

DATE 6-21-04	SUSPENSE 7-12-04	ENGINEER MS	LOGGED IN MS	TYPE NSL	P.M.E.S.O. APP NO 417428126
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] **[NSP-Non-Standard Proration Unit]** **[SD-Simultaneous Dedication]**
[DHC-Downhole Commingling] **[CTB-Lease Commingling]** **[PLC-Pool/Lease Commingling]**
[PC-Pool Commingling] **[OLS - Off-Lease Storage]** **[OLM-Off-Lease Measurement]**
[WFX-Waterflood Expansion] **[PMX-Pressure Maintenance Expansion]**
[SWD-Salt Water Disposal] **[IPI-Injection Pressure Increase]**
[EOR-Qualified Enhanced Oil Recovery Certification] **[PPR-Positive Production Response]**

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☐ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached
- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Robert Bullock

Print or Type Name

Robert Bullock

Signature

Landman

Title

6-18-04

Date

e-mail Address

2004 JUN 21 PM 12 44

P.M.E.S

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

June 17, 2004

Mr. Michael Stogner
New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

CERTIFIED MAIL
Return Receipt Requested

2004 JUN 21 PM 12 44

Dear Mr. Stogner:

Pursuant to Division Rule 104.F.(2), Yates Petroleum Corporation applies for administrative approval of an unorthodox gas well location for the following well in the Mississippian formation (undesignated Wildcat Mississippian Pool), the Morrow formation (undesignated Wildcat Morrow Pool) and the Atoka formation (undesignated Wildcat Atoka Pool):

Well: East Sand Springs Unit #5
Location: 250 feet FNL & 315 feet FWL
Well Unit: W2 of Section 7, Township 11 South, Range 35 East, Lea County, NM

The reason for the location exception is geologic. The Atoka-Morrow gas play is attempting to locate channel sands by utilizing 3-D seismic, log correlation and regional mapping. Although these gas sands can be very productive, the channels are very narrow and limited in aerial extent. The T/Austin structure map shows the targeted sand channel for the proposed East Sand Springs #5 well. The channel is indicated by the blue line, which shows a narrow channel trending up the lease line between sections 7 and 12. Moving the proposed well to a legal location of 660' from the lease line would intersect a small fault. This would greatly increase the risk of missing this channel system and also significantly magnifies the drilling problems. Yates was successful in finding this same channel system in the recently drilled East Sand Springs #4 well, which is located one (1) mile to the southwest. This well found several sands, but they were wet in the Atoka-Morrow, so subsea depth also was instrumental in picking the location. The proposed location for the #5 well is approximately 120' higher than the East Sand Springs #4 well.

Seismic line A-A' crosses the channel system and shows how narrow these channels can be. The well location is shown with the bold red line, the section line with the black line, and the fault with the green line. These channels and faulting are often very subtle features, as can be seen from seismic line A-A'. The channels become more visible after looking at and integrating numerous seismic lines from a 3-D survey.

Page 2
June 17, 2004

The only well on the Austin structure map which has produced or shows potential from the Atoka-Morrow is the recently drilled Yates, Lagarto AMZ State #2. This well has just been drilled and completed in the Morrow. Off the map to the west is the Yates Twain well. This well is also a recent Morrow completion in the northwest corner of Section 12.

Yates Petroleum Corporation believes there is potential for channel sand development in Section 7. This is an expensive, high risk project which is attempting to hit a narrow channel system. The AFE shows an estimated cost of approximately \$1,700,500 to drill and complete. The unorthodox East Sand Springs #5 location is the best place to test the potential in Section 7. No wells have been drilled in Section 7 and this is the best location to protect correlative rights and prevent waste of recoverable oil and gas.

