

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

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505  
**RECEIVED**  
AS A CONDITION OF APPROVAL, A DETAILED CLOSURE PLAN  
MUST BE APPROVED BEFORE CLOSURE MAY COMMENCE.  
JUL 07 2005  
**OCD-ARTESIA**

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

AMENDED REPORT

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

|  |   |   |
|--|---|---|
| <sup>1</sup> Operator Name and Address<br>Yates Petroleum Corporation<br>105 South 4 <sup>th</sup> Street, Artesia, NM 88210 |   | <sup>2</sup> OGRID Number<br>025575     |
| <sup>3</sup> Property Code<br>12102  | <sup>4</sup> Property Name<br>Caudill RZ #8 | <sup>5</sup> API Number<br>30-005-63277 |
|  |   | <sup>6</sup> Well No.<br>8              |

<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             | 8       | 6S       | 26E   |         | 660           | South            | 1500          | West           | Chavez |

<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 |
|--|---------|----------|-------|---------|---------------|------------------|
|  |         | P        |       |         |               |                  |
| <sup>9</sup> Proposed Pool 1<br>Undes. Foor Ranch; Pre-Permian |         |          |       |         |               |                  |

CEMENT TO COVER ALL OIL, GAS AND WATER BEARING ZONES i.e. Ghorietz

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 |
|-----------------------------------|---------|---------------------------------------|-------|---|---------------|--|---|---|--------|
| N                                 | 8       | 6S                                    | 26E   |   | 660           | South                                      | 1500  | West  | Chaves |
| Depth to ground water<br>65'      |         |                                       |       | Distance from nearest fresh water well<br>3900' |               |  | Distance from nearest surface water<br>300' |   |        |
| <sup>11</sup> Work Type Code<br>N |         | <sup>12</sup> Well Type Code<br>G     |       | <sup>13</sup> Cable/Rotary<br>R                 |               | <sup>14</sup> Lease Type Code<br>P         |   | <sup>15</sup> Ground Level Elevation<br>3680' |        |
| <sup>16</sup> Multiple<br>N       |         | <sup>17</sup> Proposed Depth<br>5460' |       | <sup>18</sup> Formation<br>Wolfcamp             |               | <sup>19</sup> Contractor<br>Not Determined |   | <sup>20</sup> Spud Date<br>ASAP               |        |

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

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 14.75     | 11.75       | 42#                | 900'          | 550 sx          | Surface       |
| 11        | 8.625*      | 24#                | 1500'         | 600 sx          | Surface       |
| 7.875     | 5.5         | 15.5#              | 5460'         | 500 sx          | TOC 3200'     |

<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 productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Yates Petroleum Corporation proposes to drill and test the Wolfcamp and Intermediate formations. Approximately 900' 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. Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Wolfcamp formation to meet the OCD's minimum requirements for the submission of contingency plan. Sources available have been accessed for the captioned well. Information obtained determines the Site Ranking at 20 points. Work plan for the Closure of Drilling pit. An encapsulation trench will be constructed and lined with 12 mil synthetic liner next to existing Drilling pit. The drilling pit contents will be excavated and emplaced into the encapsulation trench using a mixture of two to one piet material and Class H bulk cement. The emulsion of pit material and cement will be mixed using a track hoe and water added if needed. After completion of solidifying pit material in cement and pit contents have set in place for a min. of 24 hours. The encapsulation trench will be capped using a 20 mil. Synthetic liner and back filled to grade using a min. of 3' of like material and clean soil. A one cal and 48 hour notification to O.C.D. will be made before pit closure action beings. Beginning pit closure date NA, Ending pit closure date NA. Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with approved general permit on file. **MUD PROGRAM:** 0-900' FW Gel,Paper, LCM; 900-3680' Cut Brine/Brine; 3680'-5460' Starch/Salt Gel. **BOPE PROGRAM:** A 2000# BOPE will be installed on the 11 3/4" casing and tested daily. \*8 5/8" casing will be set only if lost circulation is encountered.

<sup>23</sup> 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: *Debbie L. Caffall*

Printed name: Debbie L. Caffall

Title: Regulatory Technician

E-mail Address: debbiec@ypcnm.com

Date: July 1, 2005

Phone: (505) 748-4364

OIL CONSERVATION DIVISION

Approved by: *Jim W. Green*  
*District II Supervisor*

Title:

Approval Date: **JUL 08 2005** Expiration Date: **JUL 08 2006**

Conditions of Approval: NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE CASING  
Attached

**PREVIOUSLY APPROVED**

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

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

Form C-102  
Revised August 15, 2000

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|  |  |                        |   |
|--|--|------------------------|---|
| <sup>1</sup> API Number<br><b>30-005-63277</b> |  | <sup>2</sup> Pool Code | <sup>3</sup> Pool Name<br><b>Undes. Foor Ranch; Pre-Permian</b> |
| <sup>4</sup> Property Code                     | <sup>5</sup> Property Name<br><b>Caudill "RZ"</b>                |                        | <sup>6</sup> Well Number<br><b>8</b>                            |
| <sup>7</sup> OGRID No.<br><b>025575</b>        | <sup>8</sup> Operator Name<br><b>Yates Petroleum Corporation</b> |                        | <sup>9</sup> Elevation<br><b>3680'</b>                          |

<sup>10</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        |
|---------------|----------|-----------|------------|---------|---------------|------------------|---------------|----------------|---------------|
| <b>N</b>      | <b>8</b> | <b>6S</b> | <b>26E</b> |         | <b>660</b>    | <b>South</b>     | <b>1500</b>   | <b>West</b>    | <b>Chaves</b> |

<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<br><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

|  |  |  |
|--|--|--|
|  |  | <p><sup>17</sup> OPERATOR CERTIFICATION<br/>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Pat Perez</i><br/>Signature</p> <p><b>Pat Perez</b><br/>Printed Name</p> <p><b>Regulatory Agent</b><br/>Title</p> <p><b>8/20/2002</b><br/>Date</p>                                       |
|  |  | <p><sup>18</sup> SURVEYOR CERTIFICATION<br/>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.</p> <p>REFER TO ORIGINAL PLAT</p> <p>Date of Survey<br/>Signature and Seal of Professional Surveyor:</p> |
|  |  | <p>FEE</p>   |
|  |  | <p>Certificate Number</p>  |

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1999

Instruction on back

Submit to Appropriate District Office

State Loans - 4 Copies

Fee Loans - 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<br>Wildcat Precambrian |
| Property Code       | Property Name<br>CAUDILL "RZ"                | Well Number<br>8                 |
| OGRID No.<br>025575 | Operator Name<br>YATES PETROLEUM CORPORATION | Elevation<br>3680                |

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             | 8       | 6S       | 26E   |         | 660           | SOUTH            | 1500          | WEST           | CHAVES |

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 | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 320             |                 |                    |           |

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 \_\_\_\_\_

Printed Name Pat Perez

Title Regulatory Agent

Date 1-30-01

---

**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 Surveyed 8/28/2000

Signature & Seal of Professional Surveyor \_\_\_\_\_

