

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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
Revised March 17, 1999

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

OCT 2003
RECEIVED
OCD - ARTESIA

☐ AMENDED REPORT

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

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		² GRID Number 025575
³ Property Code 27177	⁵ Property Name Tracy AXW State	⁴ API Number 30-015-31582
		⁶ 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
I	25	21S	26E		1650	South	660	East	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
A	36	21S	26E		868	North	842	East	Eddy

⁹ Proposed Pool 1 Happy Valley Strawn Northeast	¹⁰ Proposed Pool 2
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¹¹ Work Type Code A	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3127'
¹⁶ Multiple Y	¹⁷ Proposed Depth N/A	¹⁸ Formation Chester	¹⁹ Contractor N/A	²⁰ Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

See Original Completion Report

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 proposes to set a composite BP at 10,700'. Perforate Strawn 10,500'-10,504' (9), 10,624'-10,636' (25) for a total of 34 holes. Stimulate as needed. Drill out composite plug and commingle Strawn with existing Morrow perforations. after DHC approval,

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature: *Tina Huerta*

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

Date:
October 9, 2003

Phone:
505-748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: OCT 15 2003 Expiration Date: OCT 15 2004

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

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-31582	² Pool Code 78075	³ Pool Name Happy Valley Strawn Northeast
⁴ Property Code 27177	⁵ Property Name Tracy AXW State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3127' GR

¹⁰ Surface Location

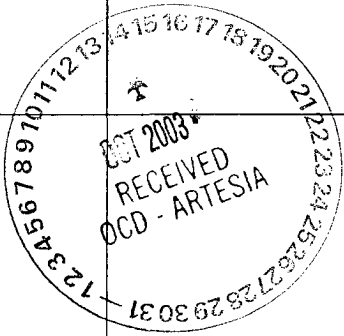
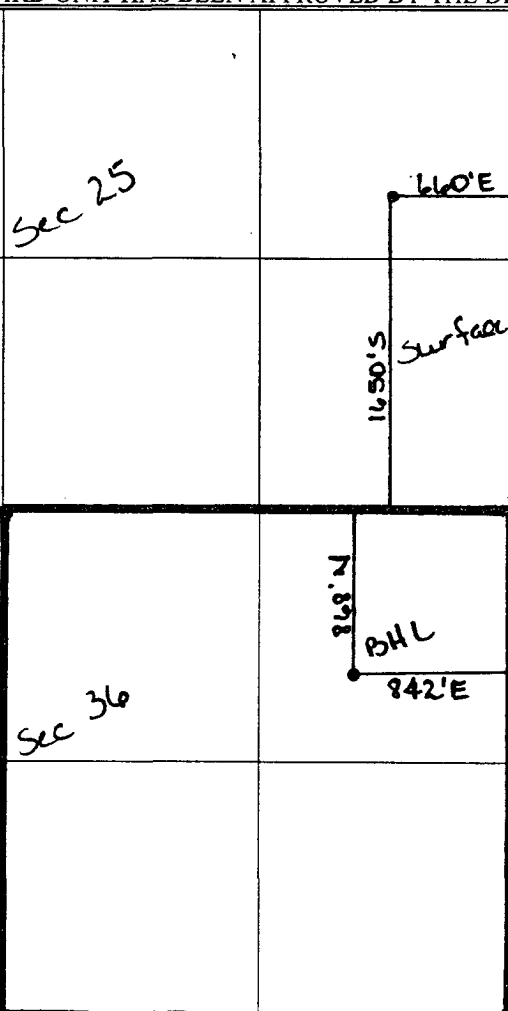
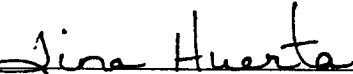
UL or lot no. I	Section 25	Township 21S	Range 26E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 660	East/West line East	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no. A	Section 36	Township 21S	Range 26E	Lot Idn	Feet from the 868	North/South line North	Feet from the 842	East/West line East	County Eddy
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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  Sec 25 S 1/2 N 1/2		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature  Printed Name Tina Huerta Title Regulatory Compliance Supervisor Date October 9, 2003
		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: See Original Plat Certificate Number

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 OF THE BOARD
JOHN A. YATES
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RANDY G. PATTERSON
SECRETARY
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TREASURER

October 14, 2003

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

Re: Tracy AXW State #1
Surf. 1650' FSL & 660' FEL of Section 25-T21S-R26E
BHL 868' FNL & 842' FEL of Section 36-T21S-R26E
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 Happy Valley Strawn Northeast Formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

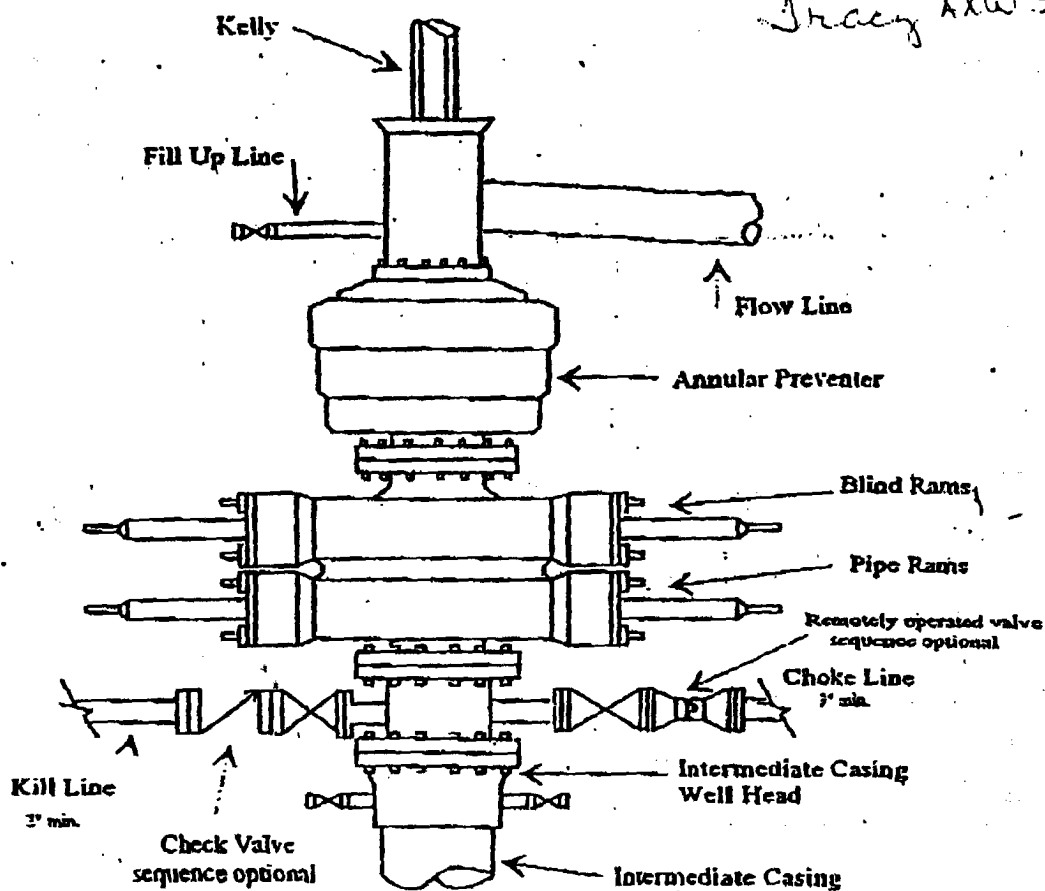
Tina Huerta
Regulatory Compliance Supervisor



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Shacy AXW St #1

Typical 5,000 psi choke manifold assembly with at least these minimum features

