

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised March 17, 1999  
Instructions on back

DISTRICT II  
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION  
PO BOX 2088

RECEIVED

Submit to appropriate District Office

State Lease - 6 Copies  
Fee Lease - 5 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

Santa Fe, NM 87504-2088

APR 15 2004

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87501

OCD-ARTESIA

☐ AMENDED REPORT

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

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
<sup>4</sup> Property Code	<sup>5</sup> Property Name Lake Shore XH Federal Com.	<sup>3</sup> API Number 30- 015- 33395 <sup>6</sup> Well No. 2

<sup>7</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
F	11	21S	26E		2100'	North	2271'	West	Eddy

<sup>8</sup> 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	11	21S	26E		660'	North	660'	East	Eddy
<sup>9</sup> Proposed Pool 1 Morrow					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code N	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code C.I.D.	<sup>15</sup> Ground Level Elevation 3191'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 12581'	<sup>18</sup> Formation Chester	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	600'	550 sx	Surface
12 1/4"	9 5/8"	36#	2350'	1200 sx	Surface
8 3/4"	5 1/2"	17# + 20#	12581'	6600 sx	Surface

<sup>22</sup> 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 Chester and intermediate formations. Approximately 600' of surface casing will be set and cement circulated 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: 0-600' FW/Spud Mud; 600'-2350' FW/LCM; 2300'-8800' Cut Brine; 8800'-10050' Salt Gel/Starch/4% KCL.

BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.  
Signature:

Printed name: Cy Cowan

Title: Regulatory Agent

Date: 04/14/04

Phone: (505) 748-1471

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

APR 26 2004

Expiration Date:

APR 26 2005

Conditions of Approval

Attached ☐

NOTIFY OCD SPUD & TIME  
TO WITNESS 9 5/8" CASING

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DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1989  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Four Mile Draw Morrow
Property Code	Property Name LAKE SHORE "XH" FEDERAL COM.	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3191

Surface Location

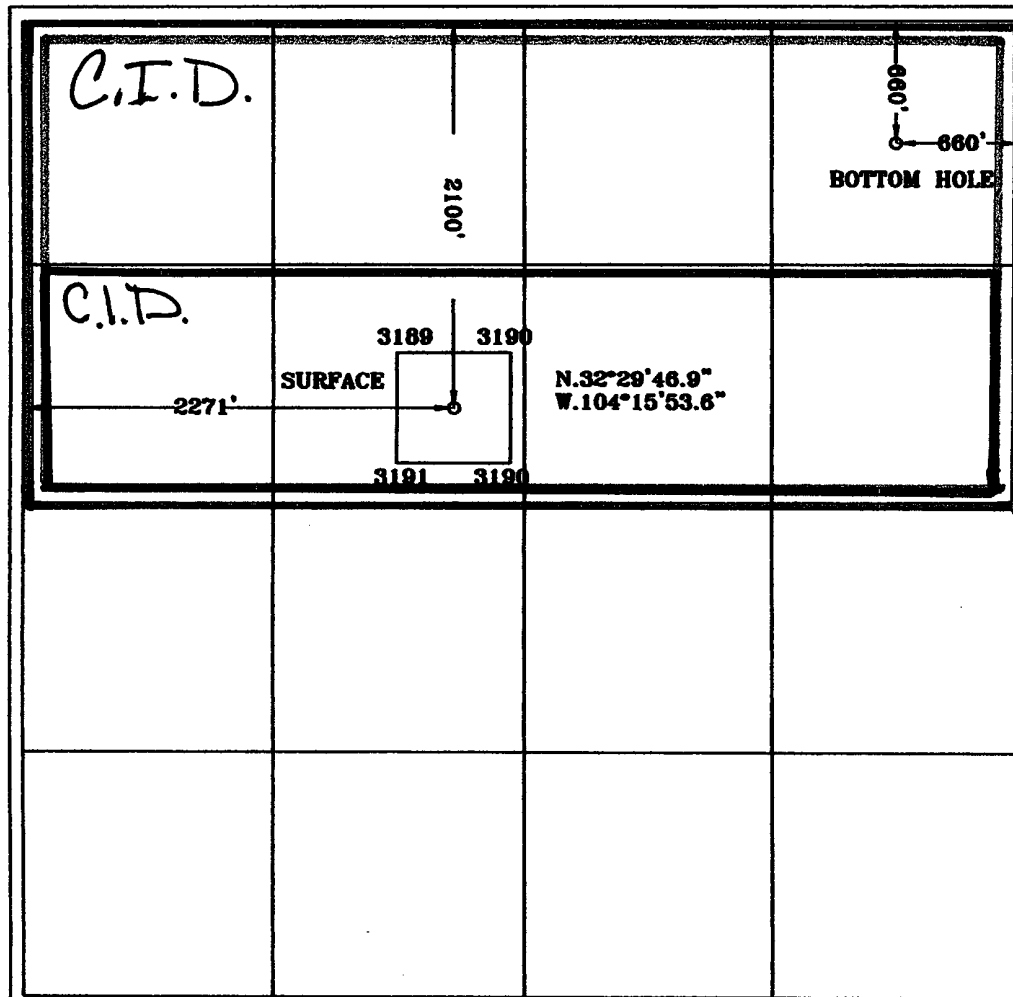
UL or lot No. F	Section 11	Township 21S	Range 26E	Lot Idn	Feet from the 2100	North/South line NORTH	Feet from the 2271	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No. A	Section 11	Township 21S	Range 26E	Lot Idn	Feet from the 660	North/South line NORTH	Feet from the 660	East/West line EAST	County EDDY
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Dedicated Acres 320	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

