625 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 gy Minerals and Natural Resources

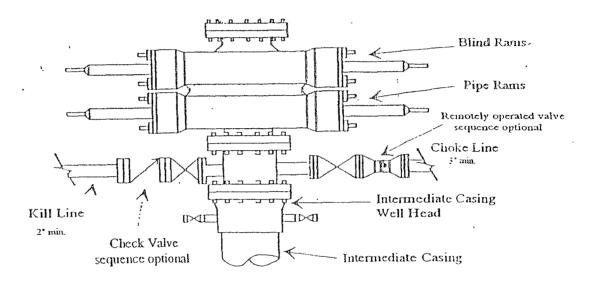
Form C-101 May 27, 2004

Oil Conservation Division JIII - 9 2007 mit to appropriate District Office 1220 South St. Francis Dr. OCD-ARTESIA AMENDED REPORT Santa Fe, NM 87505

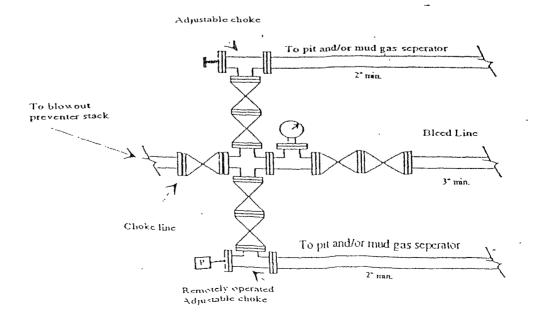
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Property Code 12009 Amold OR State Com	105 S. 4 th Street									³ API Number					-		
Proposed Pool 2 Proposed Pool 3 Proposed Pool 3 Proposed Pool 4 Proposed Pool 5 Proposed P										Name							
Penasco Draw, Permo Pena Surface Location	, ,																
Cl. or but no	⁹ Proposed Pool 1									¹⁰ Proposed Pool 2							
UL or bot no Section Township 18S Range Let lab Peet from the Social South line Section the East Eddy **Proposed Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot lab Peet from the Social South hole Feet from the East West line County **Additional Well Information** **Additional Well Information** **Wark Type Code P Well Type Code Of Cable Rossay N/A Social No. N/A N/A Social No. N/A Social No. N/A N/A Social No. N/A Social N/A Social No. N/A Social N/A Socia		enasco	Draw; Permo														
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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 Country **Additional Well Information **Additional Well Information** **Posser Foed G Sub-Robusy Surface** **Additional Well Information** **Additional Well Information** **Proposed Depth Ground-Level Blue-attorn N/A Surface** **Proposed Depth Ground-Water Distance from nearest fresh water well Distance from nearest surface water** **Pit Liner: Synthetic G mills thick Clay Pit Volume: bis Drilling Method: Erish Water Brine Disease(Finesh Water Brine) Distance from nearest surface water** **Proposed Casing and Cement Program** **Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC IN PLACE** ***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: Set a CIBP at +/-8507' with 35' cement on top. Perforate Cisco 6866'-6908' (43). Stimulate as needed. ***Ji 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 NMOQP guidelines Ground and actached subtensitive COD-provedplain Ground and actached subtensitive COD-provedplain Ground actached subtensitive COD-provedplain Ground according to NMOQP guidelines Ground Ground according to NMOQP guidelines Ground Ground Ground Complete Code Subtensities COD-provedplain Ground Code Subtensities COD-provedplain Ground Ground Code Subtensities COD-provedplain Ground Code Subtensities COD-provedplain Ground Code Subtensities Code Subtensiti		l i		•	_	Lot Idn			1		1						
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Printed name: Tina Huerta Title: Regulatory Compliance Supervisor Approval Date UL 1 12007 Expiration Date UL 1 12008	Signature.																
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Date: July 6, 2007 Phone: 505-748-4168 Conditions of Approval Attached									Conditions of Approval Attached								

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



Typical 3,000 psi choke manifold assembly with at least these minimum features





FRANK W. YATES



105 SOUTH FOURTH STREET

ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

S.P. YATES CHAIRMAN EMERITUS

JOHN A. YATES

PEYTON YATES
PRESIDENT

FRANK YATES, JR.
EXECUTIVE VICE PRESIDENT

JOHN A. YATES, JR. SENIOR VICE PRESIDENT

July 6, 2007

JUL - 9 2007 OCD-ARTESIA

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

Re:

Arnold OR State Com #1 Section 34-T18S-R24E 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