

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

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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, New Mexico 88210		OCT 11 2007 OCD-ARTESIA	² OGRID Number 025575
³ Property Code 34364		⁵ Property Name Willow Creek BFI State	⁴ API Number 30-005-63992
⁹ Proposed Pool 1 Wildcat Precambrian		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
M	30	4S	25E	4	660'	South	660'	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 N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3939'
¹⁶ Multiple N	¹⁷ Proposed Depth 5435'	¹⁸ Formation Undesignated Precambrian	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater Less than 50'		Distance from nearest fresh water well More than 1000'		Distance from nearest surface water More than 1000'
Pit Liner: Synthetic XX 12_mils thick Clay <input type="checkbox"/> Pit Volume. _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" 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
14.75	11.75	42#	900'	600 sx	0
11	8.625	24#	1600'	550 sx	0
7.875	5.5	15.5#	5435'	650 sx	

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 and test the Precambrian and intermediate formations. Approximately 900' of surface casing will be set and cement circulated to shut off gravel and cavings. The 8.625" intermediate casing will only be set if lost circulation is encountered. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-900' FW Gel/Paper/LCM; 900'-1600' Cut Brine; 1600'-3500' Brine; 3500'-5435' Starch/Salt Gel/4-6% KCL.

BOPE PROGRAM: a 2000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Precambrian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

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: Debbie L. Caffall

Title: Regulatory Agent

E-mail Address

Date: 10/11/07

Phone: (505) 748-4376

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Title:

Approval Date:

OCT 15 2007

Expiration Date:

OCT 15 2008

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

PREVIOUSLY APPROVED

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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

¹ API Number		² Pool Code 974597		³ Pool Name Wildcat Precambrian	
⁴ Property Code 34364		⁵ Property Name WILLOW CREEK BFI STATE			⁶ Well Number 9
⁷ OGRID No. 025575		⁸ Operator Name YATES PETROLEUM CORPORATION			⁹ Elevation 3939'

¹⁰ Surface Location

UL or lot no. M	Section 30	Township 4S	Range 25E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County CHAVES
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¹¹ 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
¹² Dedicated Acres 312.72 - W/2		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

¹⁶ 	¹⁷ OPERATOR CERTIFICATION 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 Signature _____ Date 10/11/07 Debbie Caffall Printed Name Regulatory Agent Title			
	¹⁸ 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 belief. Date of Survey _____ Signature and Seal of Professional Surveyor. REFER TO ORIGINAL PLAT Certificate Number _____			

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 and Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Wildcat Precambrian
Property Code	Property Name WILLOW CREEK "BFI" STATE		Well Number 9
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3939



Surface Location

UL or lot No. M	Section 30	Township 4S	Range 25E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County CHAVES
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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 312.72		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**

<div style="text-align: center;"> <p>LG-155</p> <p>38.1</p> <p>38.16</p> <p>38.2</p> <p>38.26</p> </div> <div style="position: relative; height: 100px;"> <div style="position: absolute; left: 0; top: 0;">660'</div> <div style="position: absolute; left: 0; bottom: 0;">660'</div> </div>	<p>N.33°55'29.5"</p> <p>W.104°21'51.1"</p> <p>N.1063990.5</p> <p>E.490794.1</p>			<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p> Signature Robert Asher Printed Name Regulatory Agent Title 10/19/2004 Date</p> <p align="center">SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p align="right">9/06/2004</p> <p>Date Surveyed  Signature Professional Surveyor 3640 Registration No. Jones RLS 3640 WILLOW CREEK 9 GENERAL SURVEYING COMPANY</p>
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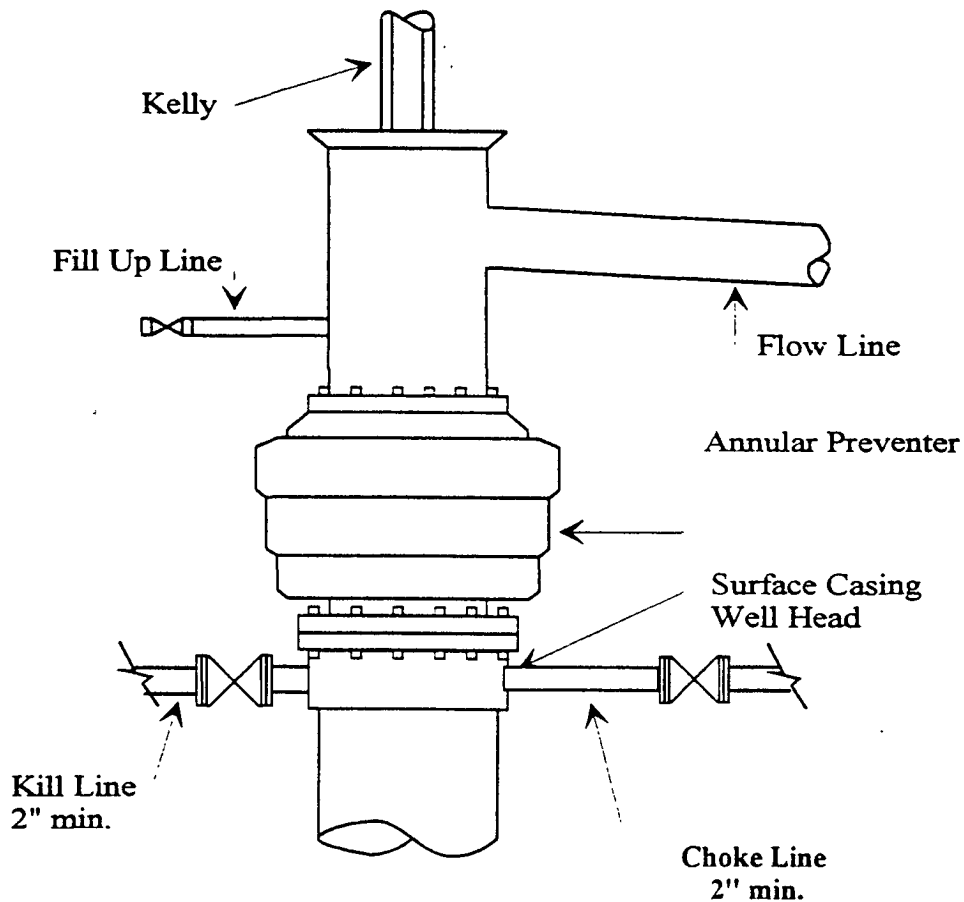
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

