

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

June 16, 2008

RECEIVED

NOV 16 2009

HOBBSOCD

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 S 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30 - 025 - 34 777
³ Property Code 34283	⁵ Property Name Mattea BFA State	
		⁶ Well No. 2 (re-entry)
⁹ Proposed Pool 1 Undesignated		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. M	Section 35	Township 10S	Range 34E	Lot Idn	Feet from the 330	North/South line South	Feet from the 330	East/West line West	County Lea
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

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 & D	¹² Well Type Code Oil	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4161'
¹⁶ Multiple N	¹⁷ Proposed Depth 10,500'	¹⁸ Formation Bough B	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program


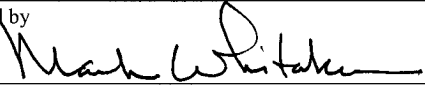
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.375"	48#	391' - in place	425 sx	0
11"	8.625"	32#	3800' - in place	800 sx	0
7.875"	5.5"	17#	0-10,500'	1600 sx	3240'

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 Attachment for Drilling Plans
H2S is not anticipated
Previously Approved
C-102 Attached
C-144 Attached

Thank you,

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief		OIL CONSERVATION DIVISION	
Signature 		Approved by 	
Printed name: Cy Cowan		Title: Compliance Officer	
Title: Land Regulatory Agent		Approval Date: 11-25-09	Expiration Date: 11-25-2011
E-mail Address: cy@yatespetroleum.com			
Date: 11/12/09	Phone: 575-748-4372	Conditions of Approval Attached <input type="checkbox"/>	

Mattea BFA State #2 (Re-entry)
330' FSL & 330' FWL
Section 35, T10S-R34E
Lea County, New Mexico

Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Manzano Oil Corporation as their Sand Springs State Unit #1, which was plugged on August 23, 2000. Yates' will use a pulling unit and a reverse unit to drill out the cement plugs using a 7 7/8" bit in the 8 5/8" casing to plug at approximately 3728'. Test the casing to 500 psi. Circulate hole clean and trip out of hole and rig down pulling unit.

A drilling rig will move onto location and the remaining plugs will be drilled out to the original TD of 9222'. The well will be deepened with a 7 7/8" bit to approximately 10500'. New logs will be run, then 5 1/2" casing will be run and cemented to approximately 3240' with 1600 sacks. The well will be completed with a pulling unit in the Penn intervals as indicated by the interpretation of the open hole logs by Geology. The mud program will be 9.2 to 9.8 ppg brine water with viscosity of 35-40 cp. A 5000# psi BOP will be used.

				<p align="center">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> </div> <p align="center">Signature Cy Cowan</p> <hr/> <p align="center">Printed Name Land Regulatory Agent</p> <hr/> <p align="center">Title 10/12/09</p> <hr/> <p align="center">Date</p>
				<p align="center">SURVEYOR CERTIFICATION</p> <p><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></p> <p align="center">REFER TO ORIGINAL PLAT</p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p>Date Surveyed</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p>Signature & Seal of Professional Surveyor</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p>Certificate No.</p> </div>