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

*Cy Cowan*  
Signature  
Cy Cowan

Printed Name  
Regulatory Agent

Title  
April 14, 2004

Date

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.

2/09/2004

Date Surveyed

Signature of H. L. JONES  
Professional Surveyor

Certificate No. H. L. JONES RLS 3640  
LAKE SHORE FEDERAL 2  
GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

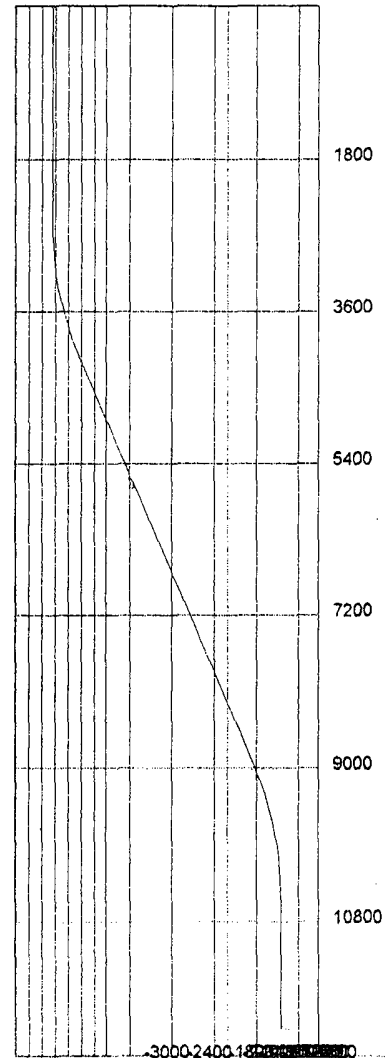
	M.D. [ft]	Inclination [°]	Azimuth [°]	T.V.D. [ft]	N+/S- [ft]	E+/W- [ft]	D.L.S. [°/100ft]	ToolFace [°]	T.F. Ref. [HS/GN]
1	0.00	0.00	0.00	0.00	-2100.00	-3009.00	0.00		
2	2600.00	0.00	0.00	2600.00	-2100.00	-3009.00	1.50	58	GN
3	2624.67	0.37	58.49	2624.67	-2099.96	-3008.93	1.50	0	HS
4	2952.76	5.29	58.49	2952.26	-2091.49	-2995.12	1.50	360	HS
5	3280.84	10.21	58.49	3277.24	-2068.37	-2957.41	1.50	360	HS
6	3608.92	15.13	58.49	3597.23	-2030.76	-2896.06	1.50	0	HS
7	3937.01	20.06	58.49	3909.87	-1978.95	-2811.54	1.50	0	HS
8	4174.05	23.61	58.49	4129.88	-1932.88	-2736.39	0.00		
9	9456.50	23.61	58.49	8970.12	-827.12	-932.61	0.00		
10	9514.44	22.74	58.49	9023.38	-815.20	-913.17	1.50	180	HS
11	9842.52	17.82	58.49	9331.03	-755.78	-816.25	1.50	180	HS
12	10170.60	12.90	58.49	9647.30	-710.38	-742.18	1.50	180	HS
13	10498.69	7.98	58.49	9969.85	-679.32	-691.52	1.50	180	HS
14	10826.77	3.06	58.49	10296.32	-662.84	-664.63	1.50	180	HS
15	11030.55	0.00	246.12	10500.00	-660.00	-660.00	0.00		
16	12580.55	0.00	167.11	12050.00	-660.00	-660.00	0.00		

