

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

Operator Name and Address: Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 25575
		API Number 30 - 0 05-62566
Property Code 21674	Property Name Dragonfly ARX State	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
D	30	9S	27E		660	North	990	West	Chaves

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

Proposed Pool 1

Proposed Pool 2

Undesignated Penn; Foor Ranch Wolfcamp; and/or Pecos Slope Abo

Work Type Code P	Well Type Code G	Cable/Rotary Pulling Unit	Lease Type Code S	Ground Level Elevation 3810.5'
Multiple Possible	Proposed Depth PBTD 6298'	Formation Penn; WC; Abo	Contractor Unknown	Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12-1/4"	8-5/8"	24#	957'	In place	
7-7/8"	5-1/2"	15.5#	6348'	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.

Propose to clean out well to original PBTD, squeeze Ordovician, perforate Penn, possible Wolfcamp and Abo as follows:

1. Load tubing with 7% KCL water. Nipple down wellhead and nipple up BOP. Unseat packer at 5201'. TOOH with tubing and pcker.
2. TIH with bit, drill collars and tubing and drill CIBP and cement out at 5950'. Clean out to original PBTD of 6298'. Circulate hole clean. TOOH with tubing, drill collars and bit.
3. TIH with cement retainer and set retainer at 5990'. Squeeze perforations

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

Signature:

*Rusty Klein*

Printed name:

Rusty Klein

Title:

Operations Technician

Date:

April 3, 2001

Phone:

505-748-1471

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Title:

Approval Date:

APR 09 2001

Expiration Date:

APR 09 2002

Conditions of Approval:

Attached ☐

YATES PETROLEUM CORPORATION  
Dragonfly ARX State #1  
Section 30-T9S-R27E  
Chaves County, New Mexico

APPLICATION FOR PERMIT TO DRILL, DEEPEN, PLUGBACK, ETC. CONTINUED:

5999-6026' (Ordovician) with enough cement to obtain a good squeeze (200 sacks  $\pm$ ).  
POOH with tubing and stinger. WOC 24 hours.

4. Perforate 5875-5976' (Penn), acidize and frac as necessary for production.
5. Flow well back for cleanup.
6. Swab/flow test.
7. Place well into production.

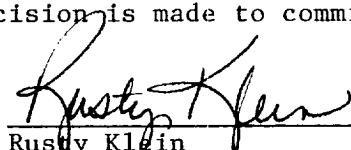
If Penn is not productive, proceed to Wolfcamp as follows:

8. Nipple down wellhead and nipple up BOP.
9. TOOH with tools.
10. TIH with CIBP and set CIBP at 5850'. Cap CIBP with 35' of cement.
11. Perforate 5520-5668' (Wolfcamp), acidize as necessary for production.
12. Swab/flow test.
13. Place well into production.

If Wolfcamp is not productive, proceed to Abo as follows:

14. Nipple down wellhead and nipple up BOP.
15. TOOH with tubing and packer.
16. Decision will be made as to how Wolfcamp perfs will be abandoned.
17. Perforate 4 squeeze holes in casing at 5080'. TIH with packer and tubing and set packer at 5050'. Pump into perforations to see if they will take fluid and if the well will circulate. If squeeze holes can be pumped into, release packer. TOOH with packer and tubing.
18. TIH with cement retainer and set retainer at 5050'. Mix & pump 400 sacks of cement to bring the top of cement up to 3000' $\pm$  from surface. Pull out of retainer. Circulate hole clean. POOH with tubing and stinger. WOC 72 hours.
19. Run CBL/CCL/GR log to check top of cement.
20. If deeper zones are productive, TIH with bit, drill collars and tubing and drill out retainer and cement in the casing to 5080' (squeeze holes). Pressure test squeeze hole to 1000 psi. Circulate hole clean. TOOH with tubing, drill collars and bit.
21. TIH with CIBP and set CIBP above squeeze holes at approx. 5070'.
22. Perforate 4892-4901' (Abo) and frac as necessary for production.
23. Flow well back for cleanup.
24. Swab/flow test.
25. Place well into production.

Possible commingling could take place. If decision is made to commingle, will file commingling application.

  
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Rusty Klein  
Operations Technician  
April 3, 2001

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-62566		Pool Code	Pool Name Undesignated
Property Code 21674	Property Name Dragonfly ARX State		Well Number 1
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3810.5' GR

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	30	9S	27E		660	North	990	West	Chaves

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> 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

<sup>16</sup> 				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief   Signature Rusty Klein Printed Name Operations Technician Title April 3, 2001 Date
				<sup>18</sup> 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 Surveyer:  Certificate Number