The Yates companies own 100% of the working interest in the three State of New Mexico leases which offset this unorthodox gas well location in the direction of encroachment. There are no overriding royalty owners in any of these leases. Concho Oil & Gas Corp. is the offset operator in the E2 of Section 6 and is listed on Exhibit C and they were notified of this application as shown by Exhibit D

Please call me at (505) 748-4351 if you need further information on this matter.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

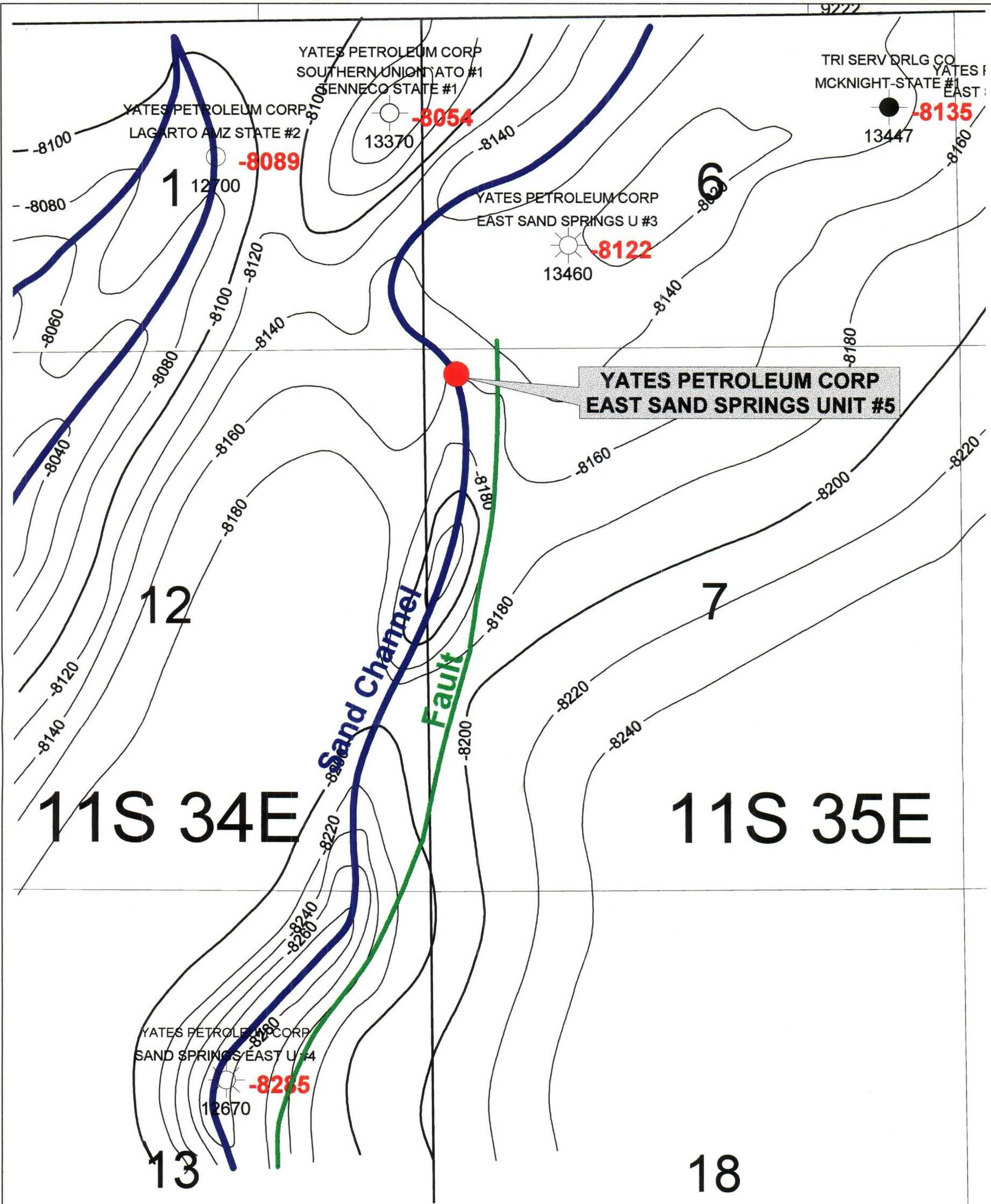


Robert Bullock
Landman

RB:bn

Enclosure(s): Exhibit A – Geologic
Exhibit B – Land Plat
Exhibit C – Offset Operator
Exhibit D – Notification
Exhibit E - AFE
Exhibit F - APD

