District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe, NM 87505 Form C-101
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office

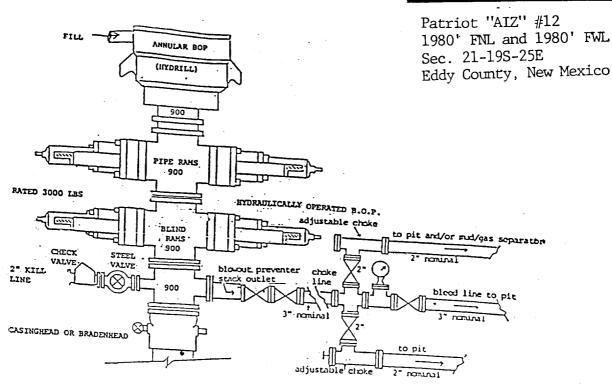
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| 040 South Pachec   | o, Santa Fe,               | NM 87505                     |                              |                |                         |                           |                         |                                 |                | AMEN  | DED REPORT   |  |
|--|----------------------------|------------------------------|------------------------------|----------------|-------------------------|---------------------------|-------------------------|---------------------------------|----------------|---|--------------|--|
| APPLICA  | TION                       | FOR PE                       | RMIT '                       | TO DRI         | LL, RE-EN               | TER, DEE                  | PEN                     | N. PLUGBA                       | ACK.           | OR AI   | DD A ZONE    |  |
|  | ne and Address.            |                              | WAR 1998                     |                |                         | OGRID Number              |                         |                                 |                |   |              |  |
|  | Y                          | m Corpoi                     |                              |                |                         | 025575                    |                         | 5575                            |                |   |              |  |
|  |                            | th Street                    |                              | _              | RECEIVED<br>CD - ARTESI | . 4                       | 3                       | API Number                      |                |   |              |  |
|  |                            | Mexico 882                   | .10 000                      |                |                         |                           | <b>30 - 0</b> 15-28411  |                                 |                |   |              |  |
| <sup>4</sup> Prope   | rty Code                   |                              | ٠                            | * P            | Property Name           |                           |                         |                                 |                | ' Well No.                                      |              |  |
| 1578   | 38                         |                              | Patriot AIZ                  |                |                         |                           |                         |                                 |                |   | 12           |  |
| <sup>7</sup> Surface Location  |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
| UL or lot no.  | Section                    | Township                     | Range                        | Let Ida        | Feet from the           | North/South line          |                         | Feet from the                   | East/West line |   | County       |  |
| F  | 21                         | 19S                          | 25E                          |                | 1980'                   | North                     |                         | 1980'                           | West           |   | Eddy         |  |
| <sup>8</sup> Proposed Bottom Hole Location If Different From Surface   |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
| UL or lot no. Section  |                            | Township                     |                              |                | Feet from the           | North/South               |                         |                                 | East/West line |   | County       |  |
| Proposed Pool 1  |                            |                              |                              |                |                         |                           |                         |                                 |                |   | _1           |  |
| Dagger Draw Upper Penn, North 15472  |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
|  | <del></del> .              |                              |                              |                |                         | <del></del>               |                         |                                 |                |   |              |  |
| " Work Type Code   |                            | <sup>13</sup> Well Type Code |                              |                | Rotary                  |                           |                         | <sup>14</sup> Lease Type Code P |                | <sup>16</sup> Ground Level Elevation<br>3488 GR |              |  |
| <sup>16</sup> Multiple<br>NC   |                            |                              | 17 Proposed Depth.<br>8400 T |                |                         | ermation<br>anyon No      |                         | "Contractor of Determined       |                |   | 26 Spud Date |  |
|  | <del>-</del>               |                              | 2                            |                |                         | and Cement                |                         |                                 | nea            | <u> </u>  | ASAP         |  |
| Hole S   | Casi                       |                              |                              | ng weight/foot | Setting Der             |                           | Sacks of Cement         |                                 |                | Estimated TOC                                   |              |  |
| 14 3/4"  |                            | 9 5/8"                       |                              | 36             | 36# J-55                |                           | 1150'                   |                                 | 1100 sx        |   | Circulate    |  |
| 8 3/4"   |                            | 7"                           |                              | 26             | 26# & 26#               |                           |                         | 1350 sx                         |                |   | Circulate    |  |
|  |                            |                              |                              | J-55           | 80-M &                  |                           |                         |                                 |                |   |              |  |
|  |                            |                              |                              |                |                         |                           | _                       |                                 |                |   |              |  |
| ·  |                            | <del></del>                  |                              | <del></del>    |                         |                           |                         | <del></del>                     |                |   |              |  |
| 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 drill and test the Canyon and intermediate |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
| formation  | ons. A                     | Approxim                     | atelv                        | 1150' c        | of surface              | casing w                  | St 1                    | the Canyor                      | and            | inter   | mediate      |  |
| to shut  | off ar                     | avel an                      | d cavi                       | nas. ]         | f commerc               | ial prod                  | 110t.                   | ion casino                      | u cei<br>wil   | l be r  | un and       |  |
| to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.  |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
| MUD PROGRAM: 0-1150' FW Gel/LCM; 1150'-5200' FW; 5200'-7200' Cut Brine/KCL; 7200'-TD   |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
| Cut Brine/Starch.  |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
| BOPE PROGRAM: BOP's will be installed on the 9 5/8" casing and tested daily for  |                            |                              |                              |                |                         |                           |                         |                                 |                |   |              |  |
|  |                            | operat                       | ional.                       |                |                         |                           |                         |                                 |                |   |              |  |
|  |                            |                              |                              |                |                         |                           |                         |                                 |                | •   |              |  |
| <sup>25</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.   |                            |                              |                              |                |                         | OIL CONSERVATION DIVISION |                         |                                 |                |   |              |  |
| Signature:   |                            |                              |                              |                |                         | Approved but              |                         |                                 |                |   |              |  |
| Printed name:  | EARDEMP                    |                              | Tale DISTRICT II SUPERVISOR  |                |                         |                           |                         |                                 |                |   |              |  |
| Title: LANDMAN   |                            |                              |                              |                |                         | Approval Date             |                         | 2 1998                          |                |   | 3-12-99      |  |
| Date: Marc   | Date: March 6, 1998 Phone: |                              |                              |                |                         |                           | Conditions of Approval: |                                 |                |   |              |  |

## YATES DETROLEUM CORDORATION

## Yates Petroleum Corporation 105 SOUTH 4th STREET

ARTESIA, NEW MEXICO 88210



typical choke manifold assemby for 14 raced working pressure service-surface installation

## THE FOLLOWING CONSTITUES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 3" diameter.
- 3. Kill line to be of all steel construction of 3" minimum diameter.
- 4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be a minimum of one inch in diameter.
- 5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- 6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- 7. Inside blowout preventer to be available on rig floor.
- Operating controls to be located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing.