

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
May 27, 2004

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

RECEIVED

JAN 20 2005

Submit to appropriate District Office

OCU-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, New Mexico 88210		² OGRID Number 205575
		³ API Number 30 - -015-33999
⁴ Property Code	⁵ Property Name Cohiba BGK State	⁶ Well No. 1
⁹ Proposed Pool 1 Unders. Salt Draw; Morrow, West		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West	County
D	1	25S	27E		660'	North	660'	West	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
									Eddy

Additional Well Information

¹¹ Work Type Code D	¹² Well Type Code G	¹³ Cable/Rota R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3144'
¹⁶ Multiple N	¹⁷ Proposed Depth 13000'	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater 43'		Distance from nearest fresh water well .5 of a mile.		Distance from nearest surface water 1600'
^{Pit:} Liner: Synthetic X <u>12</u> mils thick Clay <input type="checkbox"/> Pit Volume: <u>20,000</u> bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water X Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

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'	400 sx	Surface
12 1/4"	9 5/8"	36#	2200'	875 sx	Surface
8 3/4"	7"	26#	9300'	1350 sx	TOC-1700'
6 1/8"	4 1/2"	11.6#	13000'	950 sx	TOC-8800'

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 deepen this well and test the Morrow and intermediate formations. Approximately 600' 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 Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan. 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: 0-400' FW/Spud Mud; 400'-2200' Brine; 2200'-9300' FW; 9300'-11500' Brine; 11500'-13000' Salt Gel/Starch/6%KCL.

BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.

PLEASE NOTE THIS WELL APPLICATION WAS ORIGINALLY APPROVED BY THE OCD ON MARCH 14, 2005.

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 ☐.

Printed name: Cy Cowan Cy Cowan

Title: Regulatory Agent

E-mail Address: Cy@ypcnm.com

Date: January 18, 2006

Phone: (505) 748-4372

OIL CONSERVATION DIVISION

Approved by:

Sam W. Grem
District II Supervisor

Title:

Approval

JAN 23 2005

Expiration Date

JAN 23 2007

Conditions of Approval Attached ☐

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

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 Lease - 4 Copies
Fee 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 96819	Pool Name Salt Draw, Morrow, West
Property Code	Property Name Cohiba BGK State	Well Number 1
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3144'

Surface Location

UL or lot No. D	Section 1	Township 25S	Range 27E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 660'	East/West line West	County Eddy
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Bottom Hole Location If Different From Surface

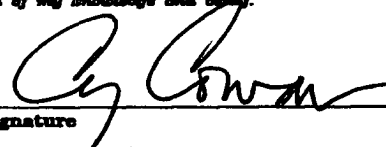
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.						

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

660'	660'		V0-5769

OPERATOR CERTIFICATION

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


Signature
Cy Cowan
Printed Name
Regulatory Agent
Title
January 18, 2006
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.

REFER TO ORIGINAL PLAT

Date Surveyed
Signature & Seal of Professional Surveyor

Certificate No. Herschel L. Jones RLS 3640

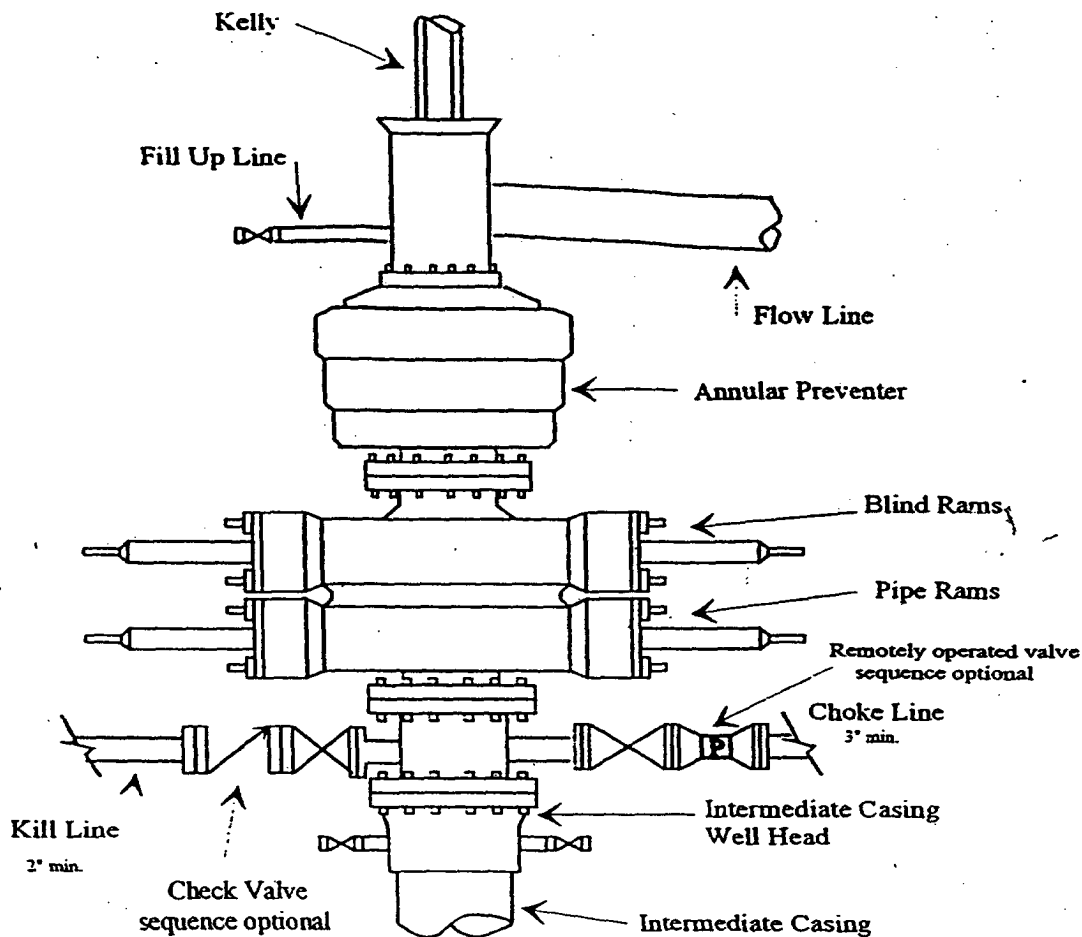
GENERAL SURVEYING COMPANY



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

