

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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

NOV 14 2007

OCD-ARTESIA



Form C-101
May 27, 2004

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 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-015-20267
⁴ Property Code 36862	⁵ Property Name Pearman BKP	⁶ Well No. 1
⁹ Proposed Pool 1 Morrow		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	32	19S	26E		1980'	South	1980'	West	Eddy

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

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3299'
¹⁶ Multiple N	¹⁷ Proposed Depth 9780'	¹⁸ Formation Morrow	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 180'		Distance from nearest fresh water well 700'		Distance from nearest surface water 1 mile
²¹ Pit: Liner: Synthetic 20 mils thick Clay <input type="checkbox"/> Pit Volume: 25,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" 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
17 1/2"	13 3/8"	48#	365'	300 sx	In Place
11"	8 5/8"	24#	2563'	1200 sx	In Place
7 7/8"	5 1/2"	15.5#&17#	9780'	1700 sx	Surface

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.

SEE ATTACHED PAGE 2.

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 <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Cy Cowan		Approved by: BRYAN G. ARRANT	
Title: Regulatory Agent		Title: DISTRICT II GEOLOGIST	
E-mail Address:		Approval Date: NOV 29 2007	Expiration Date: NOV 29 2008
Date: 11/13/2007	Phone: (505) 748-4376	Conditions of Approval Attached <input type="checkbox"/>	

YATES PETROLEUM CORPORATION

Pearman BKP #1

Drilling Prognosis

Page 2

This well was originally drilled by Gulf Oil Corporation as the Ben F. Pearman Jr., et al #1. This well was spudded on November 27, 1969 and it was plugged and abandoned January 14, 1970.

Yates Petroleum Corporation proposes to re-enter this well with a pulling unit to drill out all cement plugs in the 8 5/8" casing. A drilling rig will then be moved in to drill out the remaining cement plugs in the open hole section down to the original TD of 9,780'. A new suite of logs will be run and 5 1/2" will be set to TD and cemented in place. Cement will be circulated to surface. Completion attempts will be made in the Morrow, Atoka, Strawn, Canyon, and the Wolfcamp formations.

MUD PROGRAM: 0-9780' Cut Brine (Weight: 9.6-10.8, Vis: 28-40).

BOPE PROGRAM: 3000 # BOPE will be nipped up on 8 5/8 in casing.

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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 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		² Pool Code 96070		³ Pool Name Wildcat Morrow	
⁴ Property Code		⁵ Property Name Pearman BKP State			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name YATES PETROLEUM CORPORATION			⁹ Elevation 3299'

¹⁰ Surface Location

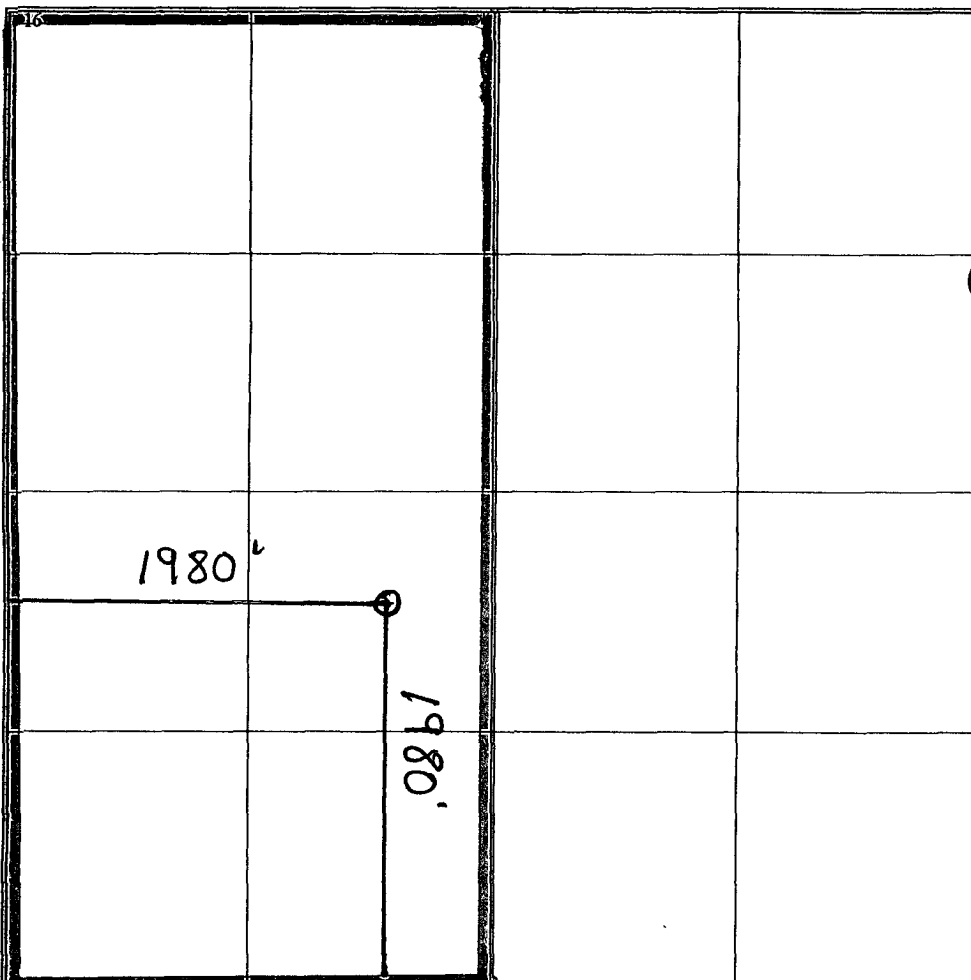
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	32	19S	26E		1980'	South	1980'	West	Eddy

