

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

MAY - 5 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 21 5575
³ Property Code 12157	⁴ Property Name Cottonwood KI Federal Com.	⁵ API Number 30 - 015 - 36386
⁶ Well No. 4H		⁷ Proposed Pool 1 Cottonwood Creek
⁸ Wolfcamp		⁹ 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
P	18	16S	25E		760'	South	260'	East	Eddy

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
M	18	16S	25E		760'	South	660'	West	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3572'
¹⁶ Multiple No	¹⁷ Proposed Depth 5200' TVD	¹⁸ Formation Wolfcamp	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
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 ☐		

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1000'	500 sx	Surface
7 7/8"	5 1/2"	17#	9402' MD	1400'	Surface

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 a horizontal well to test the Wolfcamp formation. Approximately 1000' of surface casing will be set and cement circulated to the surface. Production casing will be set at 9402' and cement circulated to surface. The pilot hole will be drilled to a vertical depth of 5200'. The kickoff point for the lateral will be at 4409' TVD. If commercial, production casing will be run and cemented and stimulated as needed to gain production

MUD PROGRAM: 0-1000' FW Gel, 1000'-4300' Cut Brine; 4300'-5200' Cut Brine. 4409'-9042' MD Cut Brine Horizontal Section

BOPE PROGRAM: A 3000# BOPE will be installed on the 8 5/8" casing and tested daily for operational

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 ☐.

Printed name. Cy Cowan

Title:

E-mail **NOTE:** New Pit Rule
NMAC 19-15-17

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: 6/10/08

Expiration Date: 6/10/10

NOTE: NEW PIT RULE 19.15.17
NMAC.

Condit:

Drilling pit must be constructed, operated and closed per above new rule.

DISTRICT I

1826 N. French Dr., Hobbs, NM 88240

DISTRICT II

1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III

1000 Rio Brason Rd., Aztec, NM 87410

DISTRICT IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

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State of New Mexico
Energy, Minerals and Natural Resources DepartmentForm C-102
Revised October 12, 2005Submit 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

MAY - 5 2008

☐ AMENDED REPORT

OCD-ARTESIA

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 75260	Well Name Cottonwood Creek Wolfcamp W
Property Code 12157	Property Name COTTONWOOD "KI" FEDERAL COM.	Well Number 4H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3572

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	16 S	25 E		760	SOUTH	260	EAST	EDDY

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
M	18	16 S	25 E		760	SOUTH	660	WEST	EDDY
Dedicated Acres 160	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

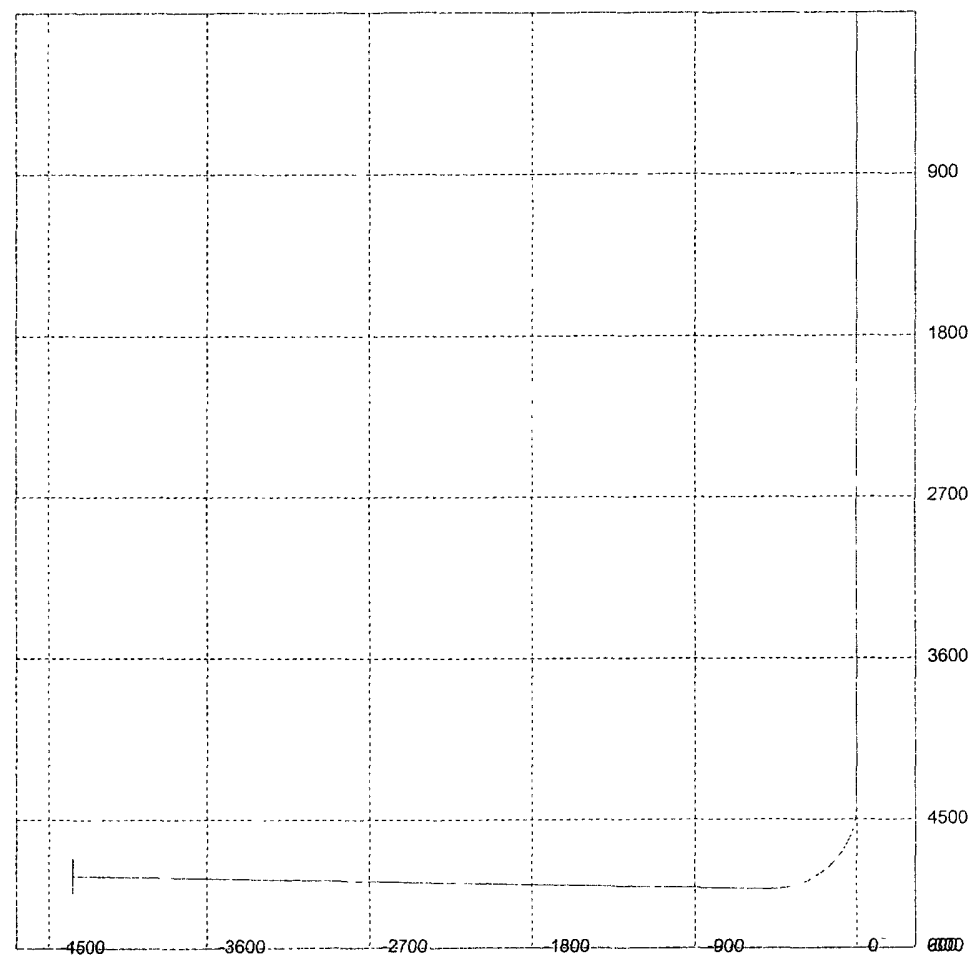
● = Penetration Point 760' FSL 660' FEL		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed 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. <i>[Signature]</i> 4/28/08 Signature Date Cy Cowan, Regulatory Printed Name Agent	
BOTTOM HOLE LOCATION Lat - N32°55'04.33" Long - W104°31'52.87" SPC- N.: 697712.173 E.: 480572.838 (NAD-83)		SURFACE LOCATION Lat - N32°55'04.38" Long - W104°31'01.37" SPC- N.: 697709.874 E.: 484963.064 (NAD-83)	
Project Area		Producing Area	
NM-9402 V-8103 3568.1 3563.0 660' 4390.2 0260' 760' 3560.3 760' 3572.8			
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. FEBRUARY 27, 2008 Date Surveyed <i>[Signature]</i> Signature of State Professional Surveyor W.O. [Signature] Certificate No. Gary L. Jones 7977 BASIN SURVEYS		STATE OF NEW MEXICO Professional Surveyor 7977	

