

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 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575	
MAR 03 2008 OCD-ARTESIA		³ API Number 22648 30-015-36213	
⁴ Property Code 37053	⁵ Property Name Marjorie BGR		⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat; Upper Penn.		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
G	6	19S	26E		1650'	North	1980'	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 E	¹² Well Type Code G	¹³ Cable/Rotary Pulling Unit	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3392'
¹⁶ Multiple N	¹⁷ Proposed Depth 8950'	¹⁸ Formation Canyon	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 116'		Distance from nearest fresh water well .7 of mile		Distance from nearest surface water .9 of mile
²¹ Proposed Casing and Cement Program				

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 5/8"	48#	305'	415 sx	In Place
12 1/4"	9 5/8"	40#	1312'	1175 sx	In Place
7 7/8"	5 1/2"	15.5#+17#	6418'	750 sx	TOC-1300'
7 7/8"	5 1/2"	17#	8950'	580 sx	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.

SEE ATTACHED PAGE 2. (Re-Entry)

H2S Contingency Plan Attached

C-102 Attached

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

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@ypcnm.com

Date: 2/29/08

Phone: (575) 748-4376

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☒

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

¹ API Number 30-015-36213	² Pool Code 96072	³ Pool Name Wildcat; Upper Penn.
⁴ Property Code 37053	⁵ Property Name Marjorie BGR	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3392'

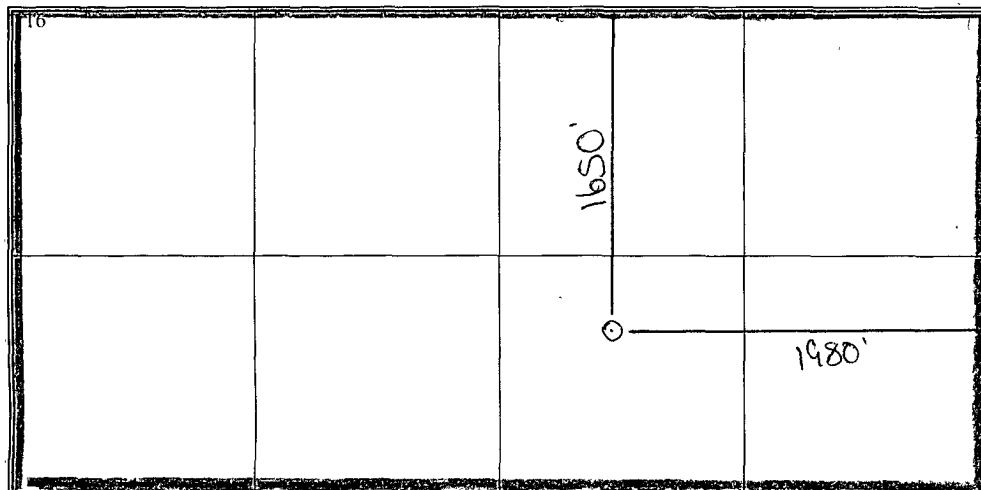
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	6	19S	26E		1650'	North	1980'	East	Eddy

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 320 N/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>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> <div style="text-align: right;">2/27/08</div> <div>Signature _____ Date _____</div> <div>Cy Cowan Regulatory Agent Printed Name _____</div>
	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> <div>Date of Survey _____</div> <div>Signature and Seal of Professional Surveyor _____</div> <div>REFER TO ORIGINAL PLAT</div> <div>Certificate Number _____</div>

YATES PETROLEUM CORPORATION

Majorie BGR #1

Drilling Prognosis

Page 2

This well was originally drilled by Dorchester Company as the Losee et al Com #1. The well was spudded in August 13, 1978 and was P/A'd in April 7, 1979.

Yates Petroleum Corporation proposes to re-enter this well with a pulling unit and drill out the 9 5/8" shoe plug and all cement plugs in the 7 7/8" casing down to the 5 1/2" casing stub at 6418'. A string of 5 1/2" casing will be run to 6418' then the casing will be spiced back together cleaned out and conditioned. to the plugged back TD of 8950'. The well will be completed in the Wildcat Upper Penn formation with a pulling unit.

MUD PROGRAM: Cut Brine Mud; Weight: 9.0-9.1; , Vis: 35; <10-15 cc

BOPE PROGRAM: 3000 # BOPE will be nipples up on 9 5/8 in casing.

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form 1-1-77
Supersedes Form 1-1-76
Effective 1-1-77

All distances must be from the outer boundaries of the section.

