

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
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

FEB 22 2008
OCD-ARTESIA

☐ AMENDED REPORT

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, NM 88210		² OGRID Number 025575 API Number 30 - 005-60337
³ Property Code 37035	⁵ Property Name Chief BLC State	⁶ Well No. 1

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
K	2	14S	29E		1980'	South	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

⁹ Proposed Pool 1

¹⁰ Proposed Pool 2

WC; Silur - Devonian

Drilling Pit Location and Other Information

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	2	14S	29E		1980'	South	1980'	West	Chaves

Depth to ground water 60'	Distance from nearest fresh water well Greater than 1000'	Distance from nearest surface water Greater than 1000'
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¹¹ Work Type Code E	¹² Well Type Code O	¹³ Cable/Rotary Pulling Unit / Drilling Rig	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3723.9
¹⁶ Multiple Y	¹⁷ Proposed Depth 10,256'	¹⁸ Formation Devonian	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

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.

SEE ATTACHED PAGE 2. (Re-Entry)

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 Devonian 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

Debbie L. Caffall

Printed name: Debbie L. Caffall

Title: Regulatory Agent

E-mail Address: debbiec@ypcn.com

Date: February 21, 2008

Phone: (575) 748-4376

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT
DISTRICT II GEOLOGIST

Title:

Approval Date:

FEB 26 2008

Expiration Date:

FEB 26 2010

2010

Conditions of Approval.

Attached ☐

YATES PETROLEUM CORPORATION
Chief BLC State #1 (Re-entry)
API No. 30-005-60337
Formerly known as Harris State Com. #1
Drilling Prognosis
Page 2

This well was originally drilled by Franklin, Aston & Fair, Inc. as the Harris State Com. #1. It was spudded on March 27, 1975.

Yates's plan is to re-enter the well with a drilling unit. To drill out cement plugs in the 8 5/8" casing and in the 7 7/8" open hole down to original TD at 10,256' in the Devonian.

The 8 5/8" casing was cemented with 1,000 sacks of cement that was circulated to the surface.

The plan is to re-enter this well with a pulling unit down to the 8 5/8" casing shoes, then move in a drilling rig and drill out plugs to original TD of 10,256'.

Yates Petroleum Corporation wants to run a new suit of open hole logs and if the new logs shows that the zone is productive, set a 5 1/2" casing and then attempt a completion of any of the prospective intervals.

BOPE PROGRAM: 3000 # BOPE.

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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 30-005-60337		² Pool Code		³ Pool Name Wildcat <i>Siluro-Devonian</i>	
⁴ Property Code		⁵ Property Name Chief BLC State			⁶ Well Number 1
⁷ OGRID No. 25575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3723.9

¹⁰ Surface Location

UL or lot no. K	Section 2	Township 14S	Range 29E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1980	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 NESW 40		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>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.</i> <i>Debbie L. Caffall</i> February 21, 2008 Signature Date Debbie L. Caffall Printed Name	
					¹⁸ SURVEYOR CERTIFICATION <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> Refer to Original Date of Survey Signature and Seal of Professional Surveyor: Refer to Original Plat Certificate Number	

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Franklin, Aston & Fair, Inc.		Harris State		Well No. 1
K	2	14 South	29 East	Chaves
1980	South	1980	West	
3723.9	Lower Pennsylvanian	Undesignated	Dedicated Acreage	320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes ☒ No ☐ If answer is "yes," type of consolidation unitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

