

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised March 17, 1999  
Instructions on back  
Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

DISTRICT II  
811 South First, Artesia, NM 88210

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

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 8750

OIL CONSERVATION DIVISION  
PO BOX 2088

Santa Fe, NM 87504-2088

RECEIVED

JUN 07 2004

OCB-ARTESIA

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30- 005- 63662
<sup>4</sup> Property Code	<sup>5</sup> Property Name Bittersweet "AOZ" State Com.	<sup>6</sup> Well No. 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
N	28	9S	26E		660'	South	1980'	West	Chaves

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Four Ranch Pre Permian					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code G	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3764'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 6945'	<sup>18</sup> Formation Basement	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1100'	450 sx	Surface
7 7/8"	5 1/2"	15.5#	6230'	550 sx	**

\*\*Cement to cover all oil, gas and waterbearing zones, i.e., Glosieta formation

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new production. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill and test the Basement and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1100' FWGel/Paper/LCM; 1100-4300' Brine; 4300-6230' Starch/Salt Gel.

BOPE PROGRAM: A 2000# BOPE will be installed on the 8 5/8" casing and tested daily.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Robert Asher

Title: Regulatory Agent / Land Department

Date:

05/19/04

Email: debbiec@ycpnm.com

Phone: (505) 748-4376

OIL CONSERVATION DIVISION

Approved by:

Approval Date: JUN 14 2004

Conditions of Approval

Attached ☐

Expiration Date: JUN 14 2005



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor

**Joanna Prukop**  
Cabinet Secretary  
Acting Director  
Oil Conservation Division

11 June 2004

Yates Petroleum Corp.  
105 South 4th Street  
Artesia, New Mexico 88210

RE:

Pit Permit - Bittersweet AOZ State Com # 2  
Vanilla AZA State # 2

Unit N SEC-28 T-9S R-26E  
Unit C SEC- 28 T-9S R-26E

The Oil Conservation Division of Artesia is in receipt of your application for permit to drill. Construction of a pit(s) for the purpose of drilling is approved under your current "General Plan" with the following provisions:

1. Construction and closing of pit(s) must meet the criteria of Rule 19.15.2.50 and the Pit Guidelines.
2. The pit is not located in any watercourse, lakebed, sinkhole, playa lake, or wetland.
3. Notice is to be given to the OCD prior to construction of the pit(s).
4. Pit(s) must meet all requirements of approved plan.
5. Liner must be a minimum of 12 mil. woven.
6. Depth to groundwater may cause the pit's contents and the liner to be removed and disposed of in a manner approved by the Division.
7. Pit encapsulations must meet all specific criteria including, but not limited to:
  - A. Site evaluation
  - B. Amount of and type of cover
  - C. Drill cuttings will be sampled as per guidelines. Notify OCD 48 hours prior to any sampling event
  - D. In the event that the integrity of the pit lining is breached in a manner such that soil contamination would result, the contents of the pit will have to be disposed of in an approved OCD facility.
8. The Division may attach additional conditions to any permit upon a finding that such conditions are necessary to prevent the contamination of fresh water, or to protect public health or the environment. (19.15.2.50.C.3.G.1.)

If I can be of any further assistance, please feel free to call (505) 748-1283 ext. 109.

Sincerely,

Van Barton

**District II**  
**811 South First, Artesia, NM 88210**

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

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

**District III**  
**1000 Rio Brazos Rd., Aztec, NM 87410**

**District IV**  
**1220 S. St. Francis Dr., Santa Fe, NM 87505**

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name
			<b>Foor Ranch Pre Permian</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name		<sup>6</sup> Well Number
	<b>Bittersweet AOZ State</b>		<b>2</b>
<sup>7</sup> OGRID No.	<sup>8</sup> Operator Name		<sup>9</sup> Elevation
<b>025575</b>	<b>Yates Petroleum Corporation</b>		<b>3764'</b>

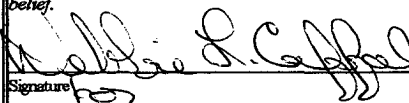

## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	9S	26E		660	South	1980	West	Chaves

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code			<sup>15</sup> 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	
				<b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Robert Asher</b> Printed Name <b>Regulatory Agent</b> Title <b>05/19/2004</b> Date	
<b>V-2328</b>		<b>LG-7642</b>		<b>V-2328</b>	
<b>1980'</b>		 <b>099</b>		<b>LG-7642</b>	
				<b>18</b> <b>SURVEYOR CERTIFICATION</b> 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. <b>REFER TO ORIGINAL PLAT</b> Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number	

