

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

Form C-101

May 27, 2004

**CEMENT TO COVER ALL OIL,
GAS AND WATER BEARING
ZONES****RECEIVED**

Submit to appropriate District Office

1 18 2006

☐ AMENDED REPORT**ARTESIA****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, New Mexico 88210		² OGRID Number 205575
		³ API Number 30 - 015 - 32578
⁴ Property Code 30940	⁵ Property Name State AU Com.	⁶ Well No. 3
⁹ Proposed Pool 1 Undesignated Boyd Morrow 72840		¹⁰ Proposed Pool 2

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
P	33	18S	25E		990	S	660	E	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
									Eddy

Additional Well Information

¹¹ Work Type Code New Well	¹² Well Type Code Gas	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3516
¹⁶ Multiple N	¹⁷ Proposed Depth 9200	¹⁸ Formation Morrow	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater 300'		Distance from nearest fresh water well 500'		Distance from nearest surface water 500'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ 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	8.625	24	1200	750	0
7.875	5.5	17	9200	1100	4900

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 Morrow 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. Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan. The State Engineer's Web Site has been accessed for the captioned well. The information obtained from the web site determines the Site Ranking for this well is 10 points. With this ranking deep trench, burial, and capping will take place at pit closure. Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with approved general permit on file.

MUD PROGRAM: 0-400' FW/Native Mud; 400'-1200' FW/Native Mud; 1200'-8300' Cut Brine; 8300'-9200' Salt Gel/Starch KCL.

BOPE PROGRAM: A 3000# BOPE will be installed on the 8.625" casing and tested daily.

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 ☐.

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address: cy@ypcnm.com

Date: 12/30/2005

Phone: 505-748-4372

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: JAN 24 2006

Expiration Date: JAN 24 2007

Condition

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

DISTRICT I
1020 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

Form C-102
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 Undesignated Boyd Morrow
Property Code	Property Name STATE "AU" COM.	Well Number 3
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3516

Surface Location

UL or lot No. P	Section 33	Township 18S	Range 25E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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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.						

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

V-6373		V-6373	N.32°42'01.0" W.104°29'01.5"
NM-27912		E-10165	860' 990'

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan

Signature
Cy Cowan

Printed Name
Regulatory Agent

Title
1/11/2003

Date

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.

9/18/2002

Date Surveyed

Signature & Seal of Professional Surveyor

Herschell L. Jones

Certificate No. Herschel L. Jones RLS 3640
STATE 3
GENERAL SURVEYING COMPANY
PROFESSIONAL