Not allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Grant M. Smith

Grant M. Smith

Geologist

Franklin, Aston & Fair, Inc

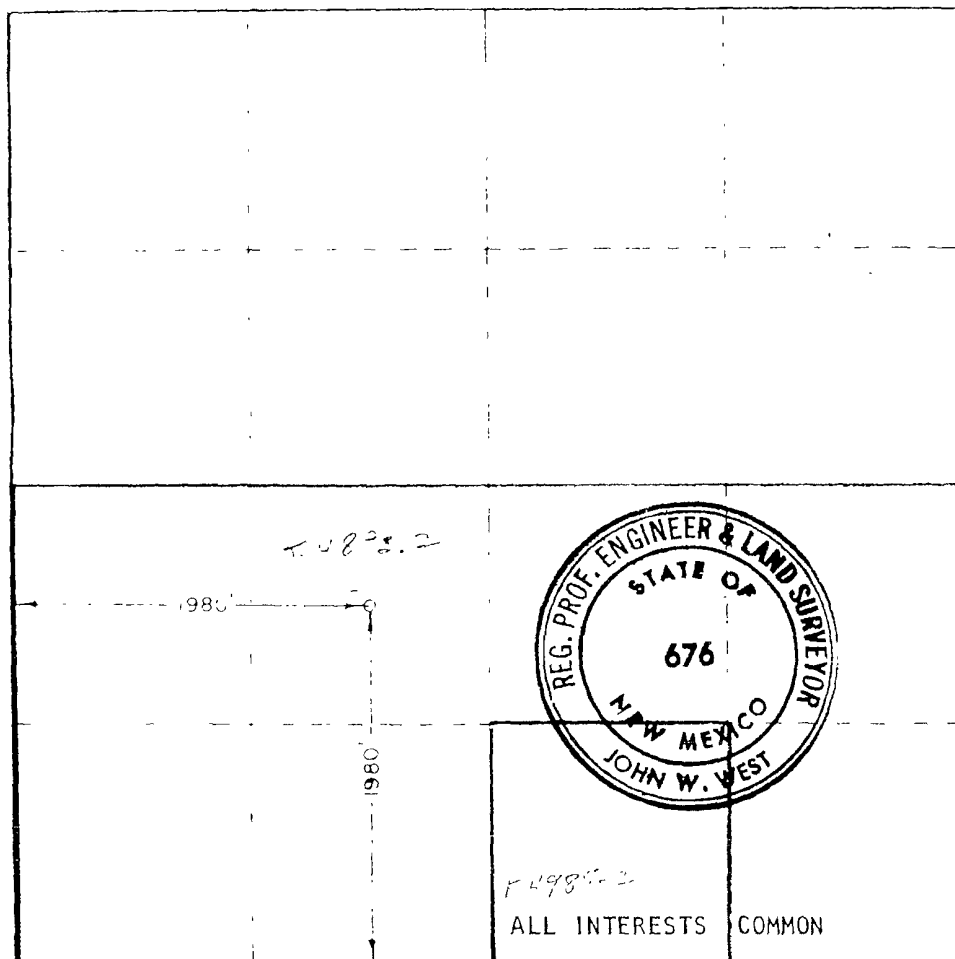
3-19-75

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 knowledge and belief.