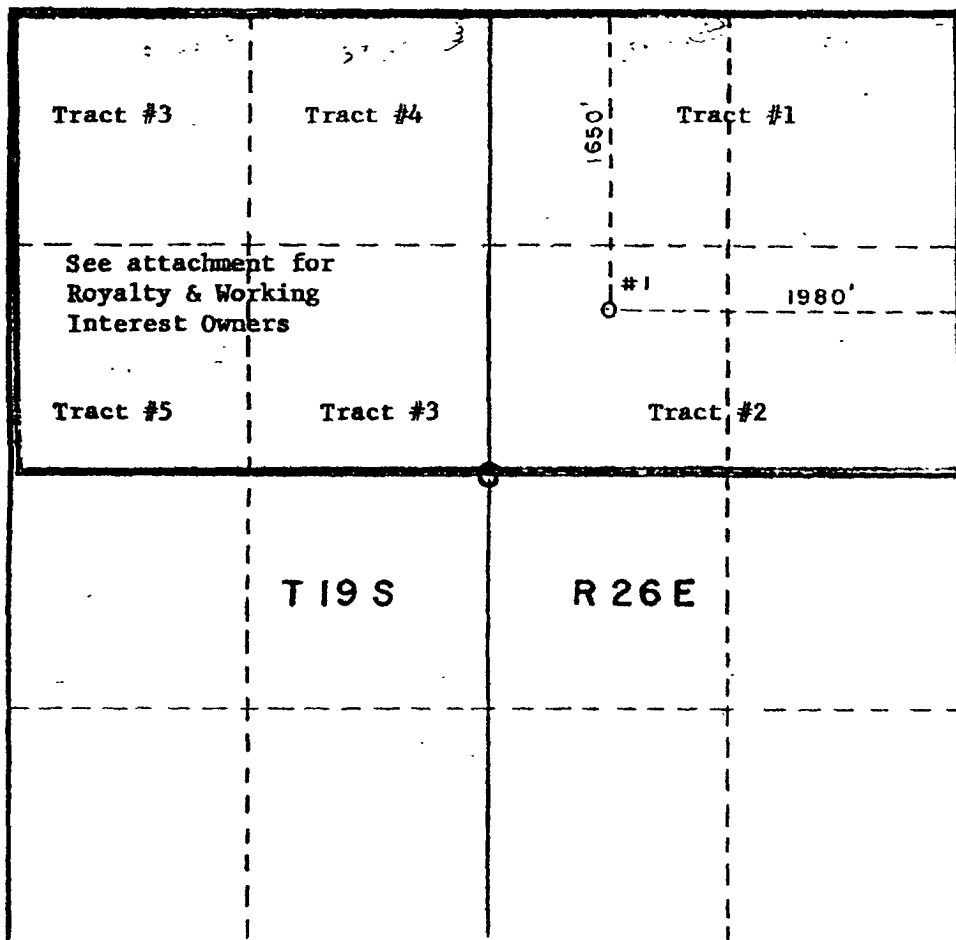
DORCHESTER EXPLORATION, INC.			Lease LOSEE ET AL COM		Well No. 1
Unit Letter G	Section 6	Township 19S	Range 26E	County Eddy	
Actual Footage Location of Well:					
1650 feet from the North line and		1980 feet from the East line			
Ground Level Elev. 3392.0	Producing Formation Morrow	Pool Undas. West Four Mile Draw Morrow		Dedicated Acreage: 310.85 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 Communitization

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

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-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.

Joe Bates

Name

Joe Bates

Position

Proration Administrator

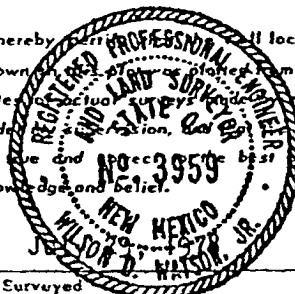
Company

Dorchester Exploration, Inc.

Date

8-3-78

I hereby certify that the location shown on this plat was plotted from field notes, actual surveys made on the ground, or other reliable information, and the same is true and correct to the best of my knowledge and belief.



Date Surveyed

Wilson D. Watson, Jr.

Registered Professional Engineer and/or Land Surveyor

3959

Certificate No.