EXHIBIT A



YATES PETROLEUM CORPORATION		
E. SAND SPRINGS UNIT #5 LOCATION EXCEPTION Top Austin Structure Map 11S - 35E Sec 7, Lea City, NM		
Author: JOHN AMIET	CI = 20'	Date: 14 June, 2004
ne	Scale: 1 = 1000'	FILE: Top Austin Str 11S 34E.gmp

A

Line:
Trace:

Section Line

2784.0
7160.0

2784.0
7180.0

2784.0
7200.0

A'

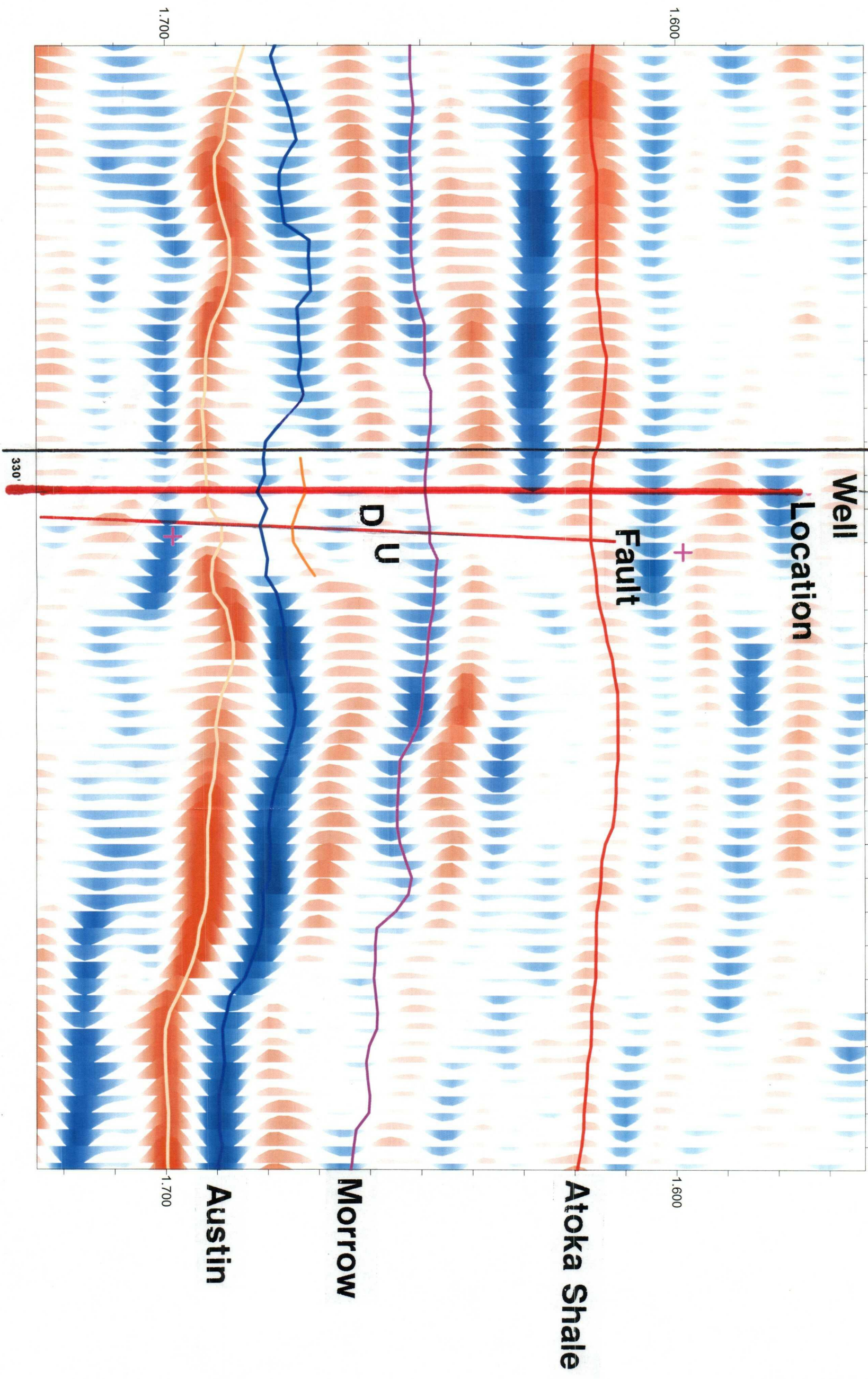


EXHIBIT B

<p>(Sharbro) Pg 7-13-71 Yates Pet, etal 2-1-2005 V-5713 1563</p> <p>BTA-2 Sunray-2 682 LTD Yates Pet, etal (Sharbro) 2-1-2005 V-5714 1563</p> <p>Diamond & Half, Inc. (S) State</p>	<p>5-1-2004 V-5522 24375</p> <p>Sunray N.M. II-St. TD 10100</p> <p>State</p>	<p>Yates Pet, etal 5-1-2004 V-5521 1656</p> <p>14375</p> <p>Yates Pet, etal 2-1-2005 V-5716 5635</p> <p>State</p>	<p>5625 HBU</p> <p>Yates Pet, etal 4-1-2004 VA-1947 1719 HBU</p> <p>State</p>	<p>VA-1949 8438 HBU</p> <p>Yates Pet, etal 4-1-2004 VA-1950 1719 HBU</p> <p>State</p>	<p>Yates Pet, etal 4-1-2004 VA-1950 1719 HBU</p> <p>State</p>
<p>(Sharbro) Yates Pet, etal 2-1-2004 VA-1903 7333</p> <p>State</p>	<p>(Sharbro) Yates Pet, etal 2-1-2004 VA-1911 1563</p> <p>State</p>	<p>(Sharbro) Yates Pet, etal 2-1-2004 VA-1902 8733</p> <p>State</p>	<p>Yates Pet, etal 1-1-2005 VA-2113 1563</p> <p>Diamond & Half, Inc. (S) State</p>	<p>Yates Pet, etal 1-1-2005 V-5631 3123</p> <p>Yates Pet, etal 1-1-2005 VA-2112</p> <p>State</p>	<p>Yates Pet, etal 4-1-2004 VA-1951 1524 HBU</p> <p>State</p>
<p>29 Strait St. Unit</p> <p>State</p>	<p>28</p> <p>Tipperary State TD14034 D/A 8-30-77</p> <p>State</p>	<p>27</p> <p>Yates Pet, etal 1-1-2005 VA-2104 15627</p> <p>Diamond & Half, Inc. (S) State</p>	<p>26</p> <p>Yates Pet, etal 1-1-2005 VA-2112</p> <p>State</p>	<p>25</p> <p>State, M.I. Diamond & Half, Inc. (S)</p>	<p>Yates Pet, etal 4-1-2004 VA-1950 1719 HBU</p> <p>State</p>
<p>(Sharbro) Yates Pet, etal 5-1-2003 V-5301 1563</p> <p>State</p>	<p>(Sharbro) Yates Pet, etal V-5302</p> <p>State</p>	<p>Yates Pet, etal 1-1-2000 VA-1335 1563</p> <p>State</p>	<p>Yates Pet, etal 3-1-2000 VA-1347 1562</p> <p>State</p>	<p>Yates Pet, etal 1-1-2005 VA-2105 17627</p> <p>State, M.I. Diamond & Half, Inc. (S)</p>	<p>Yates Pet, etal 3-1-2004 V-5489 1563</p> <p>State</p>
<p>32</p> <p>"Strait St. Ut."</p> <p>State</p>	<p>33</p> <p>"Strait St. Ut."</p> <p>State</p>	<p>34</p> <p>Yates Pet, etal 12-1-2005 V-6057 20625</p> <p>Diamond & Half, Inc. (S) State</p>	<p>35</p> <p>Yates Pet, etal 1-1-2006 V-6091 14375</p> <p>State</p>	<p>36</p> <p>State, M.I. Diamond & Half, Inc. (S)</p>	<p>Yates Pet, etal 3-1-2004 V-5489 1563</p> <p>State</p>
<p>Pet. Reserves 3-1-88 V-683, 1213 90, 48 AC</p> <p>State</p>	<p>Yates Pet, etal 10-1-90 V-1600</p> <p>State</p>	<p>Yates Pet, etal V-1611 2 0 (So. Union) TD13370</p> <p>State</p>	<p>Yates Pet, etal VA-1315 E Sand Springs, UT MAYSS. Disc.</p> <p>State</p>	<p>Yates Pet, etal 3-1-2000 VA-1243 1530</p> <p>State, M.I. Diamond & Half, Inc. (S)</p>	<p>Yates Pet, etal 3-1-2005 VA-2135 310274</p> <p>State Diamond & Half, Inc. (S)</p>
<p>Yates Pet, etal V-4150 Yates Pet, etal Hillard (Trainer) (Springs) 2-ASL (wo) (V) (Dev. Disc.) JIA 9-28-99</p> <p>State</p>	<p>Yates Pet, etal V-5303</p> <p>State</p>	<p>12</p> <p>"Twain St"</p> <p>State</p>	<p>Yates Pet, etal 1-1-2000 VA-1316 1603</p> <p>East Sand Springs Unit</p> <p>State</p>	<p>Yates Pet, etal 2-1-2005 V-5718 11230</p> <p>State</p>	<p>Yates Pet, etal 2-1-2005 V-5718 5623</p> <p>State, M.I. Diamond & Half, Inc. (S)</p>
