## N. French Dr., Hobbs, NM 88240 strict [] 1301 W. Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Road, Aztec, NM 87410

Date: July 13, 2005

Phone: 505-748-4168

State of New Mexico Energy Minerals and Natural Resources

JUL 18 2005 mit to appropriate District Office

Form C-101 May 27, 2004

Oil Conservation Division October 1995

☐ AMENDED REPORT

District IV Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number 025575 Yates Petroleum Corporation 105 S. 4<sup>th</sup> Street API Number Artesia, NM 88210 30-015-33747 Property Name Property Code Well No. 34399 Guitar BFL Com Proposed Pool 1 10 Proposed Pool 2 Undes norrow Surface Location UL or lot no. Range Feet from the North/South line Section Township Lot Idn Feet from the East/West line County 990 17 26E 1980 В 25S North East Eddy Proposed Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line UL or lot no Section Township Range East/West line County Additional Well Information Cable/Rotary " Work Type Code <sup>2</sup> Well Type Code Lease Type Code 15 Ground Level Elevation N/A G 3361'GR 18 Formation Proposed Depth 19 Contractor <sup>16</sup> Multiple 20 Spud Date N/A Morrow Y N/A ASAP Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water >10003 12 mils thick Clay Pit: Liner: Synthetic Pit Volume: hhls Drilling Method: Fresh Water Brine Diesel/Oil-based Gas/Air Closed-Loop System Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC IN PLACE 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: Perforate Aka 11,218'-11,236' (109), 11,284'-11,300' (97) and 11,316'-11,326' (61) for a total of 267 holes. If there is not a significant flow increase, consider setting a composite bridge plug at 11,400'. Stimulate as needed. If lower zones are productive, drill out bridge plugs and commingle with current Morrow after receiving DHC approval. NOTE: Original completion for this well is dated June 17, 2005, therefore, pit is still open. <sup>23</sup> I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines □, a general permit ⊠, or Approved by: an (attached) alternative OCD-approved plan . Signature: TIM W. GUM DISTRICT II SUPERVISOR Printed name: Tima Huerta Title: 2 3 2nns Title: Regulatory Compliance Supervisor Expiration Date: 2 3 2006 E-mail Address: tinah@ypcnm.com

Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

1000 Rio Brazos Rd., Aztec, NM 87410

Property Code

District IV

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

API Number

30-015-33747

1220 South St. Francis Dr.

Santa Fe, NM 87505

<sup>2</sup> Pool Code

State of New Mexico

Energy, Minerals & Natural Resources Department

Revised June 10, 2003

Revised June 10, 2003

State Lease - 4 Copies

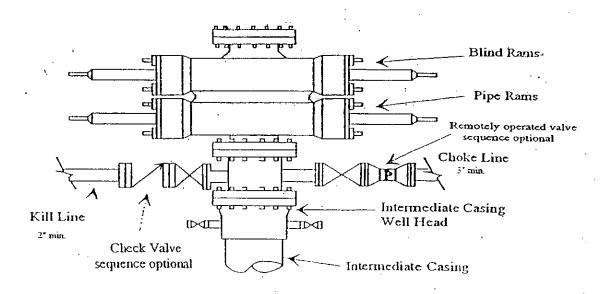
Fee Lease - 3 Copies

☐ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT

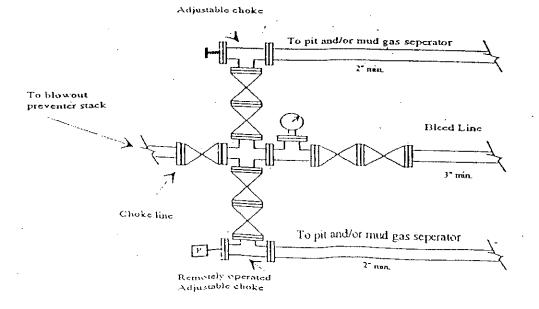
34399		Guitar BFL Com							1		
OGRID No.		<sup>2</sup> Operator Name							'Elevation		
025575		Yates Petroleum Corporation							3361'GR		
<sup>10</sup> Surface Location											
UL or lot no.	Section	Township		Lot Idn	Feet from the	North/South line	Feet from the	East/We		County	
В	17	25S	26E	<u> </u>	990	North	1980	Eas	st	Eddy	
11 Bottom Hole Location If Different From Surface											
UL or lot no.	Section	Township	p Range	Lot Idn	Feet from the	North/South line	Feet from the	East/We	st line	County	
19	1	<u> </u>	<u> </u>	130							
<sup>12</sup> Dedicated Acre 320	s   '' Joint	or Infill	14 Consolidation	a Code   ~ U:	rder No.						
340						<del></del>		- · · · · · · · · · · · · · · · · · · ·			
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					Ī		17 OP	<sup>17</sup> OPERATOR CERTIFICATION			
					7	!		I hereby certify that the information contained herein			
					N.066		is true and complete		to the best of my knowledge and		
				ļ	8		belief.		1	t	
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					1980'E		Signature		Hurta		
							- Cagamina ,				
				Tina Huerta			rta				
							Printed Name	Printed Name  Regulatory Compliance Supervisor			
						Title and E-mail Addres					
						July 13, 2005		:005			
							Date				
		•	ı	<del>-</del>		<u></u>	18CT TD3	UEVOD	CEDA	PIETO A TYON	
								18SURVEYOR CERTIFICATION I hereby certify that the well location shown on this			
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										ision, and that the	
		i					same is tru	е апа соггес	i io ine o	est of my belief.	
							Data of Ca-				
							Date of Survey				
							Signature and Seal of Professional Surveyor:		veyor:		
					İ						
							Certificate Nu	Certificate Number			
						<b>i</b>					

## Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



MARTIN YATES, III 1912 - 1985 FRANK W. YATES 1936 - 1986



## 105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

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S. P. YATES

July 13, 2005

Mr. Bryan Arrant Oil Conservation Division, District II Office 1301 W. Grand Ave. Artesia, NM 88210

Re: Guitar BFL Com #1

Section 17-T25S-R26E Eddy County, New Mexico H2S Contingency Plan

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Atoka formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Tina Huerta

Regulatory Compliance Supervisor