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	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.

	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: <i>Cy Cowan</i> Date: 11/13/07 Printed Name: Cy Cowan Regulatory Agent
	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. REFER TO ORIGINAL PLAT. Date of Survey: Signature and Seal of Professional Surveyor:
	Certificate Number

**MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

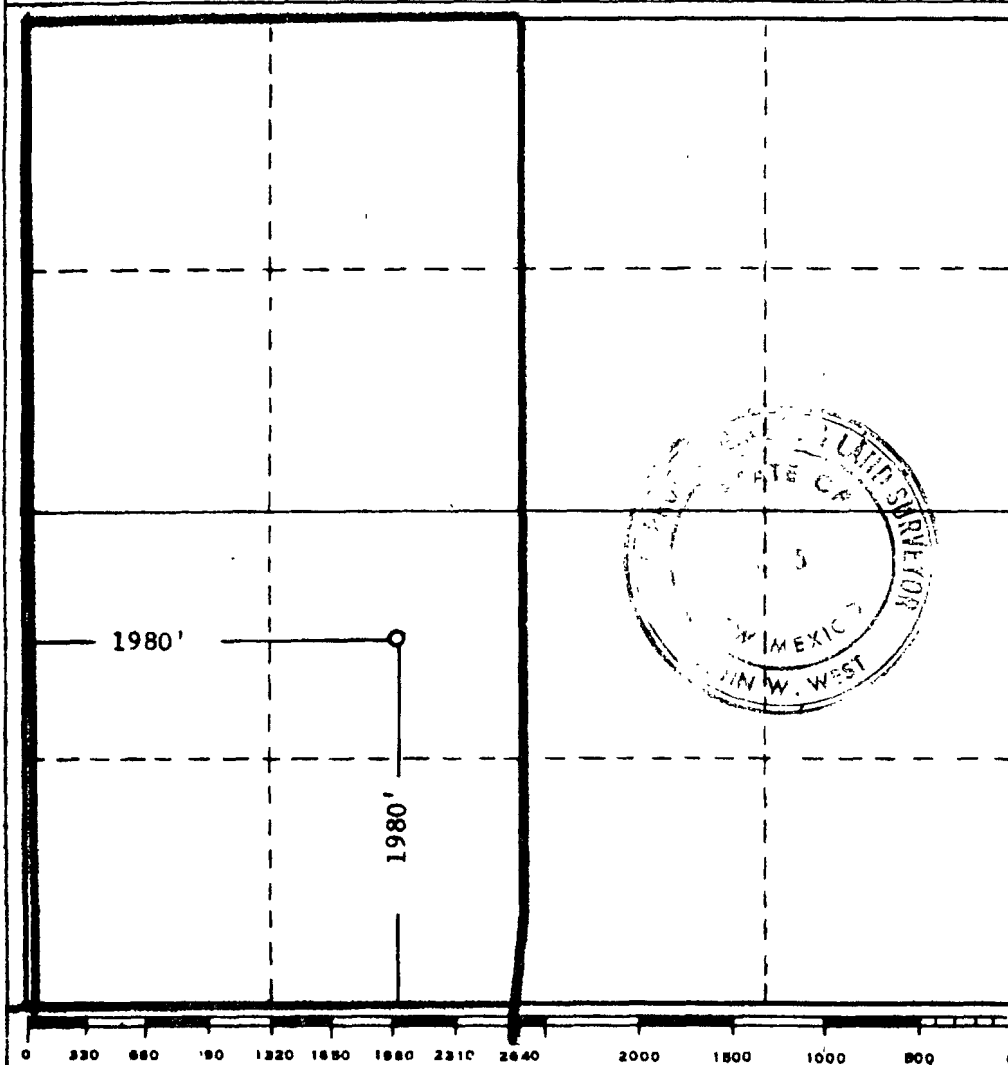
Operator GULF OIL CORP.		Lease BEN E. PEARMAN, JR., ET AL		Well No. 1	
Unit Letter K	Section 32	Township 19SOUTH	Range 26 EAST	County EDDY	
Actual Footage Location of Well:					
1980' feet from the SOUTH line and		1980' feet from the WEST line			
Ground Level Elev. Furnish later	Producing Formation Wildcat	Pool Wildcat	Dedicated Acreage: 320 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Noted by