<p>Yates Pet, etal 5-1-2003 V-5305 1563</p> <p>State</p>	<p>Yates Pet, etal 5-1-2003 V-5304 1563</p> <p>State</p>	<p>Yates Pet, etal 5-1-2003 V-5304 1563</p> <p>State, M.I. Bogle Ltd. (S)</p>	<p>Yates Pet, etal 1-1-2000 V-4557 1603</p> <p>State</p>	<p>Yates Pet, etal 3-1-2005 VA-2136 20631</p> <p>State</p>	<p>Yates Pet, etal 8-1-2005 V-5906 1563</p> <p>State</p>
<p>Yates Pet, etal 5-1-2003 V-5305 1563</p> <p>State, M.I. Bogle Ltd. (S)</p>	<p>Yates Pet, etal 5-1-2003 V-5304 1563</p> <p>State, M.I. Bogle Ltd. (S)</p>	<p>Yates Pet, etal 5-1-2003 V-5304 1563</p> <p>State, M.I. Bogle Ltd. (S)</p>	<p>Yates Pet, etal 3-1-2000 V-4559 1603</p> <p>State, M.I. Bogle Ltd. (S)</p>	<p>Yates Pet, etal 3-1-2005 VA-2137 24081</p> <p>State</p>	<p>Yates Pet, etal 8-1-2005 V-5990 5123</p> <p>State</p>
<p>Yates Pet, etal 7-1-2004 V-5562</p> <p>State</p>	<p>Yates Pet, etal 4-1-2001 V-4834 5-96</p> <p>State</p>	<p>Yates Pet, etal 9-1-2007 V-6687 5122</p> <p>State</p>	<p>Yates Pet, etal 6-1-2005 V-5831</p> <p>State</p>	<p>Yates Pet, etal 2-1-2004 V-5457</p> <p>State</p>	<p>Yates Pet, etal 2-1-2006 VA-2381 9375</p> <p>State</p>

EXHIBIT C

OFFSET OPERATOR

***Concho Oil & Gas Corp.
110 S. Louisiana, Suite 410
Midland, Texas 79701***

EXHIBIT D



105 South Fourth Street
Artesia, NM 88210

June 17, 2004

Concho Oil & Gas Corp.
110 W. Louisiana, Suite 410
Midland, TX 79701

Certified Mail
Return Receipt Requested

RE: Unorthodox Gas Well Location
Township 11 South, Range 35 East
Section 7: W2
Lea County, New Mexico

