

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

MAR 26 2008

☐ AMENDED REPORT

OCD-ARTESIA

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	
		³ API Number 30-005-64019	
⁴ Property Code	⁵ Property Name Chief BLC State		⁶ Well No 2 H
⁹ Proposed Pool 1 Wildcat Wolfcamp		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	2	14S	29E		750	South	200	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
P	2	14S	29E		750	South	660	East	Chaves

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3730'
¹⁶ Multiple No	¹⁷ Proposed Depth TVD 7330/TMD 11171	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater 60'		Distance from nearest fresh water well: more than 1000'		Distance from nearest surface water more than 1000'
Pit: Liner. Synthetic ☒ 12 mils thick Clay ☐ Pit Volume: 24,000 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
17 1/2	13 3/8	48#	400	275	Surface
11	8 5/8	24# + 32#	2450	700	Surface
7 7/8 Pilot	5 1/2	17# + 20#	11171	1550	1950

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.

Pilot hole will be drilled to 7330'. Well will then be plugged back and kicked off at approximately 6378' at 12 degrees per 100' with a 7 7/8" hole to 11171' MD with a TVD of 7,100' at TD. Approximately 400' of surface casing will be set and cement circulated to shut off cavings. If commercial, intermediate and production casing will be run and cemented, will perforate and stimulate as needed for production. Mud Program: 0-400 FW; 400 - 2450 Brine Water; 2450 - 5900 Cut Brine; 5900 - 7100 Cut Brine; 7100 - 7330 Cut Brine; 6378 - 11171 Cut Brine (Lateral Section). Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S found from the surface to the Wolfcamp formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118. Pressure control equipment: 3000 psi system nipped up and tested on 8 5/8" casing

Horizontal Drilling Plan attached

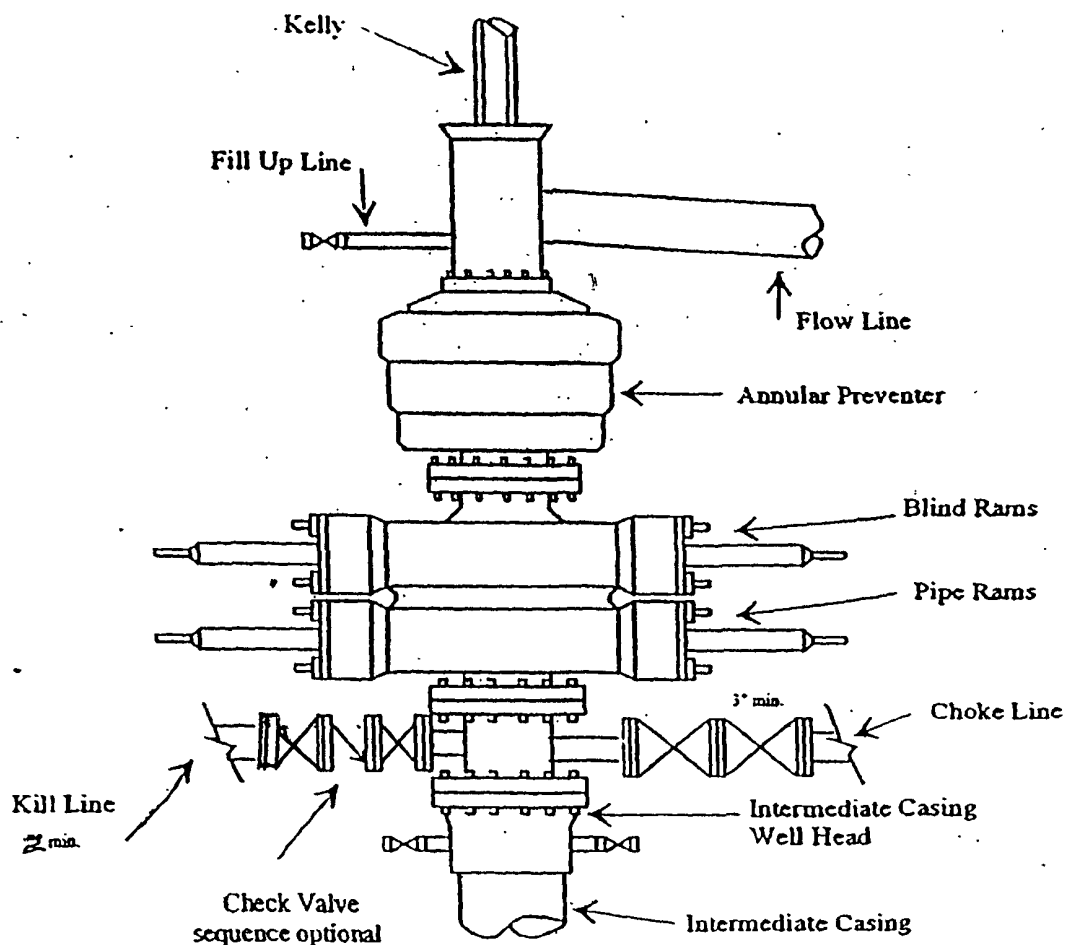
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ , a general permit ☒ , or an (attached) alternative OCD-approved plan ☐ .		OIL CONSERVATION DIVISION	
Printed name: Debbie L. Caffall		Approved by: <i>Jim W. Brown</i>	
Title: Regulatory Agent		Title: <i>District II Supervisor</i>	
E-mail Address: debbiec@ypcnm.com		Approval Date: 3/28/08 Expiration Date: 3/28/10	
Date: 03/26/2008	Phone: 575-748-4376	Conditions of Approval Attached ☐	



