

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

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

Form C-101
March 4, 2004

RECEIVED

SEP 14 2004

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OOD-ARTESIA

☐ AMENDED REPORT

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, NM 88210		² OGRID Number 025575 API Number 30 - 015-32044
³ Property Code 12553	⁵ Property Name Medano VA State	⁶ Well No. 10

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	16	23S	31E		1650'	South	2310'	East	Eddy

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
		P							

⁹ Proposed Pool 1
Los Medano Delaware

¹⁰ Proposed Pool 2
Secretaries Potash Order

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West line	County
J	16	23S	31E		1650'	South	2310'	East	Eddy

Depth to ground water N/a	Distance from nearest fresh water well N/a	Distance from nearest surface water N/a
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¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3368'
¹⁶ Multiple No	¹⁷ Proposed Depth 8200'	¹⁸ Formation Delaware	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 1/2"	13 3/8"	48 #	600'	700	Surface
11"	8 5/8"	32 #	4100'	1400	Surface
7 7/8"	5 1/2"	15.5 # & 17#	8200'	Stage 1-500	TOC- 6200'
			DV Tool @ 4050'	Stage 2 - 400	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 and test the Delaware and intermediate formations. Approximately 600' of surface casing will be set and cement circulated. Intermediate casing will be set at 4100' and cemented to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. MUD PROGRAM: 0-600' FW/Native Mud; 600'-4100' Brine; 4100'-6800' Cut Brine; 6800'-8200' Cut Brine/Starch. BOPE PROGRAM: A 3000# BPOE will be installed on the 8 5/8" casing and tested daily.

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 met the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

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.

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 ☐.

Signature:

Printed name: Cy Cowan

Title: Regulatory Agent / Land Department

E-mail Address: debbiec@ypcnm.com

Date: September 9, 2004

Phone: (505) 748-4372

Approved by:

NOTIFY OCD OF SPUD & TIME TO
WITNESS CEMENTING OF
SURFACE & INTERMEDIATE
CASING

TIM W. GUM
DISTRICT II SUPERVISOR

Title:

Approval Date: SEP 15 2004

Expiration Date: SEP 15 2005

Conditions of Approval:

Attached ☐

Cement to cover all oil, gas and
water bearing zones.

PREVIOUSLY APPROVED

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies

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☐

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Los Medano Delaware	
⁴ Property Code		⁵ Property Name Medano "VA" State			⁶ Well Number 10
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3368

¹⁰ Surface Location

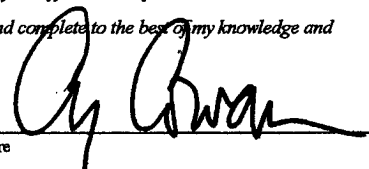
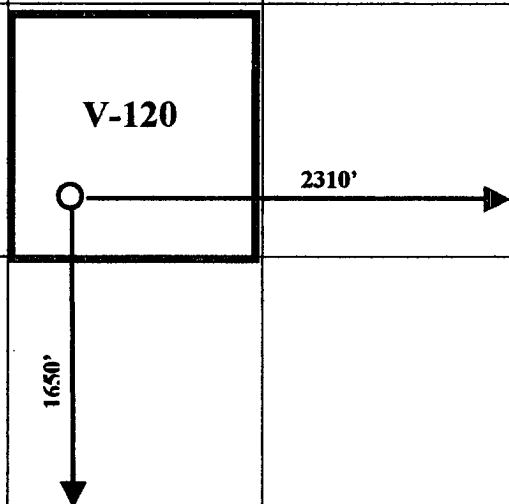
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	16	23S	31E		1650	South	2310	East	Eddy

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
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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title 9/9/2004 Date
				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 II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brancos Bld., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department

Submit to Appropriate District Office
State Lease - 4 Copies
Fed 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	Pool Name LOS MEDANO DELAWARE
Property Code	Property Name MEDANO "VA" STATE	Well Number 10
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3368


Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	16	23S	31E		1650	SOUTH	2310	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
Dedicated Acres 40	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**

