

District I  
1625 N. French Blvd., NM 88240  
District II  
1301 W. Grand Ave., Artesia, NM 88210  
District III  
1000 Rio Bravo Blvd., El Paso, 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

|   |  |   |
|---|--|---|
| <sup>1</sup> Operator Name and Address<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210 |  | <sup>2</sup> OGRID Number<br>025575     |
| <sup>3</sup> Property Code<br>33232   | <sup>5</sup> Property Name<br>Cusack BCM Com | <sup>4</sup> API Number<br>30-005-63890 |
| <sup>9</sup> Proposed Pool 1<br>Undesignated Precambrian  |  | <sup>6</sup> Well No.<br>1              |
| <sup>10</sup> Proposed Pool 2   |  |   |

<sup>7</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| J             | 21      | 6S       | 26E   | J       | 1980'         | South            | 1550'         | East           | Chaves |

<sup>8</sup> 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

|   |                                       |   |  |   |
|---|---------------------------------------|---|--|---|
| <sup>11</sup> Work Type Code<br>N   | <sup>12</sup> Well Type Code<br>G     | <sup>13</sup> Cable/Rotary                                | <sup>14</sup> Lease Type Code<br>P         | <sup>15</sup> Ground Level Elevation<br>3621' |
| <sup>16</sup> Multiple<br>N   | <sup>17</sup> Proposed Depth<br>5600' | <sup>18</sup> Formation<br>Undesignated Precambrian       | <sup>19</sup> Contractor<br>Not Determined | <sup>20</sup> Spud Date<br>ASAP               |
| Depth to Groundwater<br>50'+  |                                       | Distance from nearest fresh water well<br>More than 1000' |  | Distance from nearest surface water<br>1000'+ |
| <b>Pit:</b> Liner: Synthetic XX 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |                                       |   |  |   |
| Closed-Loop System <input type="checkbox"/>   |                                       |   |  |   |

<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#                | 950'          | 550 sx          | 0             |
| 11        | 8.625       | 24#                | 1500'         | 250 sx          | 750           |
| 7.875     | 5.5         | 15.5#              | 5600'         | 600 sx          | 3250          |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

<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.

Yates Petroleum Corporation proposes to drill and test the Precambrian/intermediate formations. Approximately 950' of surface casing will be set/cement. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production.

**MUD PROGRAM:** 0-950' FW Gel/Paper/LCM; 950'-1500' Cut Brine; 1500'-3700' Brine; 3700'-5600' Starch/Salt Gel/KCL. **BOPE PROGRAM:** a 2000# BOPE will be installed.

**H2S is not anticipated.**

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

Signature:

Printed name: Debbie L. Caffall

Title: Regulatory Agent

E-mail Address:

Date: 12/13/06

Phone: (505) 748-4376

OIL C

Approved by:

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

**BRYAN G. ARANT**

**DISTRICT II GEOLOGIST**

Approval Date:

JAN 16 2007

Expiration Date:

JAN 16 2008

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

PREVIOUSLY APPROVED

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

STATE OF NEW MEXICO  
Energy, Minerals and Natural Resources Department

Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |  |                                       |
|----------------------------|--|---------------------------------------|
| API Number<br>30-005-63629 | Pool Code                                    | Pool Name<br>Undesignated Precambrian |
| Property Code              | Property Name<br>CUSACK "BCM" COM.           | Well Number<br>1                      |
| OGRID No.<br>025575        | Operator Name<br>YATES PETROLEUM CORPORATION | Elevation<br>3623                     |

Surface Location

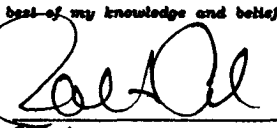

|                    |               |                |              |         |                       |                           |                       |                        |                  |
|--------------------|---------------|----------------|--------------|---------|-----------------------|---------------------------|-----------------------|------------------------|------------------|
| UL or lot No.<br>J | Section<br>21 | Township<br>6S | Range<br>26E | Lot Idn | Feet from the<br>1980 | North/South line<br>SOUTH | Feet from the<br>1550 | East/West line<br>EAST | County<br>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<br>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

|  |  |                                 |           |   |
|--|--|---------------------------------|-----------|---|
|  |  | FEE                             | NM-101575 | <b>OPERATOR CERTIFICATION</b><br><br>I hereby certify the the information<br>contained herein is true and complete to the<br>best of my knowledge and belief.<br><br><br>Signature<br><br>Robert Asher<br>Printed Name<br><br>Regulatory Agent<br>Title<br><br>3/12/2004<br>Date<br><br><b>SURVEYOR CERTIFICATION</b><br><br>I hereby certify that the well location shown<br>on this plat was plotted from field notes of<br>actual surveys made by me or under my<br>supervision, and that the same is true and<br>correct to the best of my belief.<br><br>3/09/2004<br><br>Date Surveyed<br><br>Signature & Seal of<br>Professional Surveyor<br><br>Certificate No. Herschel L. Jones RLS 3640<br>CUSACK<br>GENERAL SURVEYING COMPANY |
|  |  |                                 |           |   |
|  |  |                                 |           |   |
|  |  |                                 |           |   |
|  |  | N.33°46'42.8"<br>W.104°17'52.7" | 1550'     |   |
|  |  | 1980'                           |           |   |
| RECEIVED<br>MAR 15 2004<br>OCD-ARTESIA |  |                                 |           |   |

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

MARTIN YATES, III  
1912-1985

FRANK W. YATES  
1936-1986



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

S.P. YATES  
CHAIRMAN EMERITUS

JOHN A. YATES  
CHAIRMAN OF THE BOARD

PEYTON YATES  
PRESIDENT

FRANK YATES, JR.  
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.  
SENIOR VICE PRESIDENT

January 12, 2007

Oil Conservation Division District II  
Attn: Bryan Arrant  
1301 W. Grand Avenue  
Artesia, NM 88210



RE: Cusack BCM Com. #1  
1980' FSL and 1550' FEL Unit J (NWSE)  
Section 21, T6S-R26E  
Chaves County, New Mexico

Dear Mr. Arrant:

Please find enclosed the current C-102 per your request with regards to above mentioned location.

