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

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 RECEIMED to appropriate District Office

State Lease - 6 Copies

JUL 2 2 2004

Fee Lease - 5 Copies

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

Operator Name and Address

Operator Name and Address

Operator Name and Address

APPL	ICATI	UN F	Operator Name			CNIE	K, DEEPE	N, PLUGBA	OGRID 1	Number	A ZUNE	
Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210							30-00	025575 API Number 0 - 005 - 634/6				
³ Property Code ³ Property					⁵ Property N	Vame			⁶ Well No.			
12607 Nortex WN					ortex WN St			· ··· · · · · · · · · · · · · · · · ·	2			
		_			⁷ Surface	Locatio	on					
UL or lot no. E	Section 22	Townshi	p Range 26E	Lot Idn Feet from the North/South line Feet from the			East/West West	East/West line County West Chaves				
E 22 9S 26E Proposed Bottom Hole Loc								1 1005	1 11 051		0.2.0	
° Proposed Pool 1 Undesignated Foor Ranch Pre-Permian						ZONES ,						
		Chicong			Location a	nd Oth	er Info	1.0.;Glex	ietc			
UL or lot no.	Section	Townsh	ip Range	Lot Idn	Feet fro	om the North/South I		Feet from the	East/West	Vest line County		
N Depth to ground	22 water	98	26E	Distance from nearest fresh water well			North	1000 Distance from neares	West Chaves		Chaves	
N/A	Гуре Code	 1	12 Well Tree Con	N/A	¹³ Cable	/D etami		N/a 14 Lease Type Code 15 Ground Level Elevation			d Level Florenties	
1	N		G	¹² Well Type Code G				S		3772'		
	ultiple N		17 Proposed Dept 6235'	oth 18 Formation Basement				Not Determined		²⁰ Spud Date ASAP		
	- v		21	Propose	d Casing a	nd Cen	nent Progra	am	·			
Hole Si	ize		Casing Size	Casing w	veight/foot	Setting Depth Sacks of Cement			Estimated TOC			
12 1/2	;"		8 5/8"		24#		1100'	550		Surface		
7 7/8	3"		5 ½"		15.5#		6235'	500		TOC-3 x 00'		
Pascribe the Yates Petrole and cement of MUD PROOF BOPE PROOF Sources at Y the Basemen The State En indication of	blowout priculated. GRAM: 0- GRAM: A ates Petro tt Formati- gineers W any surfa	If com If com -1100' F 2000# Oleum Co on to me /eb Site	et the OCD's min has been accessed in the area surrou	additional s ad test the E in casing wi 4; 1100'-42 alled on the ayed inform mum requi for the cap nding this v	sheets if necessary and all be run and a 290' Brine; 42' e 8 5/8" casing mation to me the trements for the tioned well. The well location.	intermed cemented 90'-6235 g and test hat they lies submis	iate formation I, will perforate Starch/Salt (and daily. believe there sion of a con-	is. Approximately e and stimulate as Gel will not be enough ingency plan per	/ 1100' of s needed for H2S antic Rule 118.	surface or production	casing will be set ction.	
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 XX or an (attached) alternative OCD-approved plan . Signature:					OIL CONSERVATION DIVISION Approved by: June 11 June Title: Approval Date: JUL 2 2 2004 Expiration Date: 11 2 2 2004							
Printed name: Robert Asher Title: Regulatory Agent / Land Department					Title:	1 Date: -0111	2 2 2004 E	expiration D	ate:			
E-mail Address: debbiec@ypcnm.com					луріоча	. Date. BUL	ייי אי רחתה ויי	Apriacion D	<u></u>	NUL 2 2 2005		
						Conditions of Approval:						
			•			Attached						

District I

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised August 15, 2000

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505 Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

