

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

RECEIVED

JUN 22 2006
UUU-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 30-015-34981
³ Property Code 35804	³ Property Name Kimbley BCY	⁶ Well No. 1

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
C	24	23S	27E		660'	North	1650'	West	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
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⁹ Proposed Pool 1 Undes. Leasing ; Morrow North	¹⁰ Proposed Pool 2
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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
C	24	23S	27E		660'	North	1650'	West	Eddy

Depth to ground water 232'	Distance from nearest fresh water well 1500'	Distance from nearest surface water 1000'
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¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3111'
¹⁶ Multiple No	¹⁷ Proposed Depth 12850'	¹⁸ Formation Marrow	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
17.5"	13.375"	48	400	500	0
12.25"	9.625"	36	2450	1100	0
8.75"	7"	26	10500	1650	0
6.25"	4.5"	11.5	12850	400	10000

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/test the Morrow and intermediate formations. Approximately 500' of surface casing will be set/cemented. If commercial, production casing will be run/cemented, will perforate/stimulate as needed to gain production. MUD PROGRAM: 0-500' FW Gel; 500'-2450' Brine; 2400'-9100' Cut Brine; 9100'-10300' Brine; 10300'-TD Polymer. BOPE Program: A 5000# BOPE will be placed on the 9.625" casing and tested daily for operational. Sources at YPC have relayed information to me that 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 per rule 118.

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

Signature:

Printed name: Cy Cowan

Title: Regulatory Agent / Land Department

E-mail Address: cy@ypcnm.com

Date: June 21, 2006

Phone: (505) 748-4364

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT
DISTRICT II GEOLOGIST

Title:

Approval Date: JUN 28 2006

Expiration Date: JUN 28 2007

Conditions of Approval:

Attached ☐

PREVIOUSLY APPROVED

S. H. 29.5

District I
1825 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 & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102
Revised March 17, 1999
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 80695	Pool Name Unders. Leasing, Morrow, Neal
Property Code	Property Name KIMBLEY BCY	Well Number 1
OGRID No.	Operation Name YATES PETROLEUM CORPORATION	Elevation 3111

Surface Location

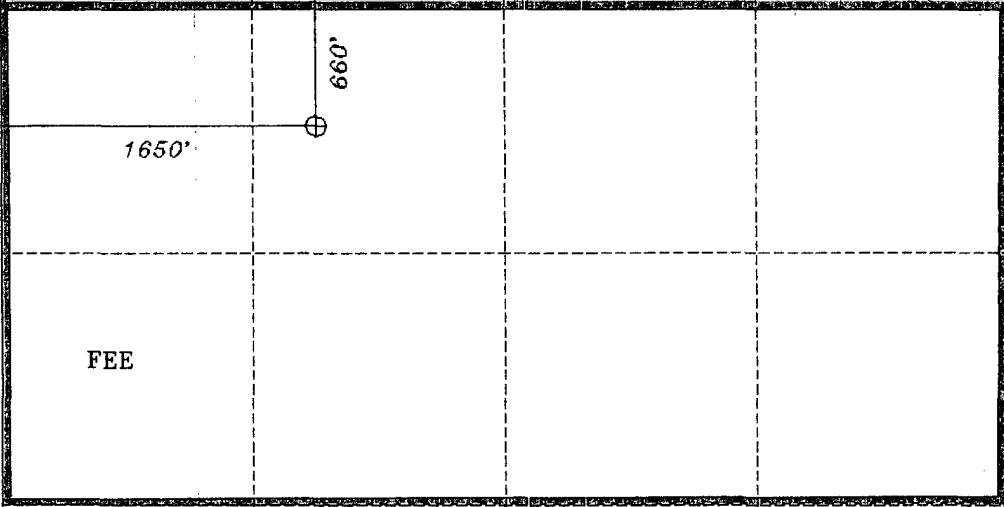
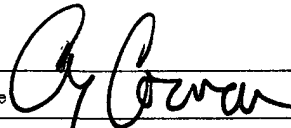
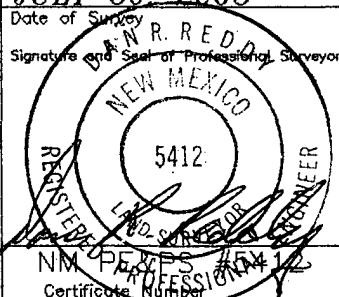
UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
C	24	23-S	27-E		660	NORTH	1650	WEST	EDDY

