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

1220 South St. Francis Dr

Month - Year Submit to appropriate District Office APR - 2 2007

Oil Conservation Division OCD - ARTESIA, NIM

☐ AMENDED REPORT

Santa Fe. NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number Yates Petroleum Corporation 105 S. 4<sup>th</sup> Street Artesia, NM 88210 025575 API Number 30-015-31906 Well No. Property Name Property Code 28507 Suburb AZS State Com 1 10 Proposed Pool 2 9 Proposed Pool 1 Wilderi Wolfeamp Wildcat Upper Penn <sup>7</sup> Surface Location Lot Idn Feet from the North/South line Feet from the East/West line UL or lot no. Section Township Range County 18S 25E 660 North Eddy 36 Fast Α <sup>8</sup> Proposed Bottom Hole Location If Different From Surface Lot Idn Feet from the North/South line East/West line County III. or lot no Section Township Range Feet from the Additional Well Information 3 Cable/Rotary 15 Ground Level Elevation Work Type Code <sup>2</sup> Well Type Code Lease Type Code N/A 3460'GR 16 Multiple 17 Proposed Depth 18 Formation 19 Contractor 20 Spud Date Chester ASAP N/A N/A Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Liner: Synthetic mils thick Clay Pit Volume: Drilling Method: Pit: Fresh Water Brine Diesel/Oil-based Gas/Air Closed-Loop System Proposed Casing and Cement Program Casing weight/foot Setting Depth Sacks of Cement Estimated TOC Hole Size Casing Size IN PLACE <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 plans to plugback and recomplete this well as follows: Latch onto the RBP at 6050' and release. Perforate Cisco 6432'-6438' (14), 6554'-6558' (10), 6580'-6588' (18), 6634'-6642' (18), 6656'-6664' (18) and 6674'-6678' (10). Stimulate as needed. Set a packer at +/-6194'. <sup>23</sup> I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMQCD guidelines , a general permit , or Approved by: **BRYAN G. ARRANT** DISTRICT II GEOLOGIST Signature Title: Printed name: Tina Huerta Expiration Date APR 1 1 2008 APR 1 1 2007 Title: Regulatory Compliance Supervisor Approval Date: E-mail Address: tinah@ypcnm.com

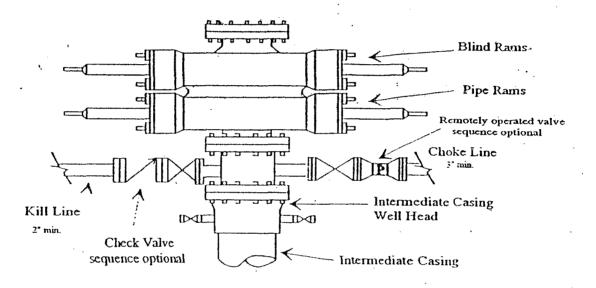
Conditions of Approval Attached

Phone: 505-748-4168

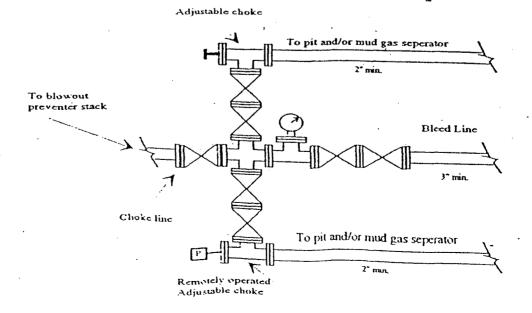
Date: March 30, 2007

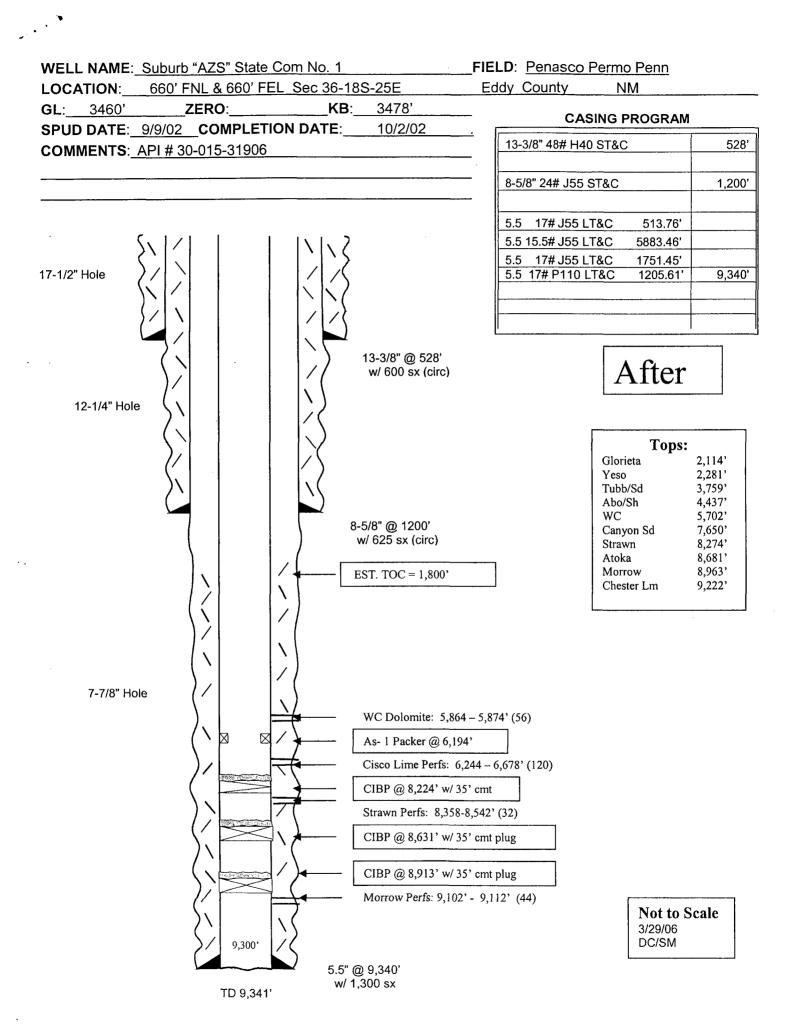
## Yates Petroleum Corporation

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

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DENNIS G. KINSEY
TREASURER

Month - Year APR - 2 2007 OCD - ARTESIA, NM

March 30, 2007

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

Re:

Suburb AZS State Com #1 Section 36-T18S-R25E 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 Cisco 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