March 17, 1975

Registered Professional Engineer
No. 11,000 & Surveyor

John W. West
Certification No. 676



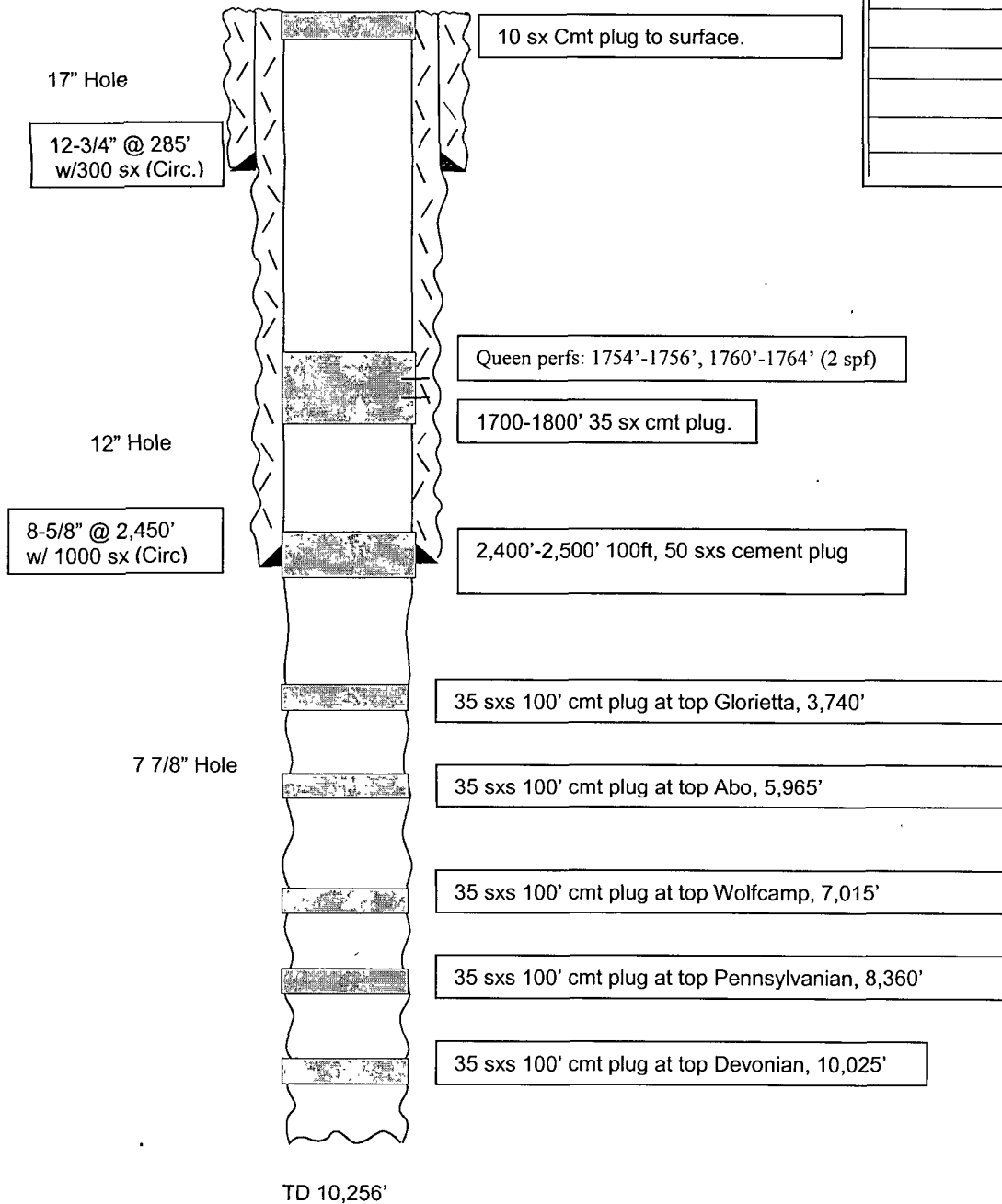
0 137 660 91 1320 1650 1980 2310 2640 2000 1500 1000 500 0

Chief BLC State #1

Formerly known

WELL NAME: Harris St Com #1 **FIELD:** Undesignated**LOCATION:** 1980' FSL & 1980' FWL of Section 2-14S-29E Chaves County**GL:** 3735 **ZERO:** **KB:****SPUD DATE:** 3/27/75 **COMPLETION DATE:** P&A 5/20/75**COMMENTS:** API : 30-005-60337**CASING PROGRAM**

12-3/4" 36#	285'
8-5/8" 28#	2,450'

**Before**Tops:

Yates : 1,010'
Queen : 1,750'
San Andres : 2,420'
Glorieta : 3,740'
Tubb : 5,155'
Abo : 5,965'
Wolfcamp : 7,020'
Penn : 8,360'
Chester : 9,344'
Devonian : 10,025'