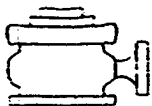
Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

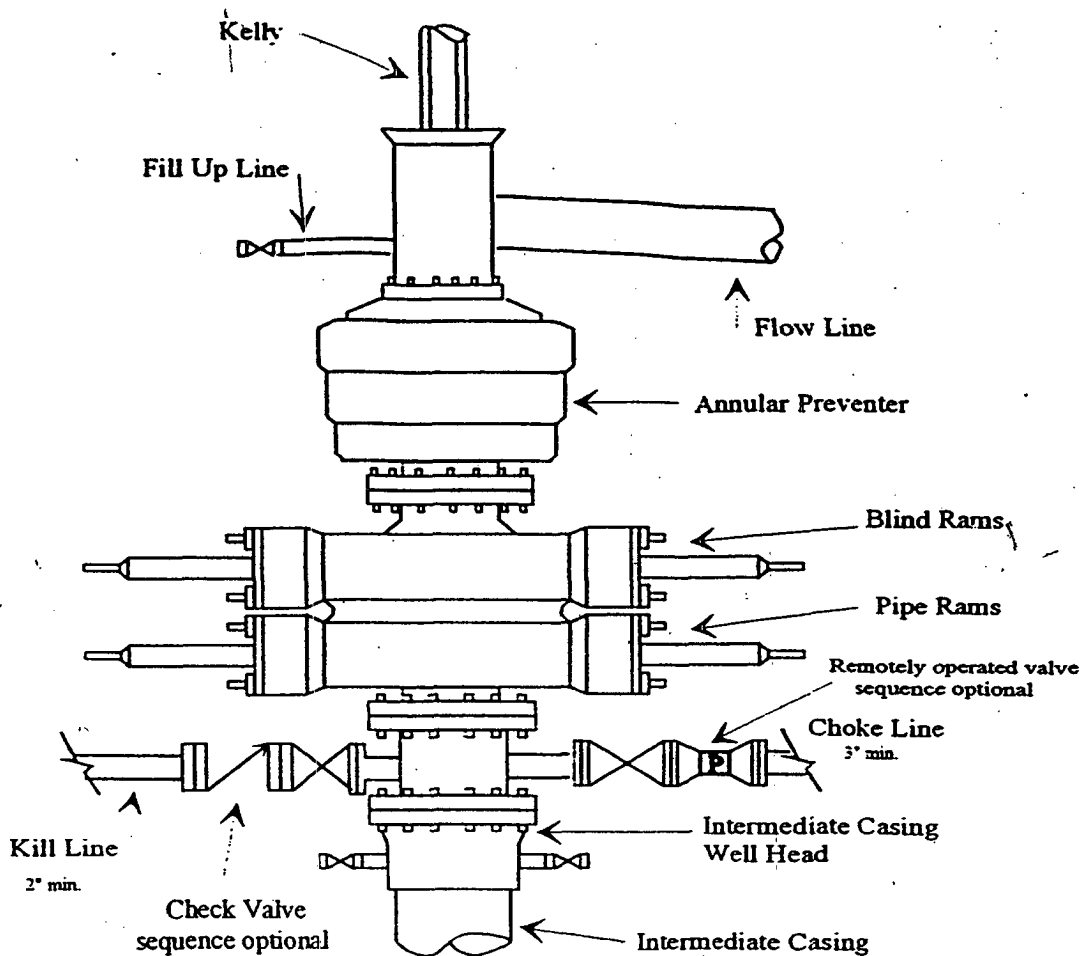
	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.
	Signature 
	Printed Name Cy Cowan
	Title Regulatory Agent
	Date 6/8/2006
	SURVEYOR CERTIFICATION I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS PLAT WAS PLOTTED FROM 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 KNOWLEDGE AND BELIEF.
	Date of Survey JULY 30, 2003
	Signature and Seal of Professional Surveyor 
	Certificate Number



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

