

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
March 4, 2004

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

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

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
Property Code 32246		API Number 30-015-32751
Property Name Cigar BCM		Well No. 1

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	36	23S	27E		660'	South	660'	West	Eddy

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
Proposed Pool 1 Undesignated Black River Morrow					Proposed Pool 2				

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
M	36	23S	27E		660'	South	660'	West	Eddy
Depth to ground water 130'				Distance from nearest fresh water well 1.3 miles			Distance from nearest surface water 1.1 miles		
Work Type Code N		Well Type Code G		Cable/Rotary R		Lease Type Code S		Ground Level Elevation 3138'	
Multiple No		Proposed Depth 12900'		Formation Mississippian Limestone		Contractor Not Determined		Spud Date ASAP	

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48	500	500	0
12.25	9.625	36	2300	1100	0
8.625	7	26	10500	1650	1850
6.125	4.5	11.6	12900	400	10000

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 Mississippian and intermediate formations. Approximately 500' 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: 0-500' FW Gel; 500'-2350' Brine; 2350'-9100' Cut Brine; 9100'-10300' Brine; 10300'-12900' Polymer. BOPE PROGRAM: A 5000# BPOE will be installed on the 9.625" 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 Mississippian formation to meet the OCD's minimum requirements for the submission of a contingency plan per rule 118.
C-144 attached.

Thank you,

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: cy@ypcnm.com

Date: March 3, 2006

Phone: (505) 748-4372

OIL CONSERVATION DIVISION

Approved by:

Jim W. Brown
District II Supervisor

Title:

Approval Date:

MAR 10 2006

Expiration Date:

MAR 10 2007

Conditions of Approval:

Attached ☐

PREVIOUSLY APPROVED

C-144 Attached

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
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102

Revised March 17, 1999
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 12170	Pool Name Undesignated Black River Morrow
Property Code	Property Name CIGAR BCM STATE COM	Well Number 1
OGRID No. 025575	Operation Name YATES PETROLEUM CORPORATION	Elevation 3138

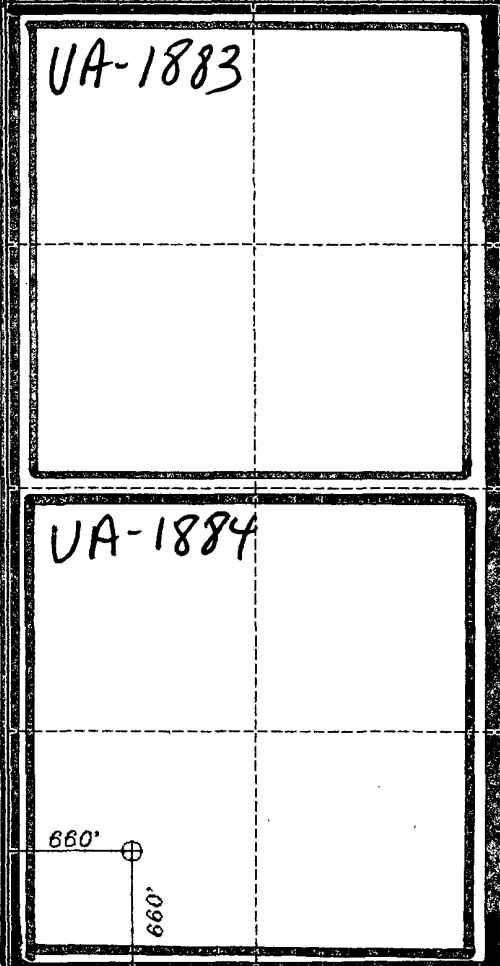
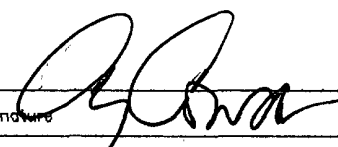
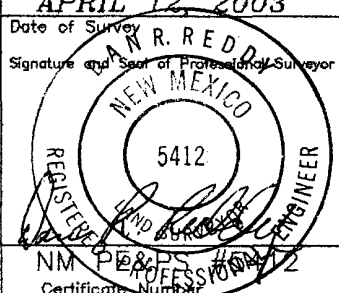
Surface Location

UL or Lot No. M	Section 36	Township 23-S	Range 27-E	Lot Idn.	Feet from the 660	North/South line SOUTH	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 INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
	Signature 	
	Printed Name Cy Cowan	
	Title Regulatory Agent	
Date February 9, 2006		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 KNOWLEDGE AND BELIEF.
APRIL 12, 2003		
Date of Survey		
Signature and Seal of Professional Surveyor		
		

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State of New Mexico
Energy Minerals and Natural
Resources

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

Form C-144
June 1, 2004

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: <u>Yates Petroleum Corporation</u> Telephone: <u>505-748-4500</u> e-mail address: <u>mikes@ypc.com</u>		
Address: <u>105 South 4th Street, Artesia, N.M. 88210</u>		
Facility or well name: <u>Cigar BCM State Com</u> API #: <u>30-015-32751</u> U/L or Qtr/Qtr <u>M</u> Sec <u>36</u> T <u>23S</u> R <u>27E</u>		
County: <u>Eddy</u> Latitude <u>32.25587</u> Longitude <u>104.14987</u> NAD: 1927 <input type="checkbox"/> 1983 <input checked="" type="checkbox"/>		
Surface Owner: Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>		
Pit Type: Drilling <input type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Work over <input checked="" type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input type="checkbox"/> Thickness <u>NA</u> mil Clay <input type="checkbox"/> Pit Volume <u>NA</u> bbl	Below-grade tank Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____	RECEIVED MAR 30 2005 OCD-ARTESIA
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet 50 feet or more, but less than 100 feet 100 feet or more	(20 points) (10 points) XXXX (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 No	(20 points) (0 points) XXXX
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet 200 feet or more, but less than 1000 feet 1000 feet or more	(20 points) (10 points) (0 points) XXXX
Ranking Score (Total Points)		10 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: (check the onsite box if you are burying in place) 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.

Additional Comments: Work plan for the Closure of workover Pit. A 20 mil synthetic liner will be placed 3' below grade with a min. 3' over lap of the underlying pit. The workover pit will be backfilled to grade using a minimum of 3' of clean soil and like material.

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: 03/29/05

Printed Name/Title Dan Dolan / Regulatory Agent

Signature _____

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: _____

Printed Name/Title _____

Signature _____

Date: **APR 1 2005**