

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 30-015-26708
⁴ Property Code 12574	⁵ Property Name Molly QD Corn	⁶ Well No. 2
⁷ Proposed Pool 1 <i>North Seven Rivers Wolfcamp</i>		⁸ Proposed Pool 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	13	19S	24E		1650	South	660	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 Lame Type Code P	¹⁵ Ground Level Elevation 3620'GR
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Canyon	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
P.L. Lamer: Synthetic ☐ _____ mils thick Clay ☐ Pit Volume: _____ bbls Drilling Method:				
Closed-Loop System ☒ Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas/Air ☐				

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.

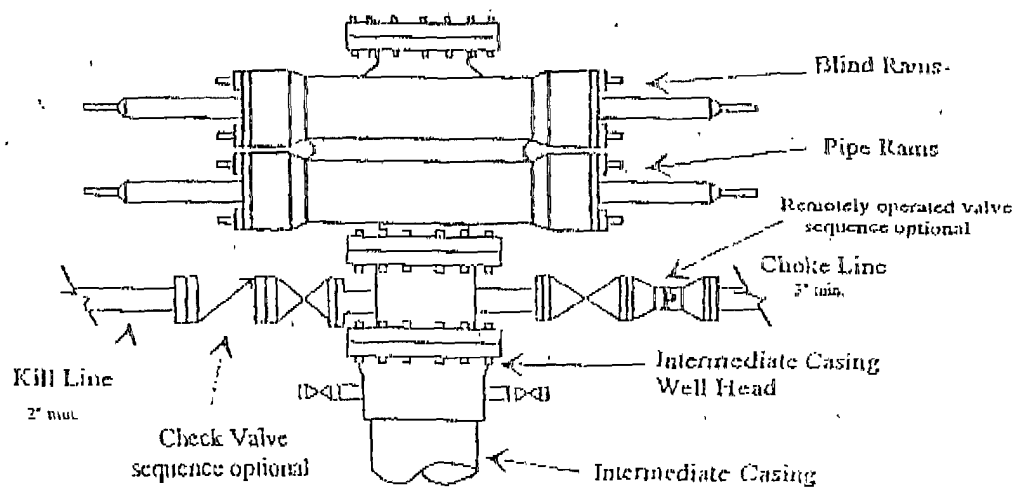
Yates Petroleum Corporation plans to plugback and recompletes this well as follows: Set an RBP at +/-7664' and test. Perforate Cisco 6072'-6084' (26), 6168'-6178' (22), 6228'-6238' (22), 6246'-6262' (34) and 6354'-6360' (14). Stimulate as needed.

Plug back to Wolfcamp completed 5/22/07 BJA

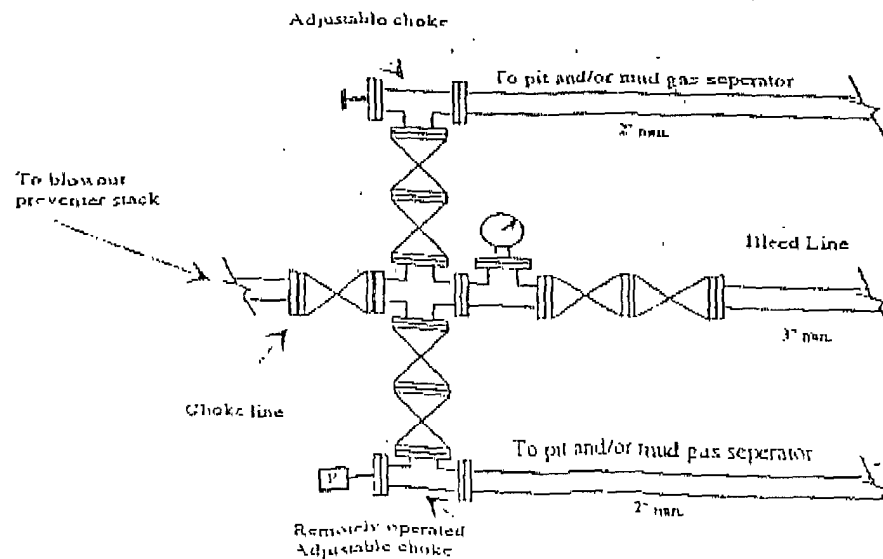
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ .		OIL CONSERVATION DIVISION	
Signature: <i>Tina Huerta</i>		Approved by:	
Printed name: Tina Huerta		FOR RECORDS ONLY	
Title: Regulatory Compliance Supervisor		Title:	
E-mail Address: tina.h@ypcnm.com		Approval Date: JUL 2 2 2007	
Date: April 23, 2007		Expiration Date: JUL 2 2 2008	
Phone: 505-748-4168		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



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 OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 23, 2007

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

Re: Molly QD Com #2
Section 13-T19S-R24E
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 Cisco 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