C. E. MACE

Position

Area Petroleum Engineer

Company

Gulf Oil Corporation

Date

11-21-69

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 knowledge and belief.

NOVEMBER 20, 1969

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

[Signature]

Certificate No.

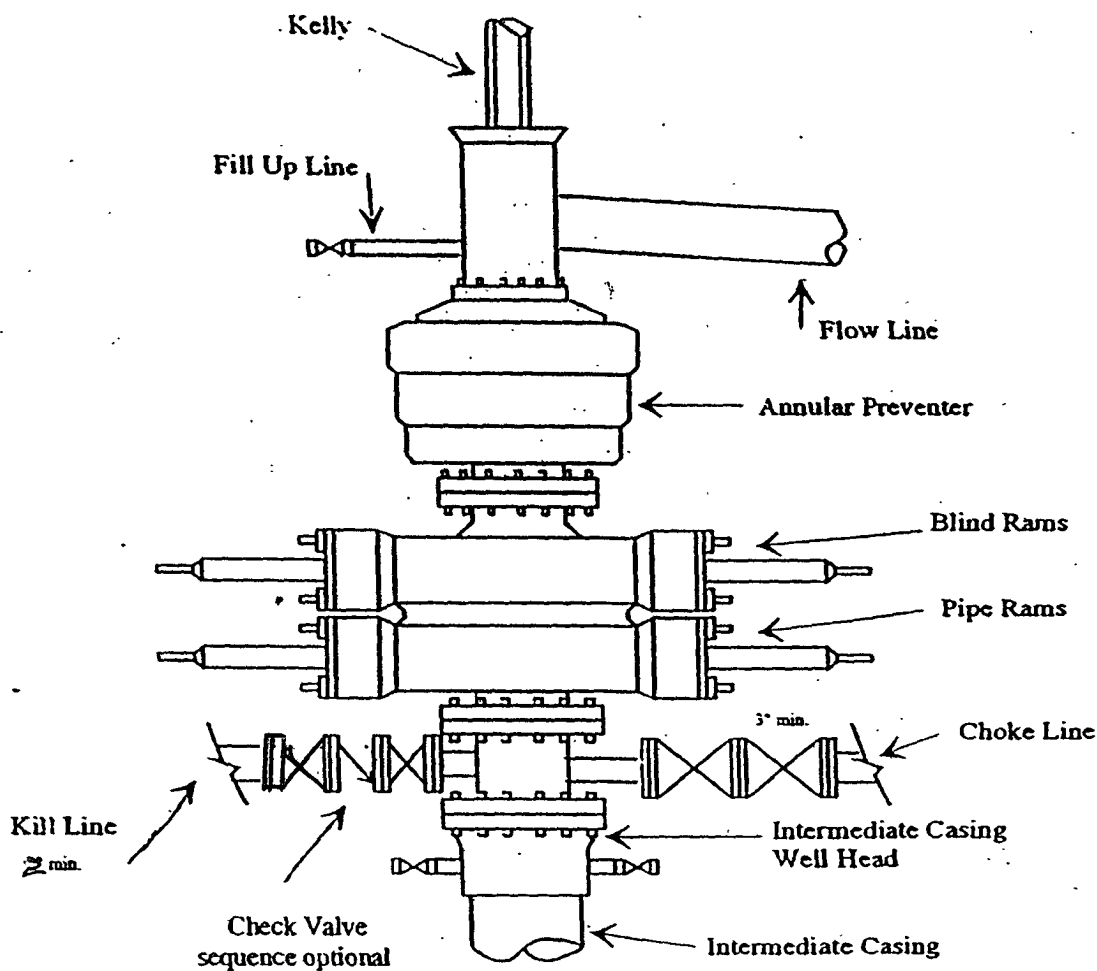
676



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



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

