

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

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MAY 04 2006

Form C-101

May 27, 2004

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

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

¹ Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-015-22002
³ Property Code 12801	³ Property Name Stonewall EP State	⁶ Well No. 2
⁹ Proposed Pool 1 Burton Flat; Atoka, West		¹⁰ Proposed Pool 2 Saladar; Strawn

⁷ Surface Location

UL or lot no. N	Section 19	Township 20S	Range 28E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	East/West line West	County Eddy
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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
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Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3300'GR
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater >100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> 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
		IN PLACE			

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 plans to plugback and recompleat this well as follows: Set a CIBP at 10,900' with 35' cement. Perforate Atoka 10,440'-10,450' (21), 10,614'-10,630' (33) and 10,708'-10,730' (45). Stimulate as needed. If the Atoka is non-productive, set a CIBP at 10,390' capped with cement. Perforate Strawn 10,226'-10,236' (41). Stimulate as needed.

NOTE: Sent in C-103 for pit application on April 25, 2006

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 NMOC guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature: 

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tinah@ypcnm.com

Date: May 2, 2006

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

Title:

Approval Date: MAY 05 2006

Expiration Date: MAY 05 2007

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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UCC-ARTESIA

Form C-102

Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-22002	² Pool Code 73260	³ Pool Name Burton Flat; Atoka, West
⁴ Property Code 12801	⁵ Property Name Stonewall EP State	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3300'GR

¹⁰ Surface Location

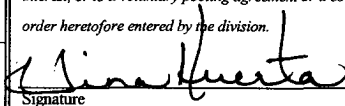
UL or lot no. N	Section 19	Township 20S	Range 28E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	East/West line West	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

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¹² Dedicated Acres 320	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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.  Signature Date May 2, 2006 Tina Huerta Printed Name
				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: Certificate Number

1980' W

510' N

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State of New Mexico
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OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
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DO NOT WRITE

Form C-102

Revised October 12, 2005

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-22002		² Pool Code 84412	³ Pool Name Saladar; Strawn
⁴ Property Code 12801	⁵ Property Name Stonewall EP State		⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3300'GR

¹⁰ Surface Location

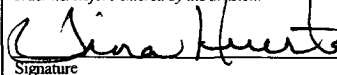
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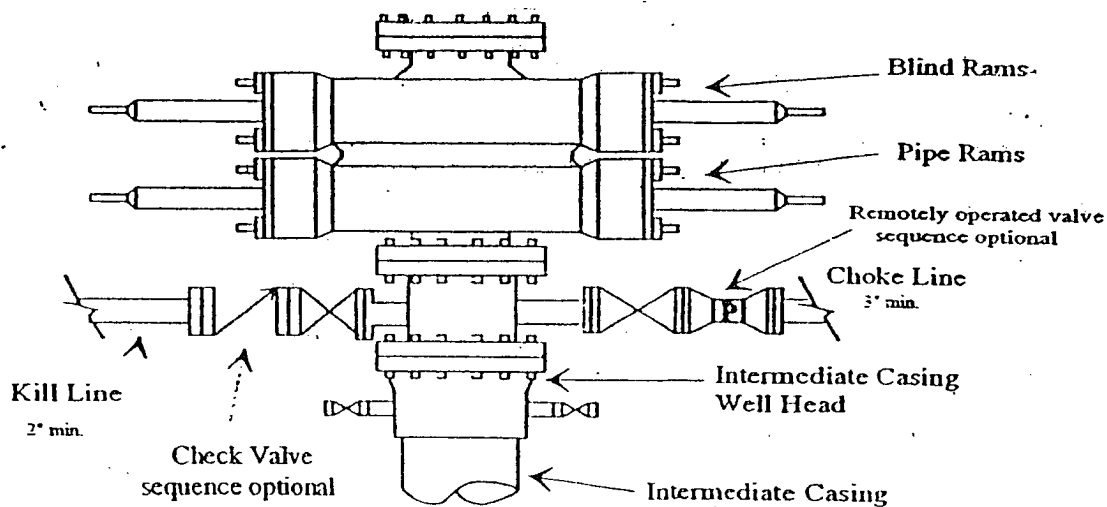
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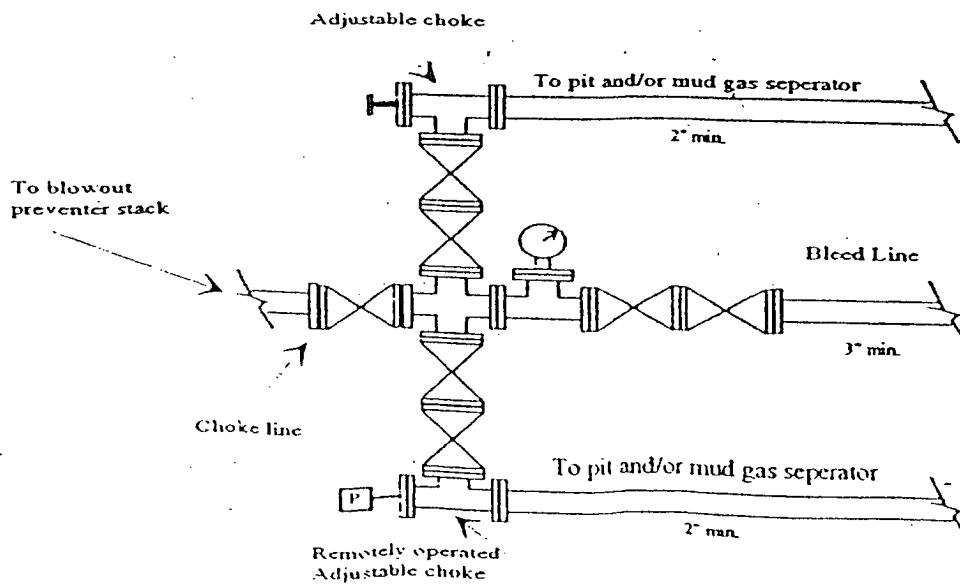
¹⁶				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature May 2, 2006 Date Tina Huerta Printed Name
				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
1980'W				

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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 EMERITUS

JOHN A. YATES
CHAIRMAN OF THE BOARD

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR.
SENIOR VICE PRESIDENT

May 2, 2006

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MAY 04 2006

DUU-ARTEDIA

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

Re: Stonewall EP State #2
Section 19-T20S-R28E
Eddy 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 Atoka formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Tina Huerta
Regulatory Compliance Supervisor