AMENDED REPORT

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number	² Pool Code	² Pool Code ¹ Pool Name		
		Undesignated foor Ranch Prep	remian (Gas)	
⁴ Property Code	⁴ Pr	⁵ Property Name		
	Nortex "V	2		
7 OGRID No.	* O _I	perator Name	' Elevation	
025575	Yates Petro	3772		

¹⁰ Surface Location UL or lot no. Section Range Lot Idn Feet from the East/West line Township Feet from the County 22 1980 1000 E 95 26E North West Chaves 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

12 Dedicated Acres 320.00

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** hereby certify that the information contained herein is LG-8968 nd complete to the best of my knowledge and Nortex WN St. Com. #1 8 <u>Robert Ashe</u> Regulatory Agent LG-4919 1000 July 21, 2004 SURVEYOR CERTIFICATION hereby certify that the well location shown on this plat as plotted from field notes of actual surveys made by Vegas AVT St. Com. #1 e or under my supervision, and that the same is true O ınd correct to the best of my belief. VA-2126 Date of Survey Signature and Seal of Professional Surveyor. VA-2125 Refer to Original Plat Zertificate Number

DISTRICT I 1400 N. D. DESTRICT II 211 Beath First, Artesia, MK 88610 DESTRUCT III 1800 Me Branes ML, Antes, RM 67610 DESTRUCT IV

320.00

State of New Mexico ngs, Maardo and Habard Between Dep

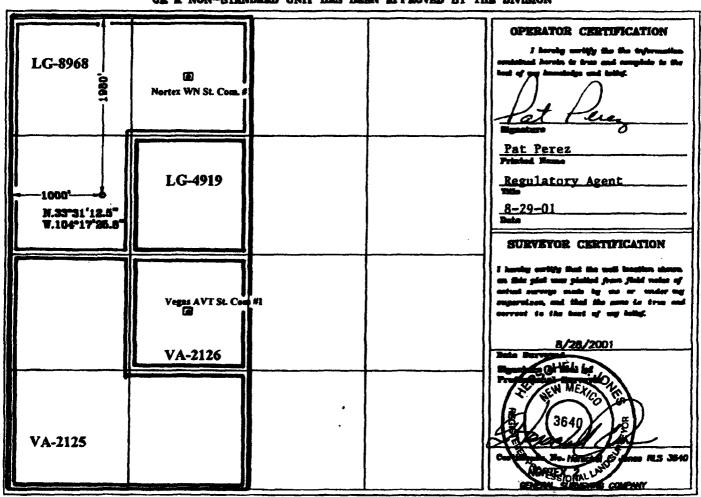
OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

D AMERICAN REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

APR		3	Pool Cade		Pool Mesno					
			76730 Undesignated Foor Ranch Prepr				emian (Gas)			
Property Cale				NOR	Tall Funder 2					
0000 No. 025575			Operator Remo YATES PETROLEUM CORPORATION					Horatian 3772		
Surface Location										
The er let Ma.	Seelles	Security)	Let Ma	Foot from the	Forth/South tipe	Foot from the	East/Fast More	County	
Ε	22	95	26E		1980	NORTH	1000	WEST	CHAVES	
Bottom Hole Location If Different From Surface										
UL or let No.	Sentine.	Township	Brago	Let Ma	Past from the	North/Houth Has	Fast from the	Hast/West Mose	County	
Bellentel Aurus Joint er Juffit Consultination Code Order No.										

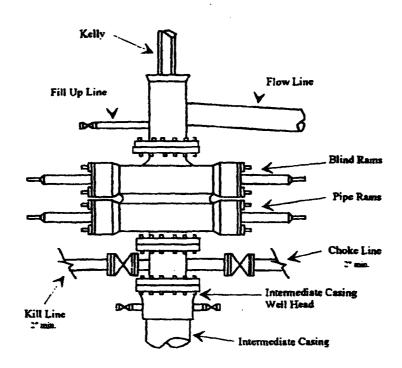
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION





Yates Petroleum Corporation

Typical 2,000 psi Pressure System
Schematic
Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimun features