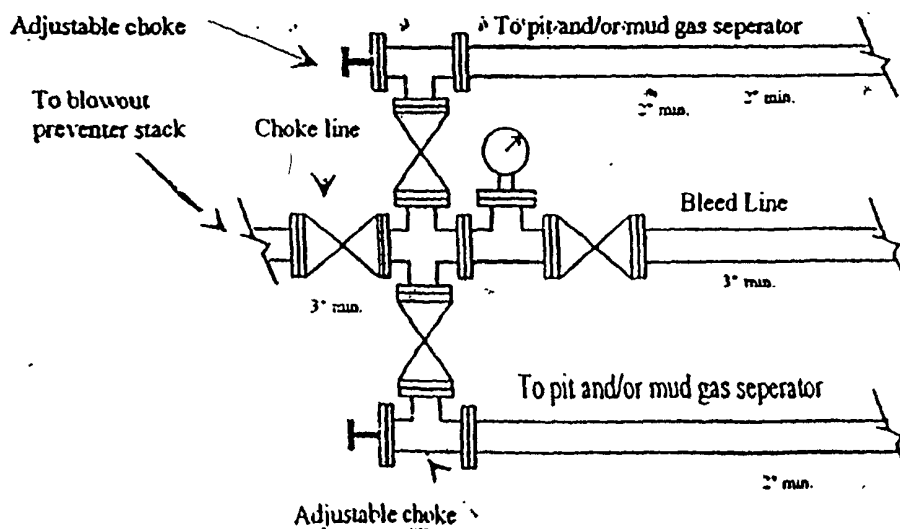
Yates Petroleum Corporation

BOP-3

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



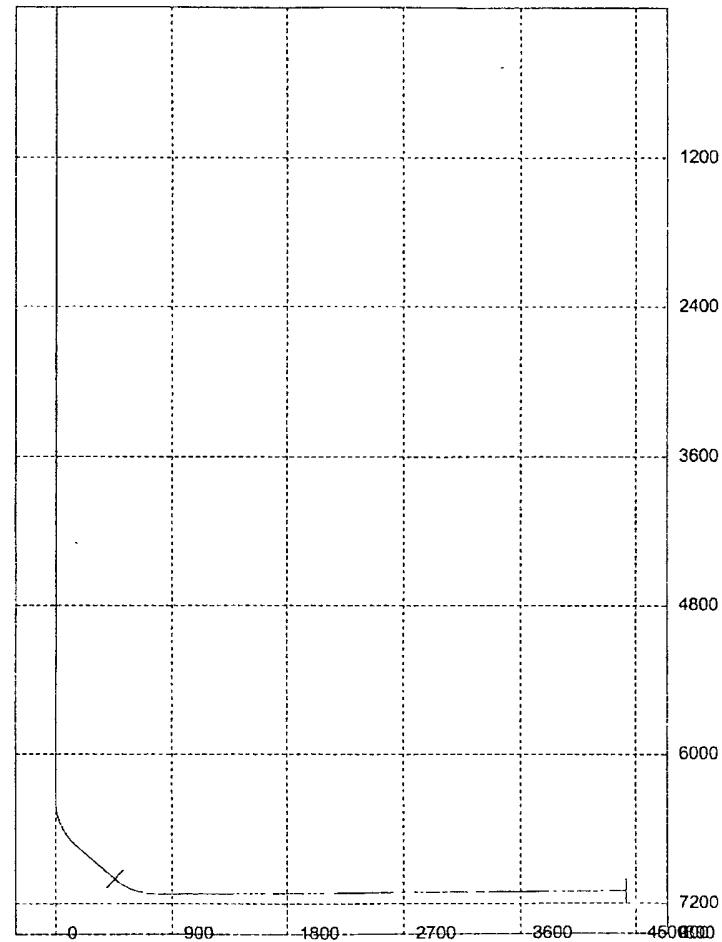
Typical 3,000 psi choke manifold assembly with at least these minimum features