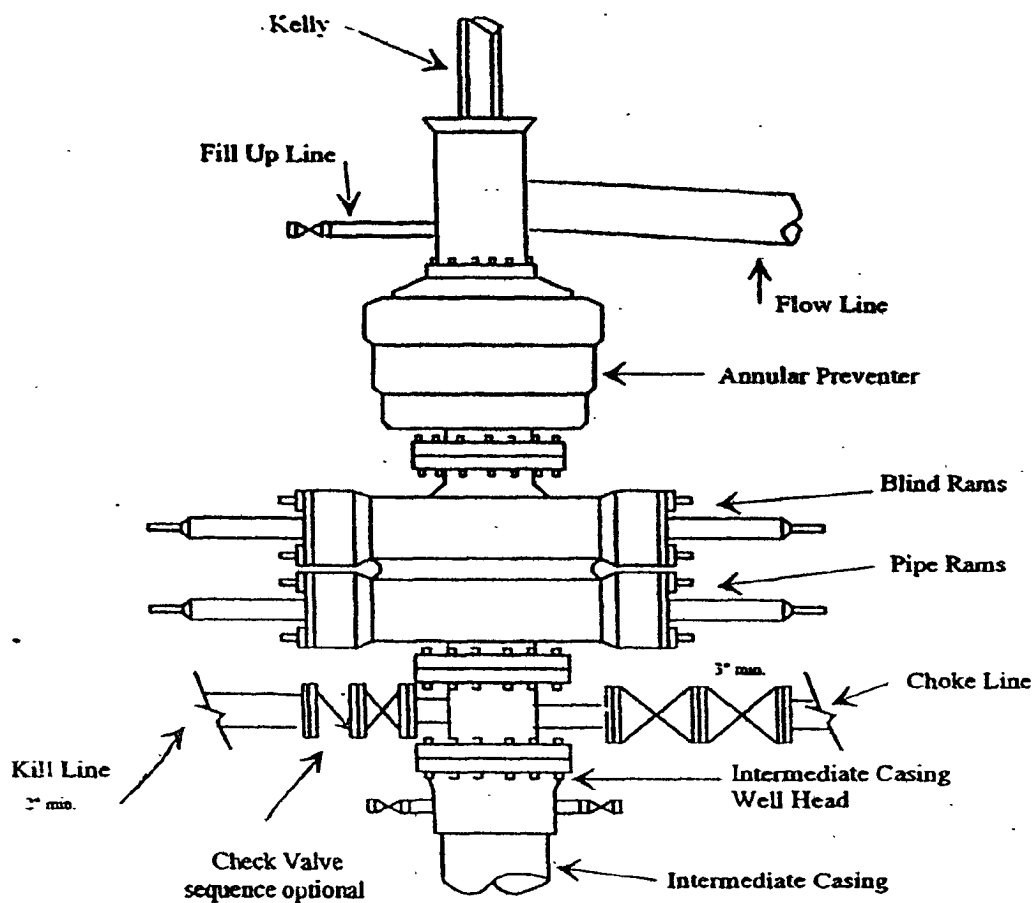
0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



