

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, PLUG BACK, 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 Property Code 12519		⁴ Property Name Lotus ALT State.
⁵ Proposed Pool 1 Wildcat Bough		⁶ Proposed Pool 2

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	32	22S	32E		1650	North	1650	West	Lea

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 O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3536'
¹⁶ Multiple No	¹⁷ Proposed Depth 8600	¹⁸ Formation Delaware	¹⁹ Contractor Not Determined	²⁰ Spud Date
Depth to Groundwater: 250'		Distance from nearest fresh water well: More than 1000'		Distance from nearest surface water: 1000' or more
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method				
Closed-Loop System <input type="checkbox"/> 0 ranking Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.375"	48#	850'	450	0
11.0"	8.625"	32#	4500'	1400	0
7.875"	5.5"	17#	8600'	950	0

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 Delaware/intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Intermediate casing will be set at 4500', cement circulated to surface. If commercial, production casing will be ran and cemented, perforated, and stimulated as need to gain production. MUD PROGRAM: 0-850' FW/native mudl; 850'-4500' Brine; 4500'-6800 Cut Brine; 6800'-8600' cut Brine/Starch. No H2S is anticipated. BOPE PROGRAM: A 3000# BOPE will be installed on the 8.625" casing and tested daily for operational.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

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 <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Clifton R. May		Approved by: <i>Chris Williams</i>	
Title: Regulatory Agent		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: cliff@ypcnm.com		Approval Date: MAR 06 2008 Expiration Date:	
Date: February 25, 2008		Conditions of Approval Attached <input type="checkbox"/>	

NOTE: USGS Water Data website & their map; no information on NM Engineer's website.

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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

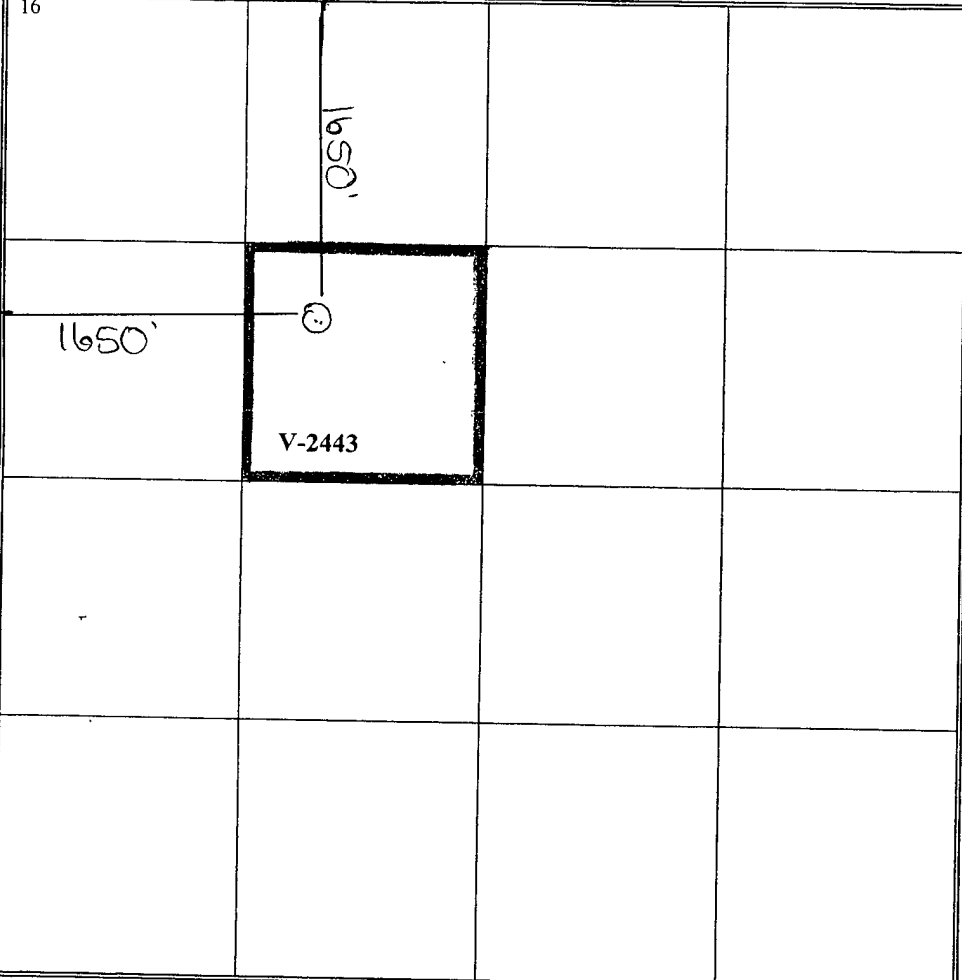
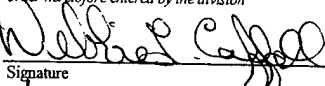
WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-38796	² Pool Code 39330	³ Pool Name Livingston Ridge Delaware SE
⁴ Property Code 12519	⁵ Property Name Lotus ALT State	⁶ Well Number 6
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3536'

