

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

Form C-101
May 27, 2004

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

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 Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-015-32678
⁴ Property Code 32103	⁵ Property Name Kennedy JQ	⁶ Well No. 2
⁹ Proposed Pool 1 Unders Eagle Creek; Strawn		¹⁰ Proposed Pool 2 V.

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
B	33	17S	26E		660	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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3370'GR
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater >50' <100'		Distance from nearest fresh water well <200'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ 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

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 plugback and recomple this well as follows: Set a composite BP at 8536' with 35' cement. Perforate ~~Atoka~~ 8202'-8206' (25), 8220'-8224' (25), 8238'-8254' (97) and 8368'-8376' (49). Stimulate as needed. If lower zone is not economic, set a BP w/ballcatcher at 8000'. Perforate Strawn 7818'-7822' (17), 7830'-7840' (41) and 7866'-7870' (17). Stimulate as needed. Consider commingling all productive intervals after the commingling paperwork has been approved.

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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: tina@ypcnm.com

Date: March 15, 2006

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

Jim W. Green
District II Supervisor

Title:

Approval Date:

MAR 17 2006

Expiration Date:

MAR 17 2007

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

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State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

UNRE

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-32678	² Pool Code 7632c	³ Pool Name Eagle Creek Strawn
⁴ Property Code 32103	⁵ Property Name Kennedy JQ	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3370'GR

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
B	33	17S	26E		660	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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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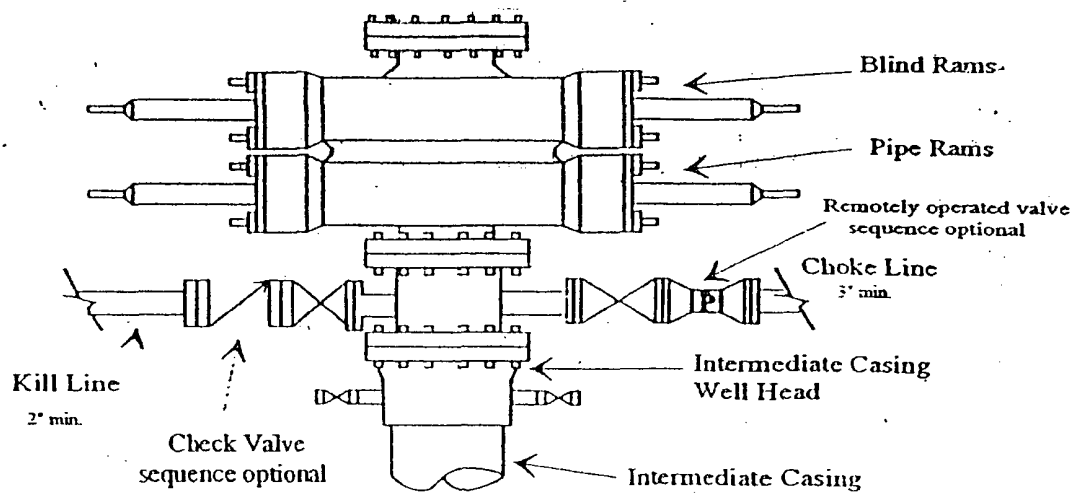
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div data-bbox="244 1184 475 1323"> <p>RECEIVED MAR 17 2006 OCCIDENTAL</p> </div>	<div data-bbox="660 966 693 1071" style="writing-mode: vertical-rl; transform: rotate(180deg);">N. 071°</div>		<div data-bbox="850 1081 949 1113">1980'E</div>		<div data-bbox="1106 955 1486 987">¹⁷ OPERATOR CERTIFICATION</div> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <div data-bbox="1065 1186 1486 1260"> <p><i>Tina Huerta</i> March 15, 2006 Signature Date</p> </div> <p>Tina Huerta Printed Name</p>	
						<div data-bbox="1065 1428 1503 1459">¹⁸ SURVEYOR CERTIFICATION</div> <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>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

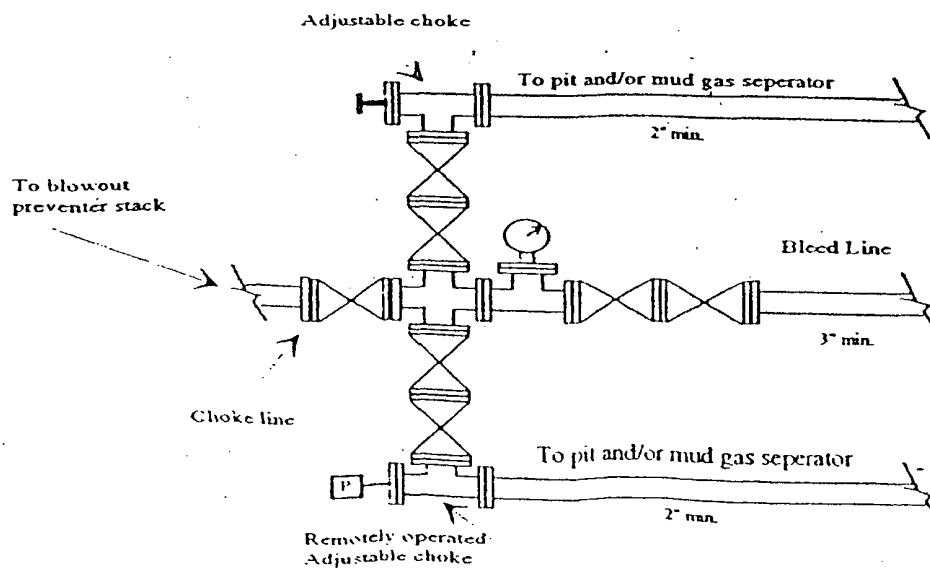
16	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; position: relative;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> </div>	17	<h3 style="text-align: center;">OPERATOR CERTIFICATION</h3> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="width: 60%;"> </div> <div style="width: 35%; text-align: right;"> March 15, 2006 </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 60%;"> Tina Huerta <small>Signature</small> </div> <div style="width: 35%; text-align: right;"> <small>Date</small> </div> </div> <div style="margin-top: 10px;"> Tina Huerta <small>Printed Name</small> </div>
<div style="text-align: center; margin-top: 20px;"> RECEIVED MAR 17 2006 OCU-ARTESIA </div>	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 0 auto; position: relative;"> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> <div style="position: absolute; top: 0; left: 0; right: 0; bottom: 0; border: 1px solid black;"></div> </div>	18	<h3 style="text-align: center;">SURVEYOR CERTIFICATION</h3> <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> <div style="margin-top: 20px;"> Date of Survey </div> <div style="margin-top: 10px;"> Signature and Seal of Professional Surveyor: </div> <div style="margin-top: 20px;"> Certificate Number </div>

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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TREASURER

March 15, 2006

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

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OCD-ARTESIA

Re: Kennedy JQ #2
Section 33-T17S-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