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

Date: March 8, 2007

Phone: 505-748-4168

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
May 27, 2004

Month Year

MAR 1 2 2007 Submit to appropriate District Office

CD - ARTESIA, NM

AMENDED REPORT

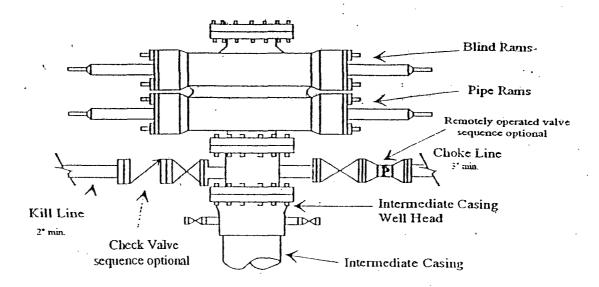
Oil Conservatio Siv 1220 South St. Fran. Santa Fe, Niv. 750

1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE OGRID Number Operator Name and Address Yates Petroleum Corporation 105 S. 4<sup>th</sup> Street Artesia, NM 88210 025575 API Number 30-015-35098 Property Name Property Code 35939 Mosley Canyon BIA State Com 1 9 Proposed Pool 1 10 Proposed Pool 2 Mosley Canyon; Strawn <sup>7</sup> Surface Location North/South line UL or lot no. Section Township Range Lot Idn Feet from the Feet from the East/West line County **24S** 25E 660 North 660 East Eddy 5 Α <sup>8</sup> Proposed Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line Range Fast/West line UL or lot no. Section Townshir Feet from the County Additional Well Information 11 Work Type Code 12 Well Type Code 13 Cable/Rotary <sup>4</sup> Lease Type Code 15 Ground Level Elevation N/A 3814'GR P S <sup>17</sup> Proposed Depth 18 Formation Spud Date 16 Multiple Contractor N/A Morrow ASAP N N/A Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water >1000' Liner: Synthetic mils thick Clay Pit Volume: Drilling Method: Fresh Water Brine Diesel/Oil-based Gas/Air Closed-Loop System **Proposed Casing and Cement Program** Estimated TOC Casing Size Casing weight/foot Setting Depth Sacks of Cement Hole Size IN PLACE <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 plans to squeeze existing perfs and recomplete this well as follows: Set an RBP at +/-9775' with 5 sx sand on top. Set a cement retainer at 9420', test the retainer and establish an injection rate. Squeeze Penn perforations 9470'-9482' with an estimated +/-250 sx Class "H" cement with additives. WOC 24 hrs. Drill out the retainer and test the squeeze job. If the squeeze was successful, wash sand off RBP and release. Perforate Strawn 9658'-9664' (14), 9668'-9698' (62) and 9744'-9764' (42). Stimulate as needed. <sup>23</sup> I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines □, a general permit □, or Approved by: an (attached) alternative OCD-approved plan . **BRYAN G. ARRANT** Signature/ DISTRICT II GEOLOGIST Printed name: Tina Huerta Title: Expiration Date: MAR 1 9 2008 Title: Regulatory Compliance Supervisor Approval DMAR 1 9 2007 E-mail Address: tinah@ypcnm.com

Conditions of Approval Attached

## Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



Typical 3,000 psi choke manifold assembly with at least these minimum features