Not to Scale

2/15/08
MMFH

Chief BLC State #1

Formerly known

WELL NAME: Harris St Com #1 **FIELD:** Undesignated

LOCATION: 1980' FSL & 1980' FWL of Section 2-14S-29E Chaves County

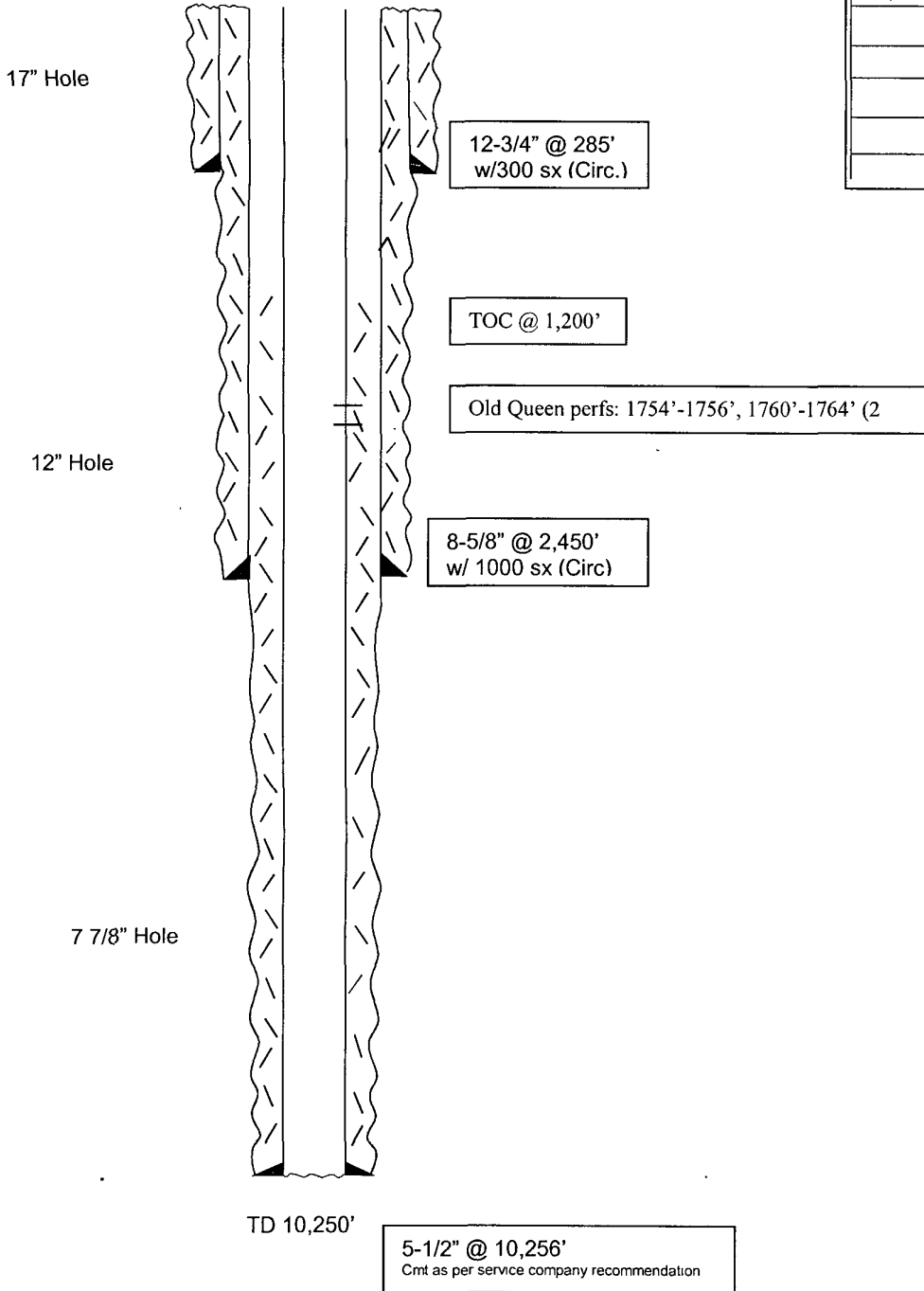
GL: 3735 **ZERO:** **KB:**

SPUD DATE: 3/27/75 **COMPLETION DATE:** P&A 5/20/75

COMMENTS: API : 30-005-60337

CASING PROGRAM

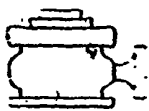
12-3/4" 36#	285'
8-5/8" 28#	2,450'
5 1/2" 17# L-80	10,256'