Lake Shore XH Federal Com. #2  
 2100' FNL and 2271' FWL Surface Loc.  
 660' FNL and 660' FEL Bottom Hole Loc.  
 Section 11-T21S-R26E  
 Eddy County, New Mexico

### 3D<sup>s</sup> Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation  
Well: New Well

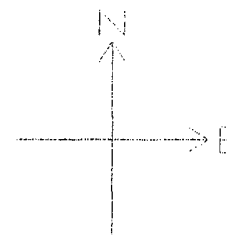
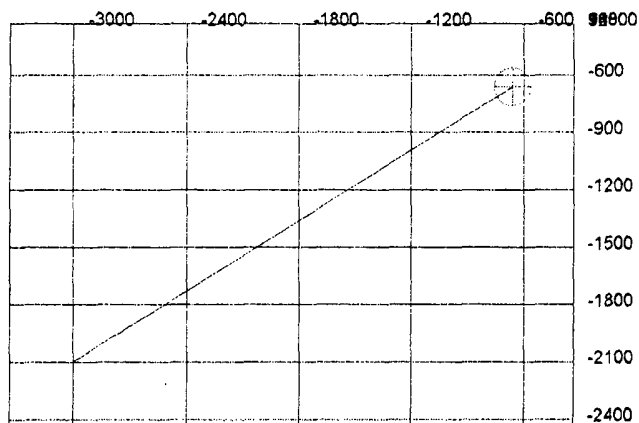
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2100' FNL and 2271' FWL Surface Loc.  
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Section 11-T21S-R26E  
Eddy County, New Mexico

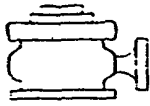


### 3D<sup>3</sup> Directional Drilling Planner - 3D View

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Lake Shore XH Federal Com. #2  
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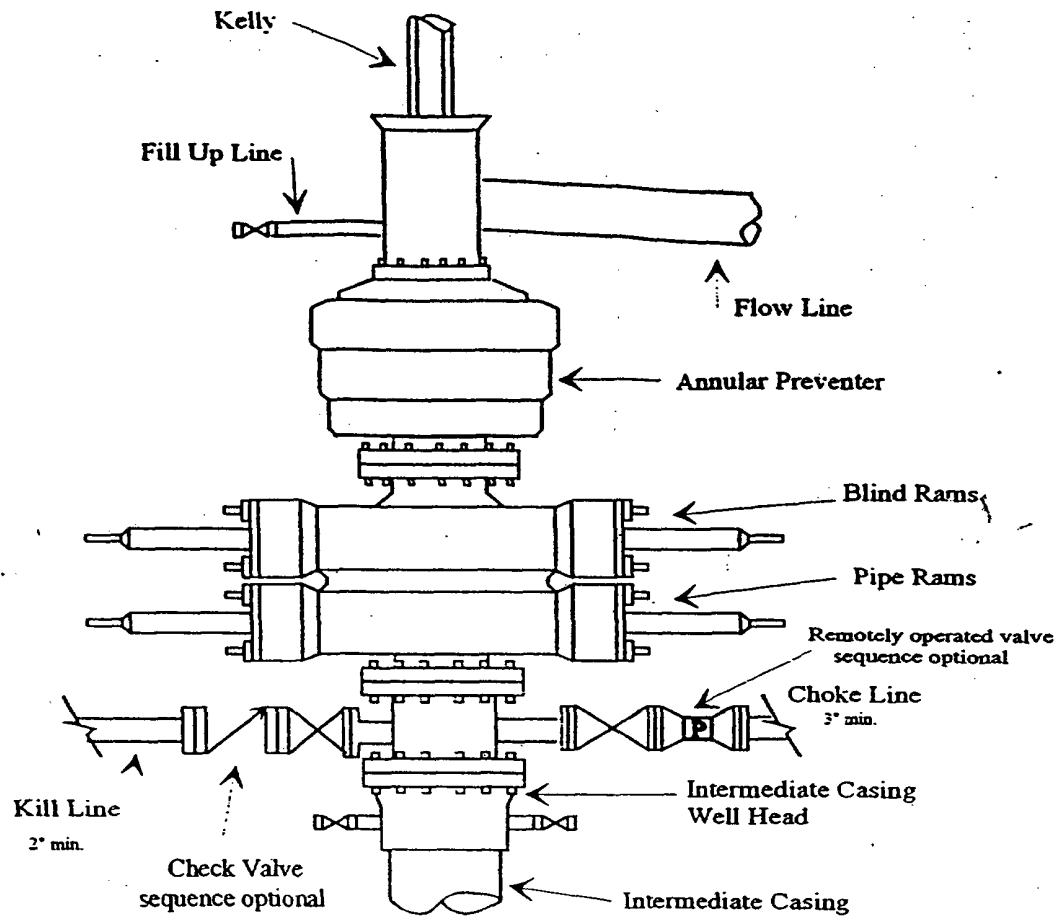




