

District I

1025 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 JUN 21 2006

1220 South St. Francis Dr. SOUTHERN
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 30-005-63687
⁴ Property Code 26800	⁵ Property Name Hard as Nails AMD State Com	⁶ Well No. 5
⁹ Proposed Pool 1 Undesignated Floor Ranch; Wolfcamp, Gas		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
C	27	9S	26E		660	North	1980	West	Chaves

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 S	¹⁵ Ground Level Elevation 3778'
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Siluro-Devonian	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater >100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input checked="" 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
		IN PLACE			

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 possibly workover, plugback and recompleat this well as follows: Set a 5-1/2" CIBP at 5948' with 35' cement on top. Perforate Cisco 5714'-5726' (48). Stimulate as needed. Perforate Cisco 5676'-5682' (24). Stimulate as needed. If the Cisco zones are not productive, set a 5-1/2" CIBP at 5626' with 35' cement on top. Perforate Wolfcamp 5454'-5460' (24). Stimulate as needed. Plan to commingle the Wolfcamp with any of the deeper zones that are productive after receiving approval from the NMOCD.

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: June 19, 2006

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

Title:

DISTRICT II GEOLOGIST

Approval Date:

JUN 29 2006

Expiration Date: JUN 29 2007

Conditions of Approval Attached ☐

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

RECEIVED
JUN 21 2006
WUU-ARTESIA

June 19, 2006

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

Re: Hard as Nails AMD State Com #5
Section 27-T9S-R26E
Chaves 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 Wolfcamp 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