Yates Petroleum Corporation

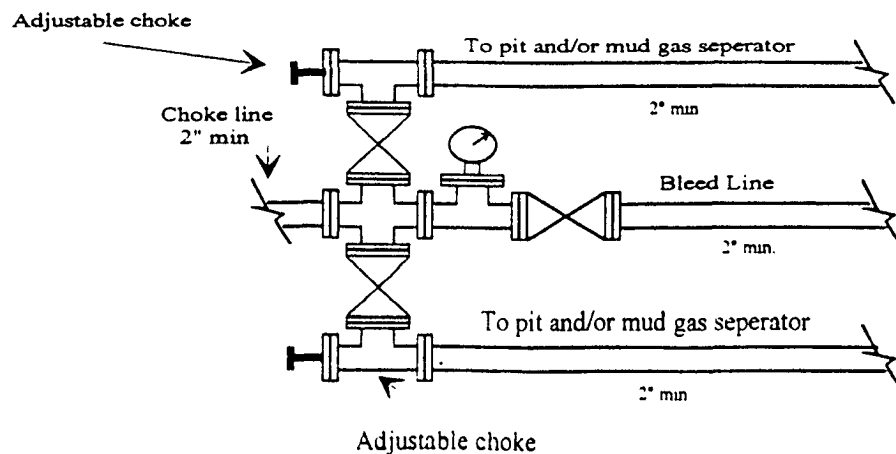
BOP-1

Typical low Pressure System
Schematic

Annular Preventer 2,000 psi



Typical 2,000 psi choke manifold assembly with at least these minimum features



Permit Comments**Operator: YATES PETROLEUM CORPORATION , 25575****Well: WILLOW CREEK BFI STATE #009**

30-005-63992

User Name	Comment	Comment Date
DCAFFALL	Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Precambrian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118	10/19/2004
DCAFFALL	The State Engineers Web Site has been accessed for the captioned well. Depth to ground water: 31 feet (well is located in Section 19, T4S-R25E); distance from nearest fresh water well: 7,850 feet (well is located in Section 19, T4S-R25E); distance to nearest surface water, 7,850' (livestock watering tank, Section 19, T4S-R25E).	10/19/2004
DCAFFALL	Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with approved general permit on file.	10/19/2004

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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

RECEIVED

SEP 23 2005

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ 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@ypcnm.com
Address: 105 South Fourth Street, Artesia, NM 88210
Facility or well name: Willow Creek BFI State #9 API # 30-005-63992 U/L or Qtr/Qtr_M_Sec 30 T 4S R 25E
County: Chaves Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner: Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank						
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>20</u> mil Clay <input type="checkbox"/> Volume _____ bbl	Volume: _____ bbl Type of fluid. _____ Construction material. _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____						
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points)
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.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td>No</td><td>(0 points)</td></tr></table>	Yes	(20 points)	No	(0 points)		
Yes	(20 points)						
No	(0 points)						
Distance to surface water. (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td>1000 feet or more</td><td>(0 points)</td></tr></table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points)
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)							
(20 Points)							

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.

I 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: September 25, 2005

Printed Name/Title Debbie L. Caffall/Regulatory Technician

Signature Debbie L. Caffall

Your 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: 9/24/05

Printed Name/Title Mike Arntner

Signature Mike Arntner

As a condition of approval, a closure plan must be submitted and approved prior to the commencement of closure procedures.

As a condition of approval, if during pit construction water is encountered or if water seeps in pits after construction the **OCD MUST BE CONTACTED IMMEDIATELY!**

(2)

Permit Conditions Of Approval
C-101, Permit 1918

Operator: YATES PETROLEUM CORPORATION , 25575

Well: WILLOW CREEK BFI STATE #009

OCD Reviewer	Condition
VBARTON	As a condition of approval if during construction water is encountered or if water seeps in pits after construction the OCD must be contacted immediately
VBARTON	As a condition of approval a detailed closure plan must be filed before closure may commence
BARRANT	Cement to cover all oil, water and gas bearing zones
BARRANT	Notify OCD time of spud and time to witness the cementing of the surface casing