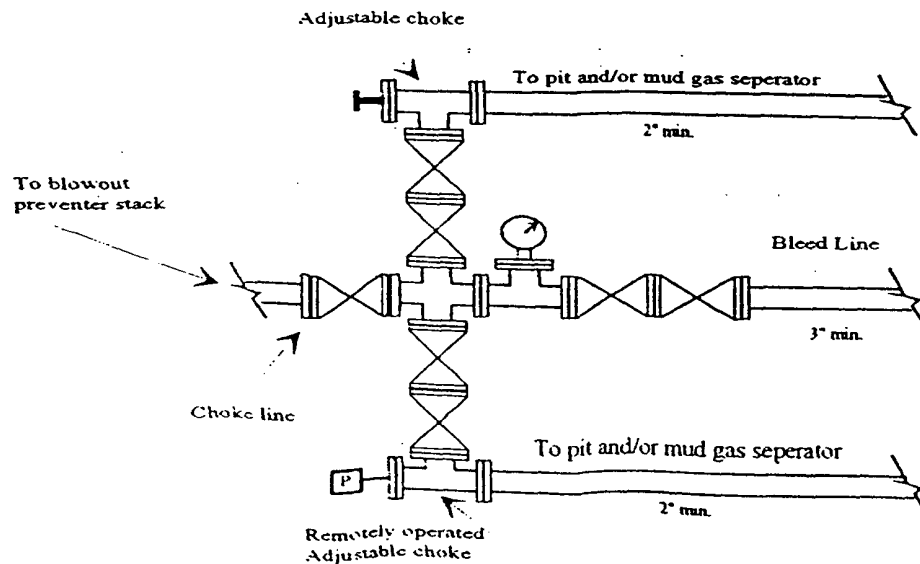
# Yates Petroleum Corporation

BOP-4

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



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



# **Yates Petroleum Corporation**

**105 S. Fourth Street  
Artesia, NM 88210**

## **Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan**

**For**

**Lake Shore XH Federal Com. #2**

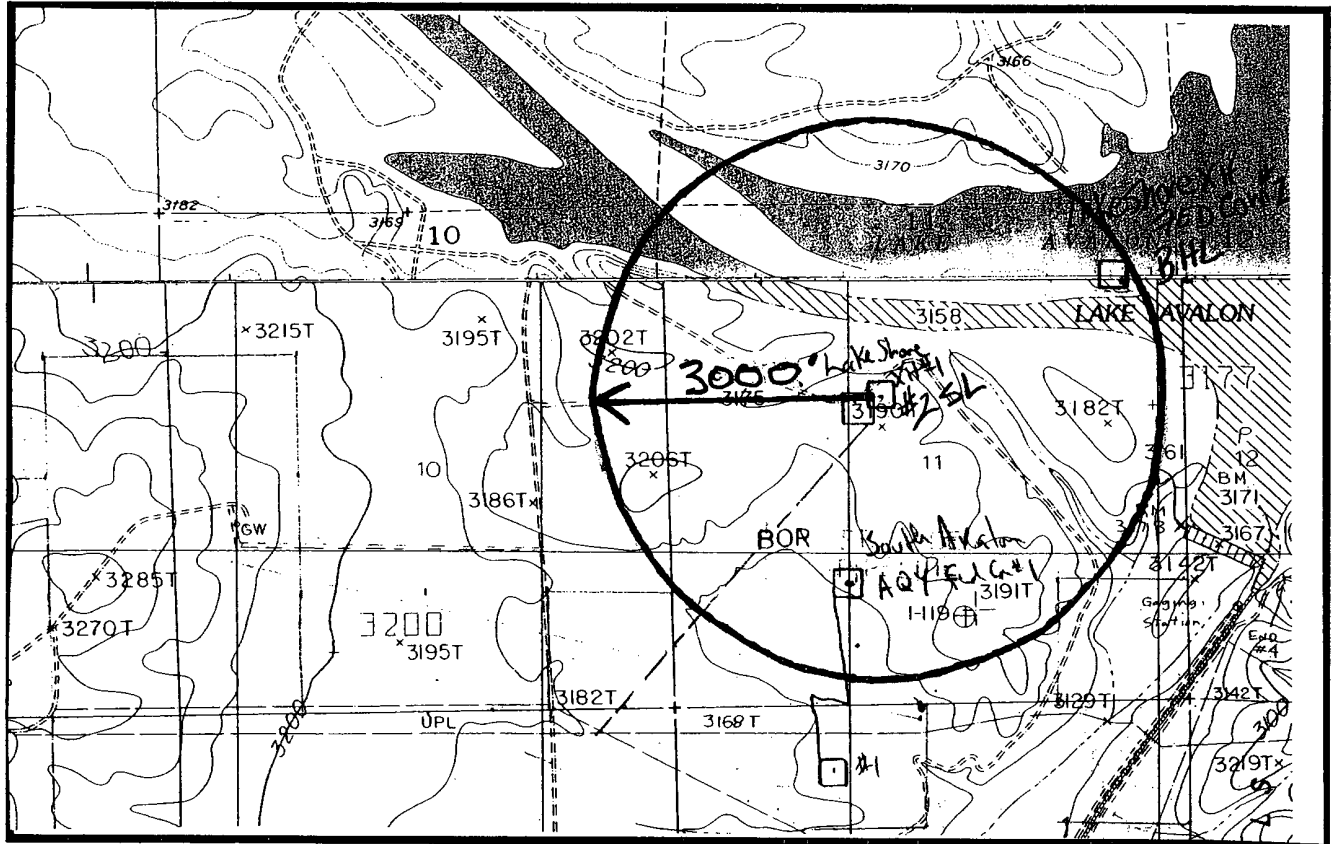
**2100' FNL, 2271' FEL Surface Location**

**660' FNL and 660' FEL Bottom Hole Location**

**Sec-11, T-21S, R-26E**

**Eddy County NM**

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain



YPC H2S Contingency Plan. Page 2



## Emergency Procedures

In the case of a release of gas containing H<sub>2</sub>S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H<sub>2</sub>S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

## Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

## Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

## Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

## ***Yates Petroleum Corporation Phone Numbers***

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YPC Office .....	(505) 748-1471
Pinson McWhorter/Operations Manager .....	(505) 748-4189
Darrel Atkins/Production Manager .....	(505) 748-4204
Ron Beasley/Prod Superintendent .....	(505) 748-4210
Al Springer/Drilling .....	(505) 748-4225
Paul Hanes/Prod. Foreman/Roswell .....	(505) 624-2805