Gentlemen:

Enclosed is a copy of an application filed with the New Mexico Oil Conservation Division by Yates Petroleum Corporation requesting administrative approval of an unorthodox gas well location in the W2 of Section 7, T11S, R35E, Lea County, New Mexico. You own an interest in the offsetting E2 of Section 6. If you object to the well's location you must notify the Division in writing no later than twenty (20) days from receipt of this letter. Failure to object will preclude you from contesting this matter at a later date.

Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script that reads 'Robert Bullock'.

Robert Bullock
Landman

RB:bn
enclosure(s)



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

EXHIBIT E
AUTHORITY FOR EXPENDITURE
NEW DRILLING, RECOMPLETION & RE-ENTRY

AFE NO. 04-257-0
AFE DATE 6/8/2004
AFEND (rev 6/98)

AFE Type:	Well Objective:	Well Type:	AFE STATUS:
<input checked="" type="checkbox"/> New Drilling	<input type="checkbox"/> Oil	<input checked="" type="checkbox"/> Development	<input checked="" type="checkbox"/> Original
<input type="checkbox"/> Recompletion	<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Exploratory	<input type="checkbox"/> Revised
<input type="checkbox"/> Re-entry	<input type="checkbox"/> Injector		<input type="checkbox"/> Final
			<input type="checkbox"/> Supplemental

LEASE NAME	East Sand Springs State Unit #5	PROJ'D DEPTH	12,650'
COUNTY	Lea	STATE	New Mexico
FIELD		HORIZON	Mississippian
LOCATION	Section 7 T11S-R35E, 250' N & 315' W		
DIVISION CODE	100	DIVISION NAME	Oil & Gas Division
DISTRICT CODE		DISTRICT NAME	
BRANCH CODE		BRANCH NAME	

PROGNOSIS: New well drilled to 12,650' to test the Atoka and Morrow formations.

INTANGIBLE DRILLING COSTS:		DRY HOLE	COMP'D WELL
920-100	Staking, Permit & Legal Fees	1,500	1,500
920-110	Location, Right-of-Way	25,000	25,000
920-120	Drilling, Footage		
920-130	Drilling, Daywork & fuel 50 days @ \$8,900/day + \$25,000 mob	498,000	498,000
920-140	Drilling Water, Fasline Rental	25,000	25,000
920-150	Drilling Mud & Additives	75,000	75,000
920-160	Mud Logging Unit, Sample Bags	25,000	25,000
920-170	Cementing - Surface Casing	35,000	35,000
920-180	Drill Stem Testing, OHT		
920-190	Electric Logs & Tape Copies	75,000	75,000
920-200	Tools & Equip. Rntl., Trkg. & Welding	40,000	40,000
920-205	Control of Well-Insurance	9,000	9,000
920-210	Supervision & Overhead	30,000	30,000
920-230	Coring, Tools & Service		
920-240	Bits, Tool & Supplies Purchase	50,000	50,000
920-350	Cementing - Production Casing		65,000
920-410	Completion Unit - Swabbing		50,000
920-420	Water for Completion		20,000
920-430	Mud & Additives for Completion		
920-440	Cementing - Completion		
920-450	Elec. Logs, Testing, Etc. - Completion		30,000
920-460	Tools & Equip. Rental, Etc. - Completion		80,000
920-470	Stimulation for Completion		100,000
920-480	Supervision & O/H - Completion		10,000
920-490	Additional LOC Charges - Completion		1,500
920-510	Bits, Tools & Supplies - Completion		1,000
920-500	Contingency for Completion	90,000	160,000
TOTAL INTANGIBLE DRILLING COSTS		978,500	1,406,000