MD	Inclination	Azimuth	TVD	N/S	E/W	ADITS	Toolface	ILB	HS/GN
0	0	0	0	0	0	0			
560	0	0	560	0	0	0			SAN ANDRES
1810	0	0	1810	0	0	0			GLORIETA
3110	0	0	3110	0	0	0			TUBB
3810	0	0	3810	0	0	0			ABO
4409	0	0	4409	0	0	12	270	GN	KOP
4425	1.92	270	4425	0	-0.27	12	0	HS	
4450	4.92	270	4449.95	0	-1.76	12	0	HS	
4475	7.92	270	4474.79	0	-4.55	12	0	HS	
4500	10.92	270	4499.45	0	-8.65	12	0	HS	
4525	13.92	270	4523.86	0	-14.02	12	0	HS	
4550	16.92	270	4547.96	0	-20.67	12	0	HS	
4575	19.92	270	4571.68	0	-28.57	12	0	HS	
4600	22.92	270	4594.95	0	-37.7	12	0	HS	
4625	25.92	270	4617.71	0	-48.03	12	0	HS	
4650	28.92	270	4639.9	0	-59.54	12	0	HS	
4675	31.92	270	4661.45	0	-72.2	12	0	HS	
4700	34.92	270	4682.32	0	-85.97	12	0	HS	
4725	37.92	270	4702.43	0	-100.81	12	0	HS	
4750	40.92	270	4721.74	0	-116.68	12	0	HS	
4775	43.92	270	4740.2	0	-133.54	12	0	HS	
4800	46.92	270	4757.74	0	-151.35	12	0	HS	
4825	49.92	270	4774.33	0	-170.05	12	0	HS	
4850	52.92	270	4789.92	0	-189.59	12	0	HS	
4875	55.92	270	4804.46	0	-209.92	12	0	HS	
4900	58.92	270	4817.92	0	-230.98	12	0	HS	
4925	61.92	270	4830.26	0	-252.72	12	0	HS	
4950	64.92	270	4841.45	0	-275.08	12	0	HS	
4975	67.92	270	4851.45	0	-297.99	12	0	HS	
5000	70.92	270	4860.23	0	-321.39	12	0	HS	
5025	73.92	270	4867.78	0	-345.22	12	0	HS	
5050	76.92	270	4874.08	0	-369.41	12	0	HS	
5075	79.92	270	4879.1	0	-393.9	12	0	HS	
5081	80.64	270	4880	0	-400	12	0	HS	WOLFCAMP
5100	82.92	270	4882.82	0	-418.61	12	0	HS	
5125	85.92	270	4885.26	0	-443.49	12	0	HS	
5150	88.92	270	4886.38	0	-468.47	12	0	HS	
5168.42	91.13	270	4886.37	0	-486.88	12	0	HS	
9042.29	91.13	270	4810	0	-4360	0			LATERAL TD

Pilot hole will be drilled to 5200'. Well will then be plugged back and kicked off at approx. 4409' at 12 degrees per 100' with a 7 7/8" hole to 9,042' MD with a TVD of 4,810'.