Jim Krogman/Drilling Superintendent.....	(505) 748-4215
Artesia Answering Service .....	(505) 748-4302
(During non-office hours)	

### **Agency Call List**

#### **Eddy County (505)**

##### **Artesia**

State Police.....	746-2703
City Police.....	746-2703
Sheriff's Office .....	746-9888
Ambulance .....	911
Fire Department .....	746-2701
LEPC (Local Emergency Planning Committee) .....	746-2122
NMOCD.....	748-1283

##### **Carlsbad**

State Police.....	885-3137
City Police.....	885-2111
Sheriff's Office .....	887-7551
Ambulance .....	911
Fire Department .....	885-2111
LEPC (Local Emergency Planning Committee).....	887-3798
US Bureau of Land Management.....	887-6544

New Mexico Emergency Response Commission (Santa Fe)	(505)476-9600
24 HR .....	(505) 827-9126
New Mexico State Emergency Operations Center.....	(505) 476-9635
National Emergency Response Center (Washington, DC)	...(800) 424-8802

##### **Other**

Boots & Coots IWC .....	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....	(915) 699-0139 or (915) 563-3356
Halliburton .....	(505) 746-2757
B. J. Services.....	(505) 746-3569
Flight For Life -4000 24th St, Lubbock, TX .....	(806) 743-9911
Aerocare -Rr 3 Box 49f , Lubbock, TX .....	(806) 747-8923

Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM .....(505) 842-4433  
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM .....(505) 842-4949