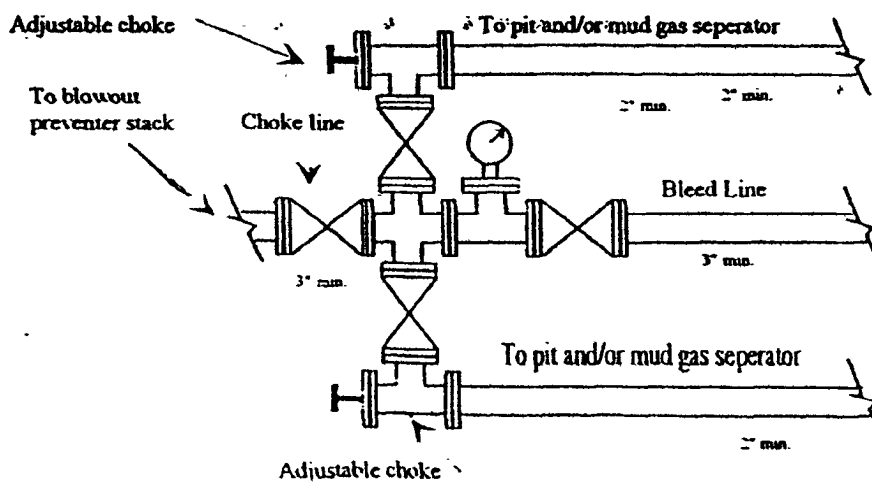
Yates Petroleum Corporation

BOP-3

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



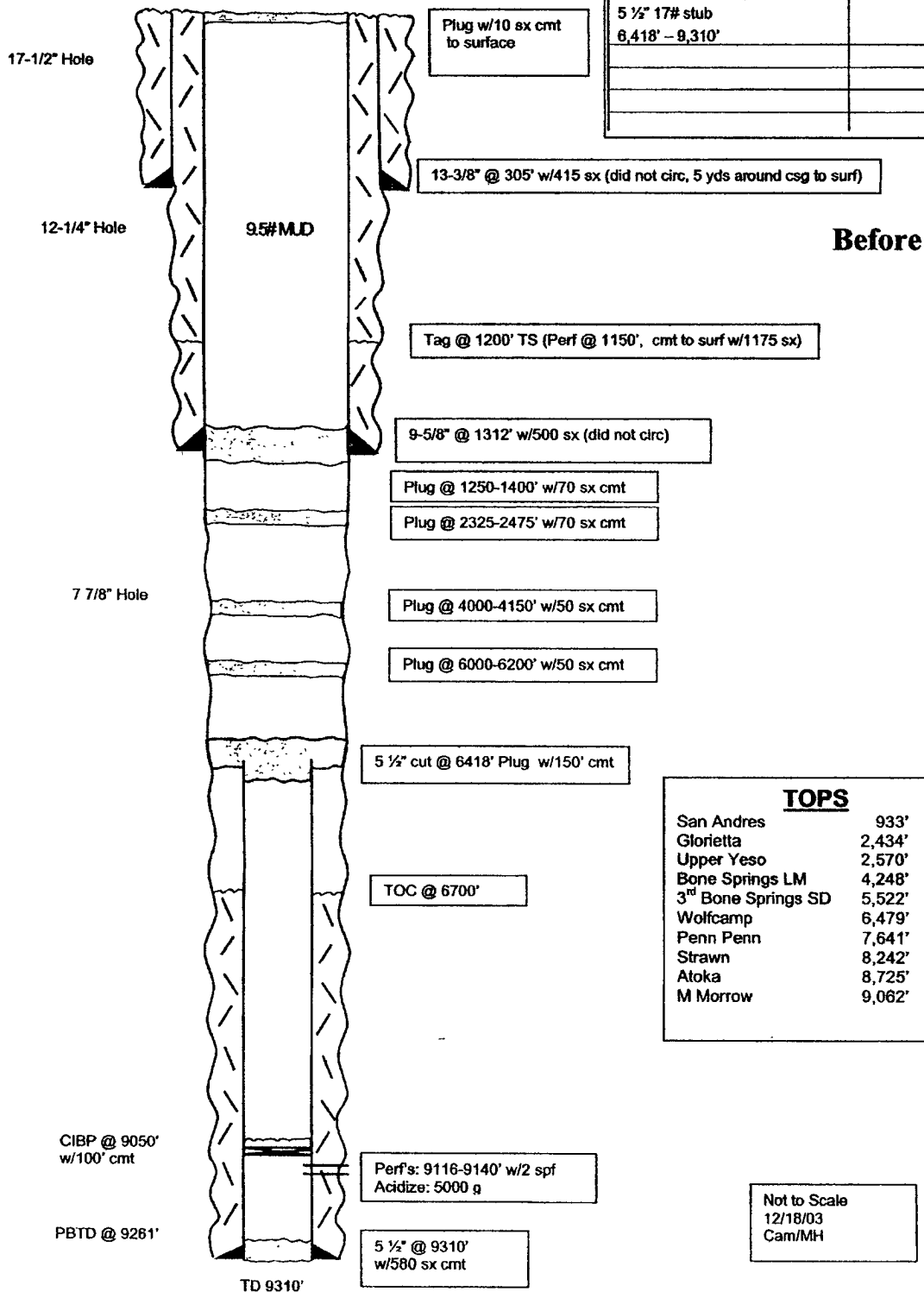
Typical 3,000 psi choke manifold assembly with at least these minimum features



WELL NAME: Losee et al Corn #1 FIELD: Four Mile Draw West
 LOCATION: 1650 FNL & 1980 FEL Sec 6-19S-26E Eddy County
 GL: 3392' ZERO: KB:
 SPUD DATE: 8/13/78 COMPLETION DATE:
 COMMENTS: P&A 4/7/79 30-015-22648

CASING PROGRAM

13-3/8" 48# H40	305'
9-5/8" 40# K55	1312'
5 1/2" 17# stub	
6,418' - 9,310'	



Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

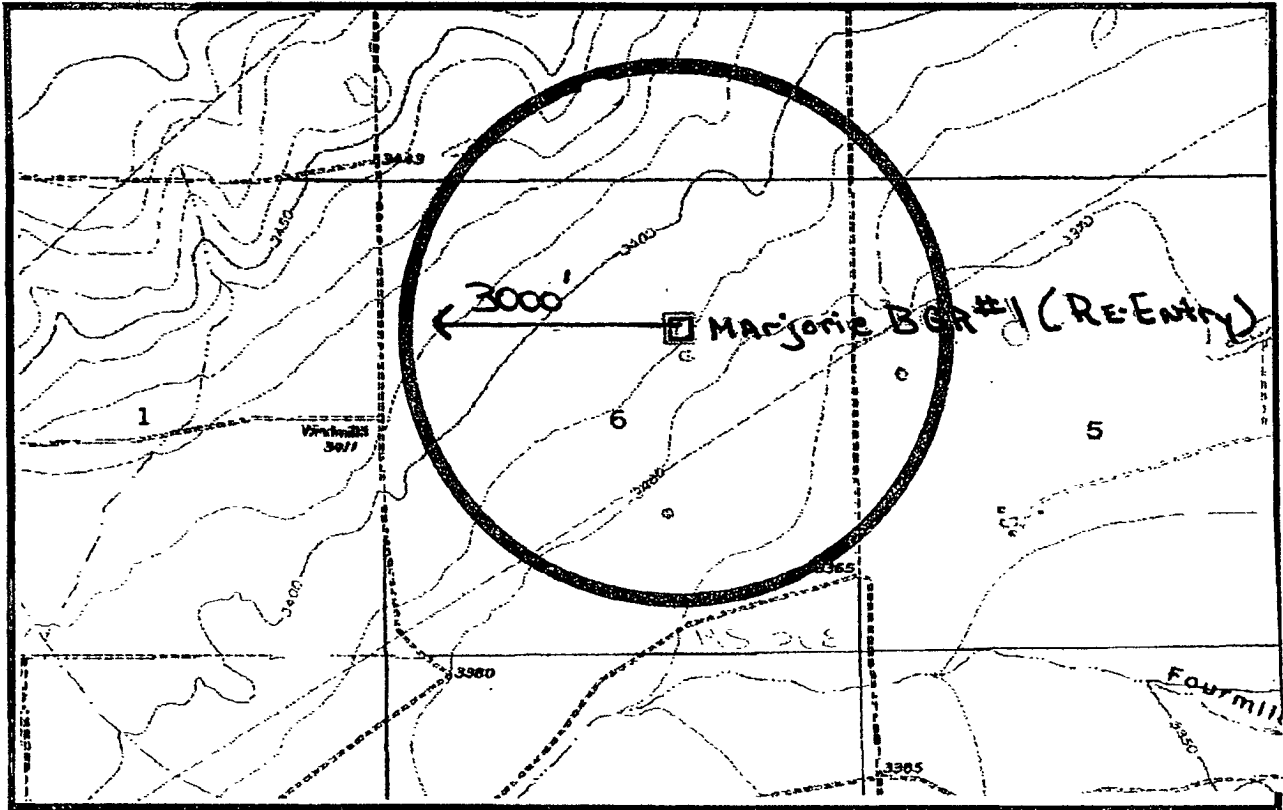
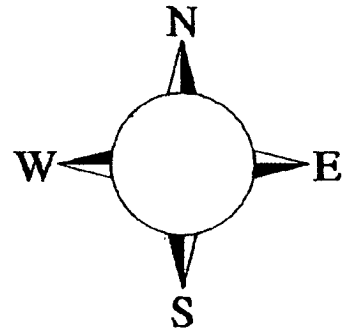
For

Majorie BGR #1 (Re-Entry)

**1650' FNL, 1980' FEL
Sec-6, T-19S, R-26E
Eddy County NM**

Majorie BGR #1 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Assumed 100 ppm ROE = 3000'

100 ppm H₂S concentration shall trigger activation of this plan.

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's 'Hazardous Materials Emergency Response Plan' (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office	(505) 748-1471
Pinson McWhorter/Operations Manager	(505) 748-4189
Darrel Atkins/Production Manager	(505) 748-4204
Ron Beasley/Prod Superintendent	(505) 748-4210
Al Springer/Drilling	(505) 748-4225
Paul Hanes/Prod. Foreman/Roswell	(505) 624-2805
Jim Krogman/Drilling Superintendent	(505) 748-4215
Artesia Answering Service	(505) 748-4302
(During non-office hours)	

Agency Call List

Eddy County (505)

Artesia

State Police	746-2703
City Police	746-2703
Sheriff's Office	746-9888
Ambulance	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD	748-1283

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544

New Mexico Emergency Response Commission (Santa Fe)	(505) 476-9600
24 HR	(505) 827-9126
New Mexico State Emergency Operations Center	(505) 476-9635
National Emergency Response Center (Washington, DC)	...(800) 424-8802

Other

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(505) 746-2757
B. J. Services	(505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM	(505) 842-4949