After

<u>Tops:</u>	
Yates	: 1,010'
Queen	: 1,750'
San Andres	: 2,420'
Glorieta	: 3,740'
Tubb	: 5,155'
Abo	: 5,965'
Wolfcamp	: 7,020'
Penn	: 8,360'
Chester	: 9,344'
Devonian	: 10,025'

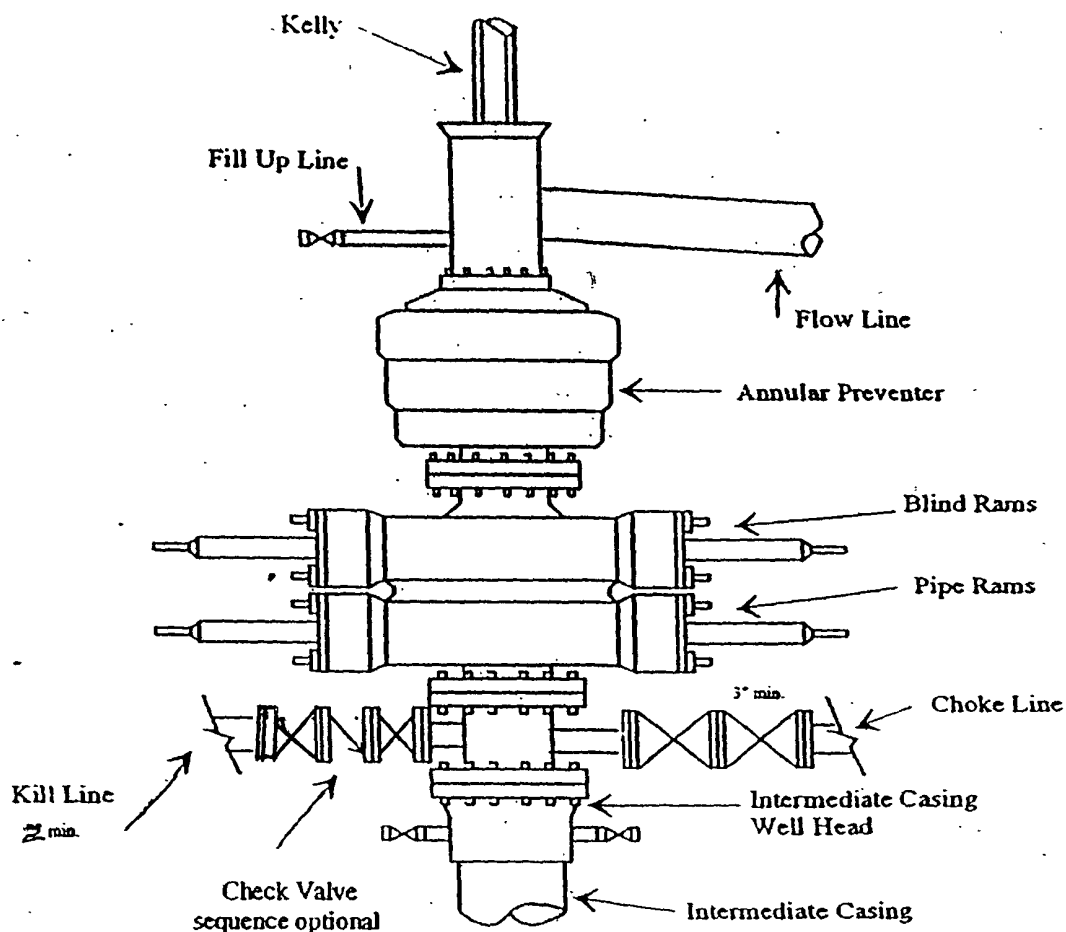
Not to Scale
2/15/08
MMFH



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



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