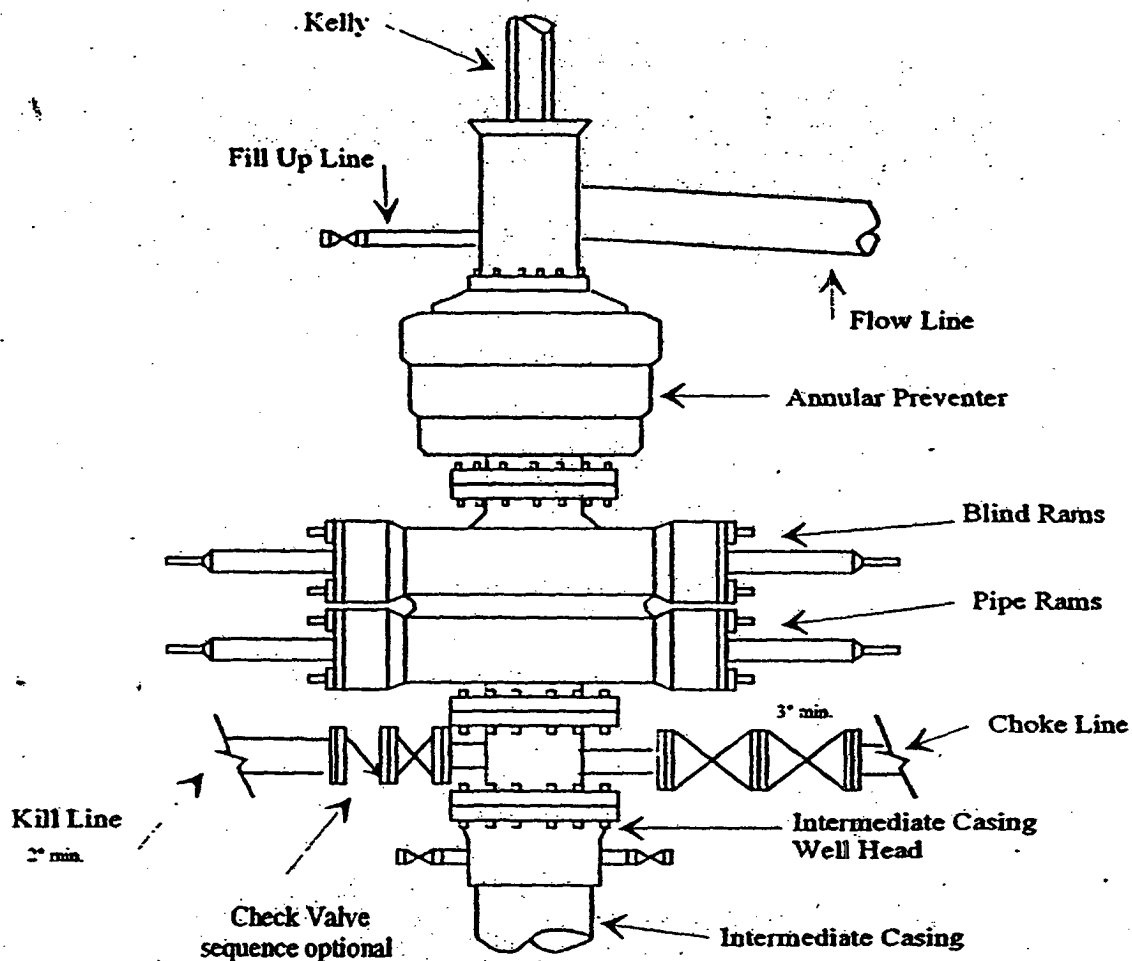
<div style="border: 2px solid black; width: 150px; height: 100px; margin: 20px auto; position: relative;"> <div style="position: absolute; top: 10px; left: 10px; font-size: 24px; font-weight: bold;">V-120</div> <div style="position: absolute; top: 60px; left: 10px; font-size: 18px;"> N.32°18'06.3" W.103°46'54.1" </div> <div style="position: absolute; bottom: 10px; left: 50px; font-size: 18px;"> 2310' </div> <div style="position: absolute; bottom: 10px; left: 10px; font-size: 18px; transform: rotate(-90deg);"> 1850' </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify 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 style="font-size: 24px; font-family: cursive;">Clifton May</div> <div style="font-size: 14px;">Signature</div> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <div style="font-size: 18px; font-family: cursive;">CLIFTON MAY</div> <div style="font-size: 14px;">Printed Name</div> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <div style="font-size: 18px; font-family: cursive;">REGULATORY AGENT</div> <div style="font-size: 14px;">Title</div> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <div style="font-size: 18px; font-family: cursive;">OCTOBER 10, 2001</div> <div style="font-size: 14px;">Date</div> </div> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>SURVEYOR CERTIFICATION</p> <p><i>I hereby certify that the well location shown on this plot 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> <div