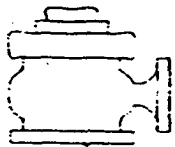

  

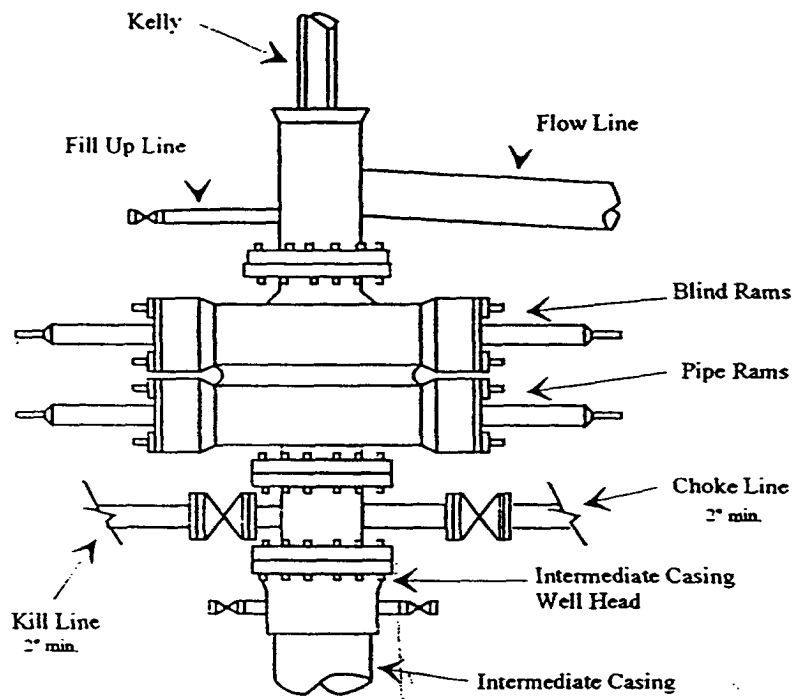
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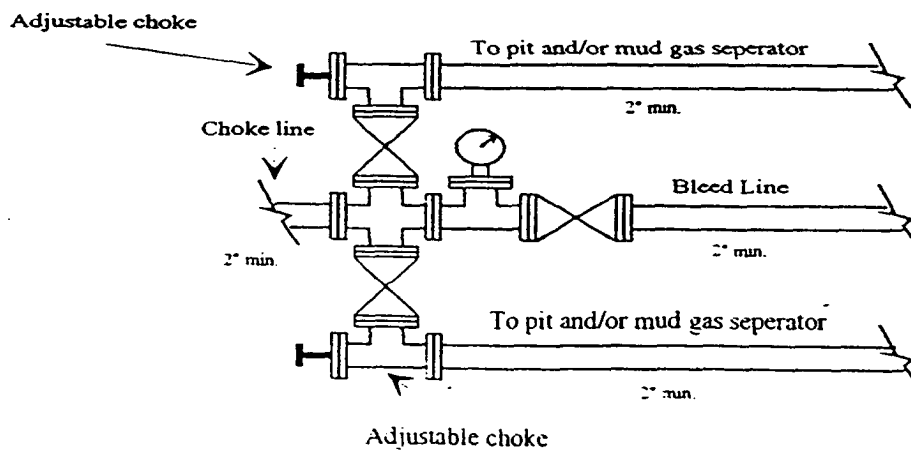
# Yates Petroleum Corporation

BOP-2

## Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features



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 4, 2004

Mr. Bryan Arrant  
Oil Conservation Division, District II Office  
1301 W. Grand Ave.  
Artesia, NM 88210

Re: Bittersweet AOZ State Com. #2  
Section 28, T9S-R26E  
Chaves County, New Mexico  
H2S Contingency Plan

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Basement Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Debbie L. Caffall  
Regulatory Technician

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1912 - 1985  
FRANK W. YATES  
1936 - 1986



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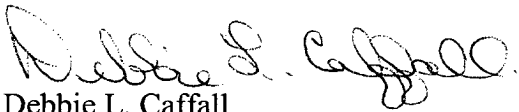
June 4, 2004

Oil Conservation Division  
District II Office  
1301 West Grand Ave.  
Artesia, NM 88210

RE: Water Well Information  
Bittersweet AOZ State Com. #2  
Section 28, T9S-R26E  
Chaves County, New Mexico

The State Engineers Web Site has been accessed for the captioned well. There were no records found of ground water depth, water well, or any indication of any surface water in the area surrounding this well location.

Thank you,  
Yates Petroleum Corporation

  
Debbie L. Caffall  
Regulatory Technician