TANGIBLE EQUIPMENT COSTS:			
930-010	Christmas Tree & Wellhead	5,000	25,000
930-020	Casing 13 3/8" @ 400'	7,000	7,000
	9 5/8" @ 4,200'	50,000	50,000
	5 1/2" @ 12,650'		110,000
930-030	Tubing 2 7/8" @ 12,400'		42,500
930-040	Packer & Special Equipment		
940-010	Pumping Equipment		
940-020	Storage Facilities		15,000
940-030	Separation Equip., Flowlines, Misc.		30,000
940-040	Trucking & Construction Costs		15,000
TOTAL TANGIBLE EQUIPMENT COSTS		62,000	294,500
TOTAL COSTS		1,040,500	1,700,500

APPROVAL OF THIS AFE CONSTITUTES APPROVAL OF OPERATOR'S OPTION TO CHARGE THE JOINT ACCOUNT WITH TUBULAR GOODS FROM THE OPERATOR'S WAREHOUSE STOCK AT THE RATES STATED ABOVE.

Prepared By	Jeremiah Mullen	Operations Approval	
BY	DATE		
BY	DATE		
BY	DATE		
BY	DATE		

EXHIBIT FDistrict I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-101

Permit 1114

APPLICATION FOR PERMIT TO DRILL

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth St. Artesia, NM 88210		OGRID Number 25575
		API Number
Property Code	Property Name EAST SAND SPRINGS UNIT	Well No. 005

Surface Location

UL or Lot	Section	Township	Range	Lot Ida	Feet From	N/S Line	Feet From	E/W Line	County
D	7	11S	35E		250	N	315	W	Lea

Proposed Pools

Wildcat Mississippian

Work Type New Well	Well Type Gas	Cable/Rotary	Lease Type State	Ground Level Elevation 4210
Multiple N	Proposed Depth 12650	Formation Mississippi Limestone	Contractor	Spud Date 06/18/2004

Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	400	400	0
Int1	12.25	9.625	40	4200	1400	0
Prod	8.75	5.5	17	12650	1650	3700

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Mississippian and intermediate formations. Approximately 400' of surface casing will be cement circulated. Intermediate casing will be set @ 4200', cement circulated to the surface. If commercial, production casing will be run/cemented; will perforate/stimulate as needed for production. MUD PROGRAM: 0-400' - FW/Spud Mud; 400' - 2170' - Fresh Water; 2170' - 4200' - Red Bed Mud/Oil; 4200' - 7700' - Cut Brine; 7700' - 11590' Salt Gel/Oil; 11590' - 12000' - SWGel/Starch; 12000' - TD SW/Starch/4%-6%KCL. No H2S Anticipated.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 06/17/2004

Phone: 505-748-4364

OIL CONSERVATION DIVISION

Electronically Approved By:

Title:

Approval Date:

Expiration Date:

Conditions of Approval:

No Conditions

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV1220 S. St Francis Dr., Santa Fe, NM
87505

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102

Permit 1114

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Name Wildcat Mississippian	Pool Code
Property Code	Property Name EAST SAND SPRINGS UNIT	Well No. 005
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4210

Surface And Bottom Hole Location

UL or Lot D	Section 7	Township 11S	Range 35E	Lot Idn	Feet From 250	N/S Line N	Feet From 315	E/W Line W	County Lea
Dedicated Acres 302.76		Joint or Infill		Consolidation Code		Order No.			

<input checked="" type="checkbox"/>			

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Electronically Signed By: Debbie Caffall

Title: Regulatory Technician

Date: 06/17/2004

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.

Surveyed By: Herschel Jones

Date of Survey: 06/16/2004

Certificate Number: 3640

FROM : GENERAL SURVEYING Co
DISTRICT I
1000 N. French Dr., Dallas, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Rio Grande Rd., Aztec, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87508

FAX NO. : 5053930023
STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Jun. 16 2004 02:33PM P1
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 2 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	Pool Name Wildcat Mississippian
Property Code	Property Name EAST SAND SPRINGS STATE UNIT	Well Number 5
OCRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4210

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
D	7	11S	35E		250	NORTH	315	WEST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 392.76 W/2	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**

