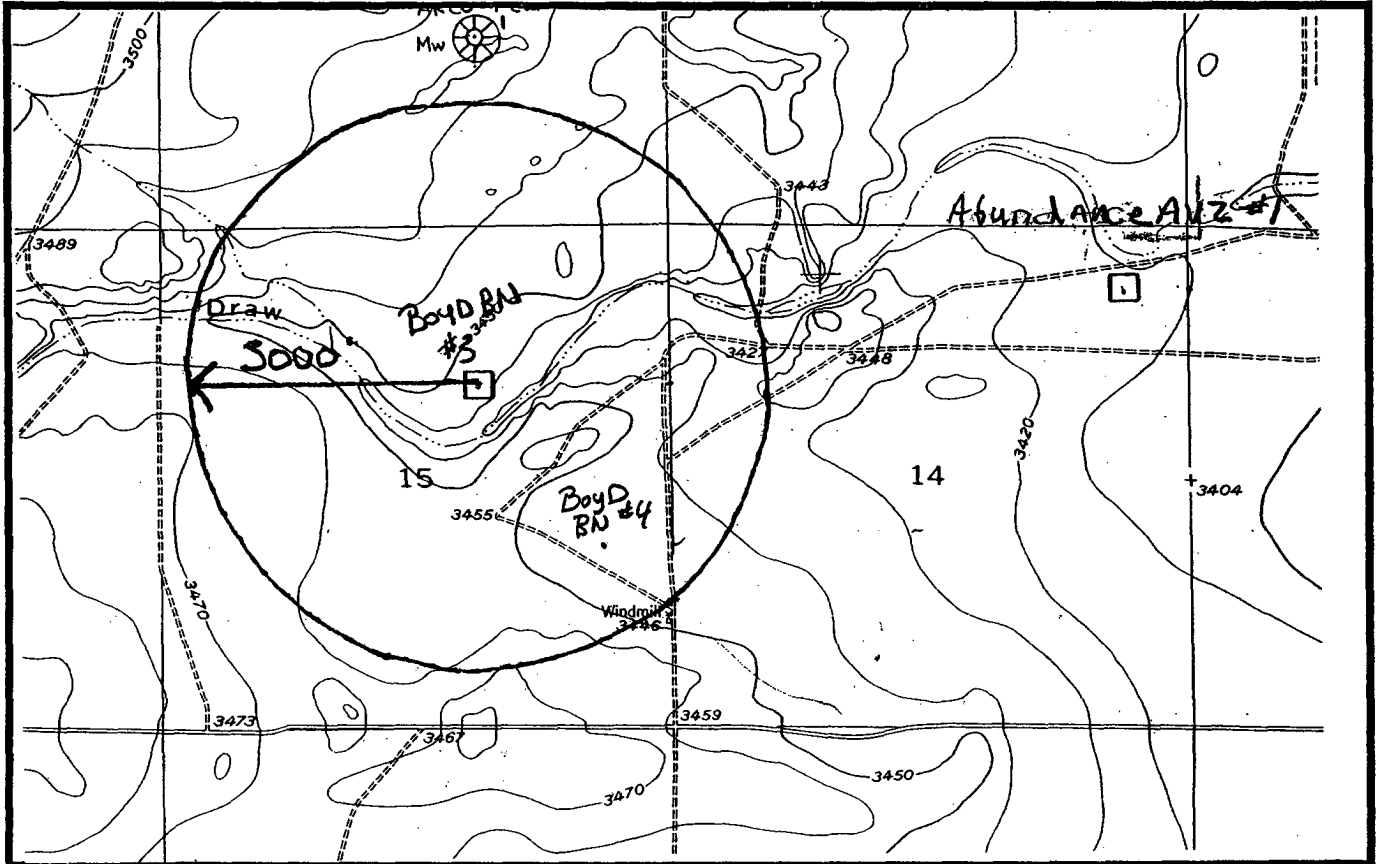
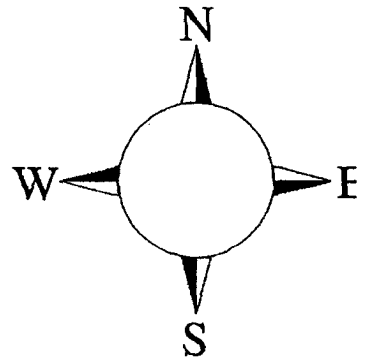
1650' FNL, 1980' FEL

Sec-15, T-19S, R-25E

Eddy County NM

Boyd BN Com. #3

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office (505) 748-1471
Pinson McWhorter/Operations Manager (505) 748-4189
Darrel Atkins/Production Manager (505) 748-4204
Ron Beasley/Prod Superintendent (505) 748-4210
Al Springer/Drilling (505) 748-4225
Paul Hanes/Prod. Foreman/Roswell (505) 624-2805
Jim Krogman/Drilling Superintendent..... (505) 748-4215
Artesia Answering Service (505) 748-4302
(During non-office hours)