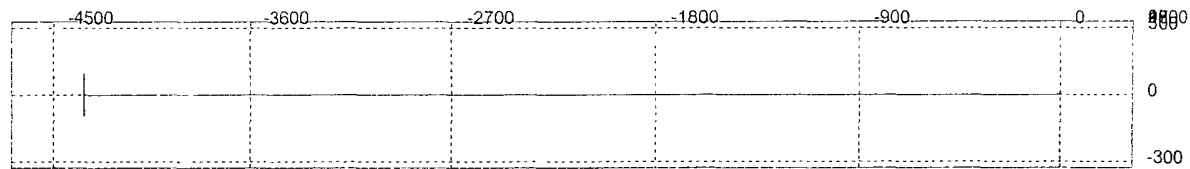
3D³ Directional Drilling Planner - 3D View

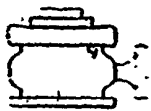
Company: Yates Petroleum Corporation
Well: Cottonwood KI Federal Com. #4H



3D^s Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Cottonwood KI Federal Com. #4H

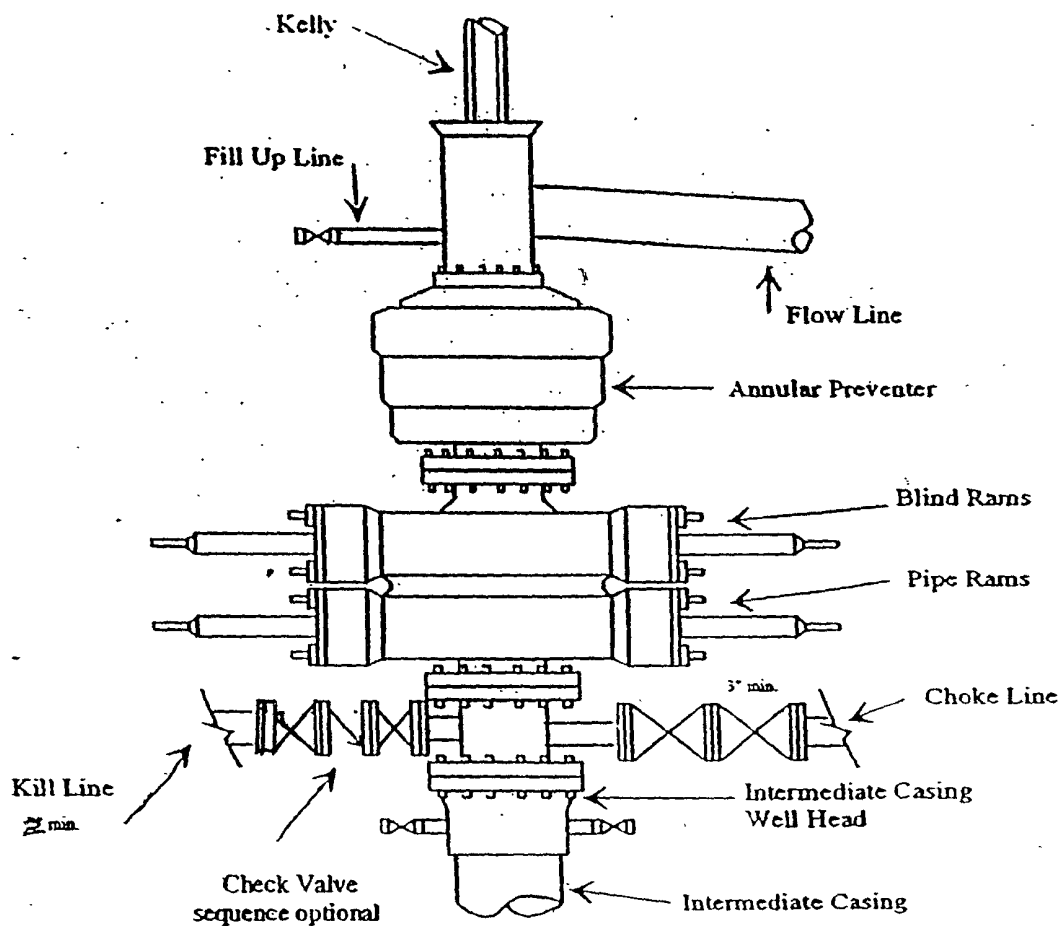




Yates Petroleum Corporation

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