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
F	32	22S	32E		1650	North	1650	West	Lea

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 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 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 1/16/08 Date Clifton R. May Regulatory Agent Printed Name
					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
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
611 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1989
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 39 380	Pool Name SE LIVINGSTON RIDGE DELAWARE
Property Code 12519	Property Name LOTUS "ALT" STATE	Well Number 6
OCRD No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3536

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	32	22S	32E		1650	NORTH	1650	WEST	LEA

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 40	Joint or Infill	Consolidation Code	Order No.
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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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein to be true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature CLIFTON R. MAY Printed Name REGULATORY AGENT Title 12/1/2006 Date</p>	
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>1/23/2003 Date Surveyed</p>	
	<p><i>HECHELL JONES</i> Signature Professional Surveyor HECHELL JONES Professional Surveyor 3640 New Mexico Certified by the State of New Mexico LOUISIANA PROFESSIONAL LAND SURVEYORS GENERAL SURVEYING COMPANY</p>	
	<p>3640</p>	

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State of New Mexico
Energy Minerals and Natural Resources

Form C-144
March 12, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

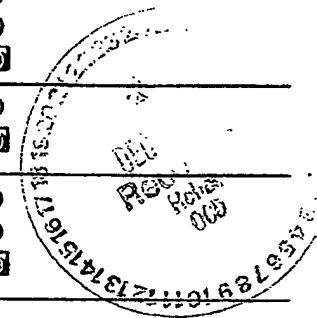
Operator: Yates Petroleum Corporation Telephone: (505) 748-4347 e-mail address: debbiec@ynocam.com

Address: 105 South Fourth Street, Artesia, New Mexico

Facility or well name: Lotus ALT State #6 API #: 30-025-37032 U/L or Qtr/Qu F Sec 32 T 22S R 32E

County: Lea Latitude N32.3508 Longitude W103.7000 NAD: 1927 ☐ 1983 ☒ Surface Owner - Federal ☐ State ☒ Private ☐ Indian ☐

FM 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 checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Volume 24,000 bbl	Below-grade tank 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.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) <input checked="" type="checkbox"/> 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.)	Yes (20 points) <input checked="" type="checkbox"/> No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <input checked="" type="checkbox"/> 1000 feet or more (0 points)
	Ranking Score (Total Points) 0 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: January 5, 2005 Printed Name/Title Debbie L. Cuffell / Regulatory Technician Signature *Debbie L. Cuffell*

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: JAN 12 2005

Printed Name/Title

PETROLEUM ENGINEER

Signature *Paul B. Hough*

MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

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PRESIDENT

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DIRECTOR

JOHN A. YATES, JR.
DIRECTOR

February 14, 2008

Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

RE: Lotus ALT State #6
1650' FNL and 1650" FWL, Unit E
Section 32, T22S-R32E
Lea County, New Mexico

RECEIVED

FEB 18 2008

HOBBS OCD

To Whom It May Concern:

Yates Petroleum Corporation requests the status of the abovementioned location with regards to approval of application for permit to drill submitted 1/24/08.

Should you have any questions please contact Debbie L. Caffall at (575) 748-4376.

YATES PETROLEUM CORPORATION

Clifton May
Regulatory Agent

CM/ms
Enclosure(s)

RECEIVED
FEB 18 2008
HOBBS OCD