

1305 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  
March 4, 2004

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

RECEIVED

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

JUL 07 2005

OCD-ARTESIA

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575 API Number 30 - <b>OCS-63279</b>	
<sup>3</sup> Property Code	<sup>4</sup> Property Name Caudill RZ		<sup>6</sup> Well No. 10

<sup>7</sup> Surface Location									
UL or lot no. M	Section 9	Township 6S	Range 26E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	County Chaves

<sup>8</sup> Proposed Bottom Hole Location If Different From Surface							CEMENT TO COVER ALL OIL, GAS AND WATER-BEARING ZONES <i>1.2, 6, 10, 12, 14</i>		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line			
<sup>9</sup> Proposed Pool 1 Wildcat Basement									

Drilling Pit Location and Other Information									
UL or lot no. M	Section 9	Township 6S	Range 26E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	County Chaves
Depth to ground water 65'				Distance from nearest fresh water well 2500'			Distance from nearest surface water 2000'		
<sup>11</sup> Work Type Code N		<sup>12</sup> Well Type Code G		<sup>13</sup> Cable/Rotary R		<sup>14</sup> Lease Type Code P		<sup>15</sup> Ground Level Elevation 3630'	
<sup>16</sup> Multiple N		<sup>17</sup> Proposed Depth 5440'		<sup>18</sup> Formation Basement		<sup>19</sup> Contractor Not Determined		<sup>20</sup> Spud Date ASAP	

<sup>21</sup> Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75	11.75	42#	900'	400 sx	Surface
11	8.625*	24#	1500'	450 sx	Surface
7.875	5.5	15.5#	5440'	350 sx	TOC 3200'

<sup>22</sup> 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. \*8.625 casing will be set only if lost circulation is encountered. Yates Petroleum Corporation proposes to drill and test the Basement and intermediate formations. Approximately 900' of surface casing will be set and cement circulated to cut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. Sources available have been accessed determining site ranking of 20 points. Work plan for the closure of drilling pit: An encapsulation trench will be constructed and lined with 12 mil synthetic liner next to existing drilling pit. The drilling pit contents will be excavated and emplaced into the encapsulation trench using a mixture of two to one pit material and Class H bulk cement. The emulsion of pit material and cement will be mixed using a track hoe and water added if needed. After completion of solidifying pit material in cement and pit contents have set in place for a min. of 24 hours. The encapsulation trench will be capped using a 20 mil. Synthetic liner and back filled to grade using a min. of 3' of like material and clean soil. A one call and 48 hour notification to OCD will be made before pit closure action begins.

Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Wolfcamp formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118

MUD PROGRAM: 0-900' FWGel, Paper, LCM; 900-1500' Cut Brine; 1500-3710' Brine; 3710'-5440' Salt Gel/Starch/Oil/LCM.

BOPE PROGRAM: A 2000# BOPE will be installed on the 11 3/4" casing and tested daily

<sup>23</sup> 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 <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Debbie L. Caffall</i>		Approved by: <i>Jim W. Green</i>	
Printed name: Debbie L. Caffall		Title: <i>District II Supervisor</i>	
Title: Regulatory Technician		Approval Date: JUL 08 2005 Expiration Date: JUL 08 2006	
E-mail Address: <a href="mailto:debbiec@ypcnm.com">debbiec@ypcnm.com</a>			
Date: 07/06/2005	Phone: (505) 748-1471	Conditions of Approval: NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE CASING	
		Attached <input type="checkbox"/>	

Previously Approved

DISTRICT II  
11 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

## 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 Basement
Property Code	Property Name	Well Number
	Caudill "RZ" Com.	10
OCRD No.	Operator Name	Elevation
025575	Yates Petroleum Corporation	3630

## Surface Location

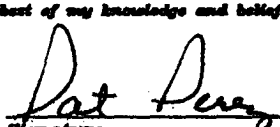
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	6S	26E		660	South	660	West	Chaves

## 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	Joint or Infill	Consolidation Code	Order No.
320			

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

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature  Pat Perez Printed Name  Regulatory Agent Title  July 17, 2002 Date
				<b>SURVEYOR CERTIFICATION</b>  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 Surveyed Signature & Seal of Professional Surveyor
	Fee	Federal	Fee	Certificate No. Herschel L. Jones RLS 3640  GENERAL SURVEYING COMPANY

660'

660'

**DISTRICT II**  
**P.O. Drawer DD, Artesia, NM 88210**

**DISTRICT III**  
**1000 Rio Bronco Rd., Arroyo, NM 87410**

**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 <b>Wildcat Basement</b>
Property Code	Property Name <b>CAUDILL "RZ" Com.</b>		Well Number <b>10</b>
OGRID No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORPORATION</b>		Elevation <b>3630</b>

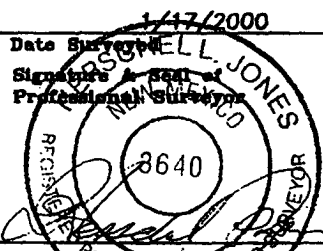
### Surface Location

UL or Lot No.	Section	Township	Range	Lot 14a	Feet from the	North/South line	Feet from the	East/West line	County
M	9	6S	26E		660	SOUTH	660	WEST	CHAVES

### Bottom Hole Location If Different From Surface

U/L 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.						
320									

**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><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p style="text-align: right;"><i>Cy Cowan</i></p> <p>Signature _____</p> <p><u>Cy Cowan</u></p> <p>Printed Name _____</p> <p><u>Regulatory Agent</u></p> <p>Title _____</p> <p><u>August 28, 2000</u></p> <p>Date _____</p>
RZ #2	FEE	FEE	FEE	<p><b>SURVEYOR CERTIFICATION</b></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 style="text-align: right;">1/17/2000</p> <p>Date Surveyed _____</p> <p>Signature _____</p> <p>Professional Surveyor _____</p> <div style="text-align: center;">  </div> <p>Certification No. _____ Jones RLS 3640</p> <p>CAUTION TO DISK 23</p> <p>GENERAL SURVEYING COMPANY</p>