style="text-align: right; margin-top: 10px;"> 9/18/2001 </div> <div style="margin-top: 10px;"> Date Surveyed </div> <div style="margin-top: 10px;"> <div style="font-size: 14px;">Signature of Seal of Professional Surveyor</div> <div style="text-align: center;">  </div> </div> <div style="margin-top: 10px;"> <div style="font-size: 12px;">Certificate No. 1000000000 Jones RLS 3640</div> <div style="font-size: 12px;">PMBANO 10</div> <div style="font-size: 12px;">GENERAL SURVEYING COMPANY</div> </div> </div>
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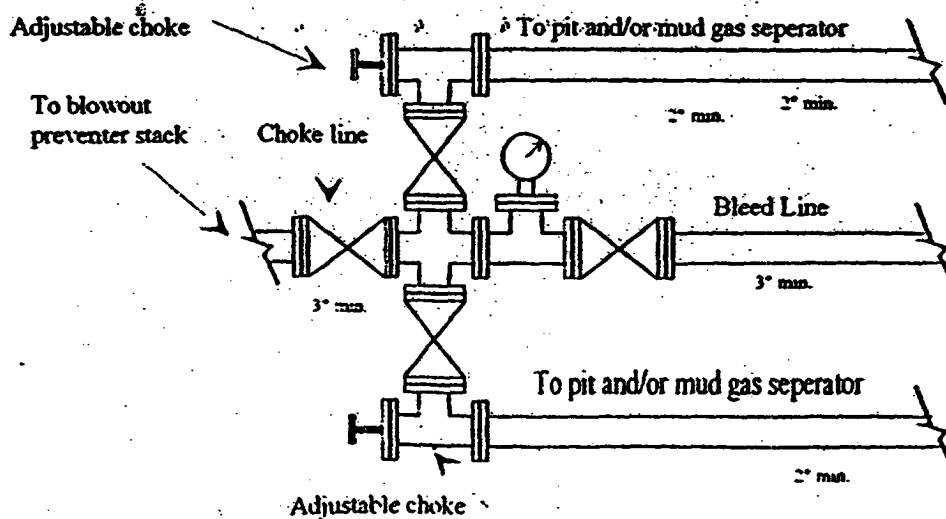
ates Petroleum Corporation

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



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

September 9, 2004

Dan Morehouse
IMC Potash Carlsbad, Inc.
PO Box 71
Carlsbad, New Mexico 88221-2871

RE: Medano "VA" State #10
1650' FSL and 2310' FEL
Section 16-T23S-R31E
Eddy County, New Mexico

Dear Mr. Morehouse:

We have been advised that your company is the owner of record of certain potash leases in this area. We respectfully requested that you waive any objection you may have to this proposed well location and so indicate by signing and returning a copy of this letter.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,
YATES PETROLEUM CORPORATION


Cy Cowan
Regulatory Agent

☐ NO OBJECTION OFFERED
IMC Carlsbad Potash Company

By: _____

Title: _____

Date: _____

☐ OBJECTION OFFERED
IMC Carlsbad Potash Company

By: _____

Title: _____

Date: _____