Agency Call List

Eddy County (505)

Artesia

State Police..... 746-2703
City Police..... 746-2703
Sheriff's Office 746-9888
Ambulance 911
Fire Department 746-2701
LEPC (Local Emergency Planning Committee) 746-2122
NMOCD..... 748-1283

Carlsbad

State Police..... 885-3137
City Police..... 885-2111
Sheriff's Office 887-7551
Ambulance 911
Fire Department 885-2111
LEPC (Local Emergency Planning Committee)..... 887-3798
US Bureau of Land Management.....887-6544

New Mexico Emergency Response Commission (Santa Fe) (505)476-9600
24 HR(505) 827-9126
National Emergency Response Center (Washington, DC) ...(800) 424-8802

Other

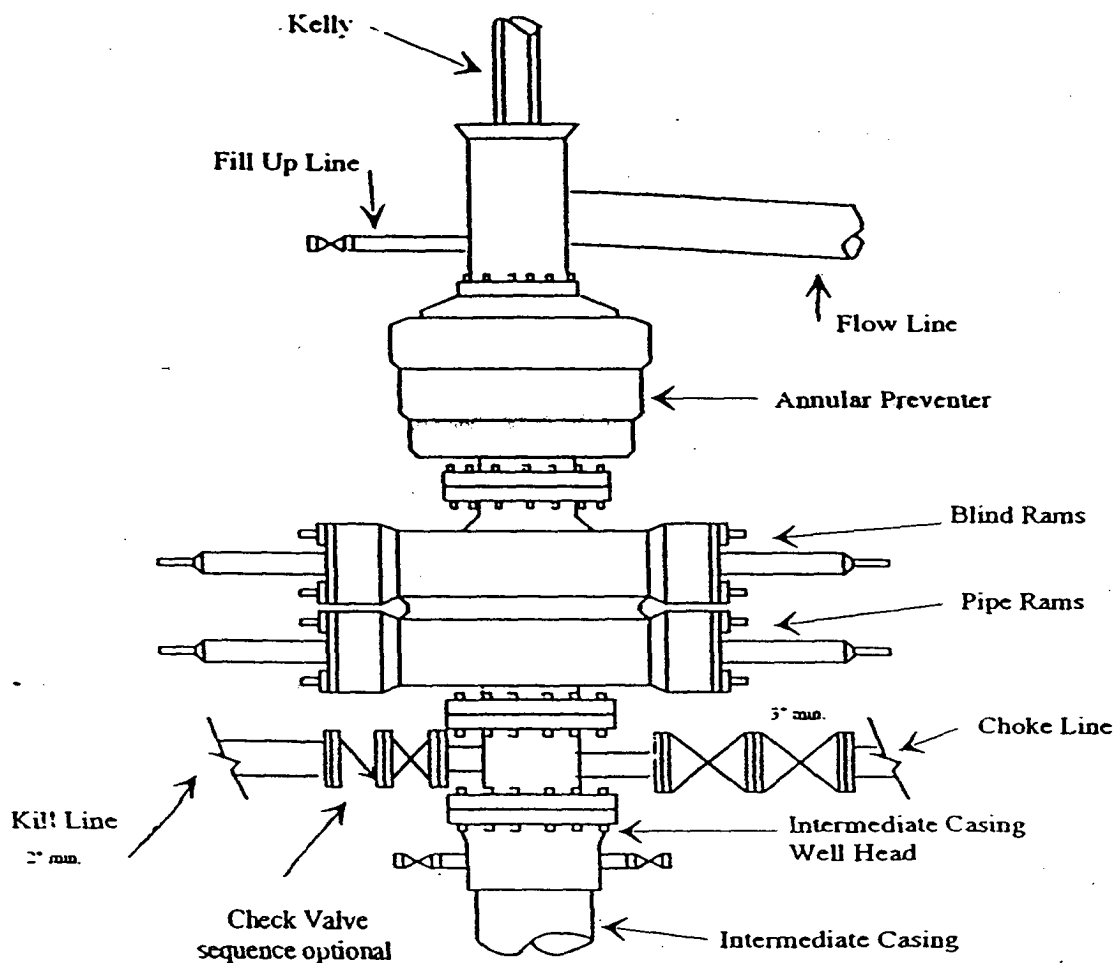
Boots & Coots IWC1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....(915) 699-0139 or (915) 563-3356
Halliburton(505) 746-2757
B. J. Services.....(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM(505) 842-4949



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

BOP-3



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