Should you have any questions please contact Debbie L. Caffall at (505) 748-4376.

Thank you.

Sincerely,

YATES PETROLEUM CORPORATION

Debbie L. Caffall  
Regulatory Agent

/dlc  
Enclosure(s)

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

|                                     |   |  |
|-------------------------------------|---|--|
| <sup>1</sup> API Number             | <sup>2</sup> Pool Code<br>97457                           | <sup>3</sup> Pool Name<br>Undesignated Precambrian |
| <sup>4</sup> Property Code<br>33232 | <sup>5</sup> Property Name<br>Cusack BCM Com.             | <sup>6</sup> Well Number<br>1                      |
| <sup>7</sup> OGRID No.<br>25575     | <sup>8</sup> Operator Name<br>Yates Petroleum Corporation | <sup>9</sup> Elevation<br>3621                     |

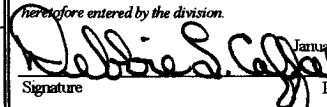
<sup>10</sup> Surface Location

|                    |               |                 |              |              |                       |                           |                       |                        |                  |
|--------------------|---------------|-----------------|--------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|
| UL or lot no.<br>J | Section<br>21 | Township<br>06S | Range<br>26E | Lot Idn<br>J | Feet from the<br>1980 | North/South line<br>South | Feet from the<br>1550 | East/West line<br>East | County<br>Chaves |
|--------------------|---------------|-----------------|--------------|--------------|-----------------------|---------------------------|-----------------------|------------------------|------------------|

<sup>11</sup> 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 |
| <sup>12</sup> Dedicated Acres<br>320 E/2 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|               |  |     |           |  |
|---------------|--|-----|-----------|--|
| <sup>16</sup> |  | FEE | NM-101575 | <sup>17</sup> OPERATOR CERTIFICATION<br>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.<br><br>Signature _____ Date January 22, 2007<br>Debbie L. Caffall<br>Printed Name |
|               |  |     |           | <sup>18</sup> SURVEYOR CERTIFICATION<br>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.<br>Refer to Original<br>Date of Survey _____<br>Signature and Seal of Professional Surveyor: _____<br>Certificate Number _____   |
|               |  |     |           | 1550'  |
|               |  |     |           | 1980'  |

## Permit Conditions Of Approval

**Operator: YATES PETROLEUM CORPORATION , 25575**

**Well: Cusack BCM Com. #001**

| OCD Reviewer | Condition   |
|--------------|---|
| BARRANT      | Cement to cover ALL water, oil and gas bearing formations.                                |
| BARRANT      | Notify OCD time of spud and time to witness the cementing of the water protection string. |

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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ARTESIA, NEW MEXICO 88210-2118  
TELEPHONE (505) 748-1471

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PRESIDENT  
PEYTON YATES  
EXECUTIVE VICE PRESIDENT  
RANDY G. PATTERSON  
SECRETARY  
DENNIS G. KINSEY  
TREASURER

December 22, 2003

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

Re: Cusack BCM Com. #1  
1980' FSL and 1650' FEL  
Section 21, T6S-R26E  
Chaves County, New Mexico  
H2S Contingency Plan

RECEIVED

DEC 29 2003

OCD-ARTESIA

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will be no H2S anticipated from the surface to the Precambrian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Robert Asher  
Regulatory Agent

/rca

Dr., Hobbs, NM 88240

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

Form C-144  
March 12, 2004

For drilling and production facilities, submit to  
appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe  
office

105 South Fourth Street, Artesia, NM 88210

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@vpcnm.com

Address: 104 South 4<sup>th</sup> Street, Artesia, New Mexico 88210

Facility or well name: Cusack BCM Corn. #1 API #: 30-005-63629 U/L or Qtr/Qtr NWSE Sec 21 T 6S R 26E

County: Chaves Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐ Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume  
\_\_\_\_\_ bbl

Below-grade tank

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

RECEIVED

OCT 18 2004

OD-ARTESIA

Depth to ground water (vertical distance from bottom of pit to seasonal high  
water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

( 0 points)

Wellhead protection area: (Less than 200 feet from a private domestic  
water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas,  
irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

Ranking Score (Total Points)

10

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility \_\_\_\_\_ (3) Attach a general description of remedial action taken including remediation start date and end  
date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a  
diagram of sample locations and excavations.

hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has  
been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 10/18/2004

Printed Name/Title Robert Asher/Regulatory Agent

Signature [Signature]

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or  
otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or  
regulations.

Approval:

Date: OCT 21 2004

Printed Name/Title [Signature]

Signature [Signature]