Midway	Inclination	Azimuth	Latitude	Longitude	Elevation	Distance	Antenna	Ref	HS/GN	
0	0	0	0	0	0	0				
315			315							SALADO
765			765							TANSILL
1,025.00			1,025.00							YATES
1,175.00			1,175.00							SEVEN RIVERS
1,740.00			1,740.00							QUEEN
1,860.00			1,860.00							PENROSE
2,080.00			2,080.00							GRAYBURG
2,375.00			2,375.00							SAN ANDRES
3,660.00			3,660.00							GLORIETA
3,720.00			3,720.00							YESO
5,160.00			5,160.00							TUBB
5,960.00			5,960.00							ABO
6378	0	90	6378	0	0	12	90	GN		KOP
6400	2.64	90	6399.99	0	0.51	12	0	HS		
6425	5.64	90	6424.92	0	2.31	12	0	HS		
6450	8.64	90	6449.73	0	5.42	12	0	HS		
6475	11.64	90	6474.33	0	9.82	12	0	HS		
6500	14.64	90	6498.68	0	15.5	12	0	HS		
6525	17.64	90	6522.69	0	22.45	12	0	HS		
6550	20.64	90	6546.3	0	30.65	12	0	HS		
6575	23.64	90	6569.46	0	40.07	12	0	HS		
6600	26.64	90	6592.09	0	50.69	12	0	HS		
6625	29.64	90	6614.13	0	62.48	12	0	HS		
6650	32.64	90	6635.52	0	75.4	12	0	HS		
6675	35.64	90	6656.21	0	89.43	12	0	HS		
6700	38.64	90	6676.14	0	104.52	12	0	HS		
6725	41.64	90	6695.25	0	120.64	12	0	HS		
6750	44.64	90	6713.49	0	137.73	12	0	HS		
6775	47.64	90	6730.81	0	155.76	12	0	HS		
6782.22	48.51	90	6735.63	0	161.12	12	0	HS		
7181.23	48.51	90	7000	0	460	12	0	HS		WOLFCAMP
7200	50.76	90	7012.15	0	474.3	12	0	HS		
7225	53.76	90	7027.46	0	494.06	12	0	HS		
7250	56.76	90	7041.7	0	514.6	12	0	HS		
7275	59.76	90	7054.85	0	535.86	12	0	HS		
7300	62.76	90	7066.87	0	557.78	12	0	HS		
7325	65.76	90	7077.73	0	580.3	12	0	HS		
7350	68.76	90	7087.39	0	603.35	12	0	HS		
7375	71.76	90	7095.84	0	626.88	12	0	HS		
7400	74.76	90	7103.04	0	650.82	12	0	HS		
7425	77.76	90	7108.98	0	675.1	12	0	HS		
7450	80.76	90	7113.63	0	699.66	12	0	HS		
7475	83.76	90	7117	0	724.42	12	0	HS		
7500	86.76	90	7119.07	0	749.34	12	0	HS		
7525	89.76	90	7119.83	0	774.32	12	0	HS		
7529.62	90.31	90	7119.83	0	778.94	12	0	HS		
77170.73	90.31	90	7100	0	4420	12	0	HS		LATERAL TD

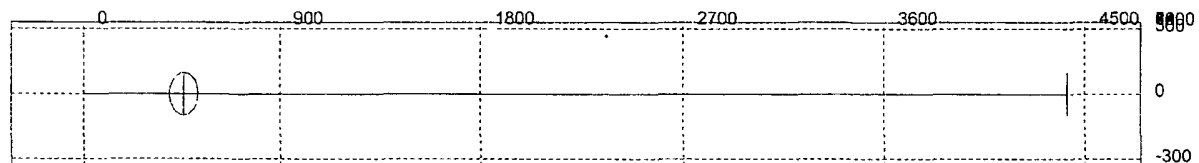
3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Chief BLC State #2H



3D³ Directional Drilling Planner - 3D View

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97489	Pool Name Wildcat Wolfcamp
Property Code 37035	Property Name CHIEF "BLC" STATE	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3730'

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	2	14 S	29 E		750	SOUTH	200	WEST	CHAVES

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
P	2	14 S	29 E		750	SOUTH	660	EAST	CHAVES
Dedicated Acres S2 320	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

Will penetrate top of Wolfcamp formation at 750' FSL and 660' FWL Project Area Producing Area SURFACE LOCATION Lat - N33°07'32.12" Long - W103°00'24.35" SPC- N.: 773880.586 E.: 641513.018 (NAD-83) BOTTOM HOLE LOCATION Lat - N33°07'36.96" Long - W103°59'32.32" SPC- N.: 773888.600 E.: 645736.806 (NAD-83) 200' 660' 4423.8' 750'		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 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. Debbie L. Caffall 3/26/2008 Signature Date Debbie L. Caffall Printed Name Regulatory Agent 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. MARCH 25, 2008 Date Surveyed Signature - Gary L. Jones Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS
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