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Clifton R. May Printed Name Regulatory Agent Title June 16, 2004 Date	
	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. 6/16/2004 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Herschel L. Jones, RLS 3640 EAST SAND SPRINGS 5 GENERAL SURVEYING COMPANY	

0 330' 000' 900' 1050' 1900' 2310' 2310' 1900' 1050' 900' 000' 330' 0'

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-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@ypcnm.com

Address: 105 South 4th Street, Artesia, NM 88210

Facility or well name: East Sand Springs Unit #5 API #: U/L or Qtr/Qtr D Sec 7 T 11S R 35E

County: Lea Latitude N32.3869 Longitude W103.4501 NAD: 1927 ☒ 1983 ☐ Surface Owner Federal ☐

State ☒ Private ☐ Indian ☐

Pit Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 20 mil

Clay ☐ Volume 20,000 bbl

Below-grade tank

Volume: bbl Type of fluid:

Construction material:

Double-walled, with leak detection? Yes ☐ 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)
	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)	20 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: June 17, 2004

Printed Name/Title Clifton R. May/Regulatory Agent Signature

Clifton R. May

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.

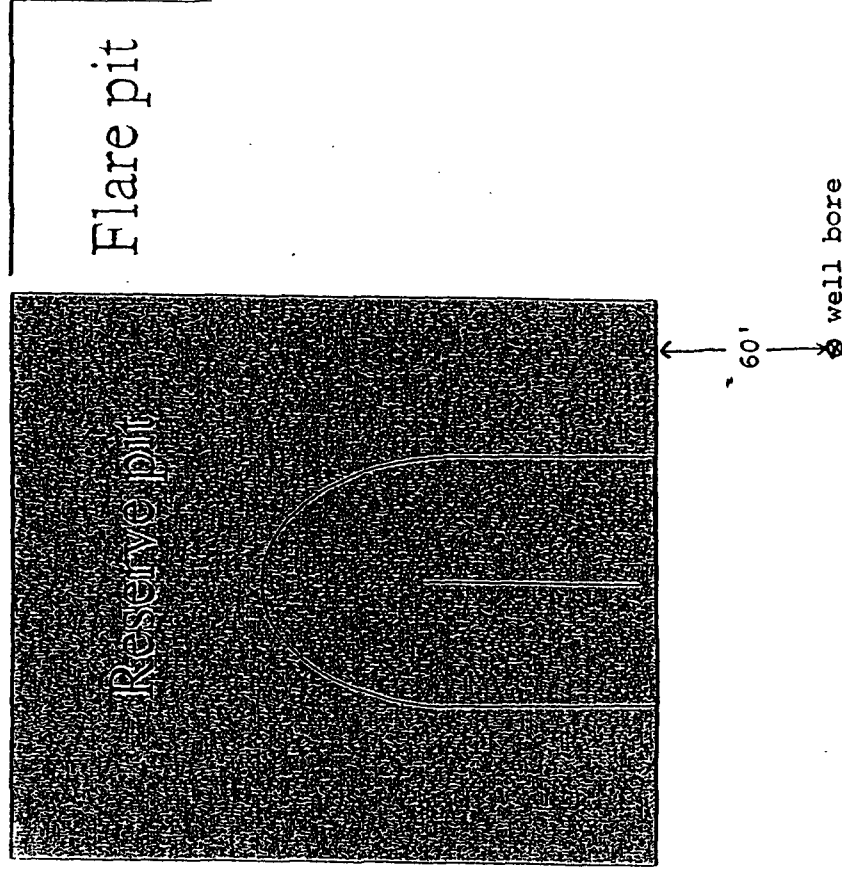
Approval:

Date:

Printed Name/Title Signature

SAND SPRINGS STATE UNIT #5
YATES PETROLEUM CORPORATION
General Plan was approved 4/15/04

The reserve pit will be to the North.
The Southeast Corner of the pit will
be approximately 60' North of the well
bore. The pit will be a 150' X 150'
and 5' deep with a capacity of 20,000
bbls.



Standard reserve pit. All Reserve pits are double
Horse shoe size varies with depth of well