

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

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 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
³ Property Code	³ Property Name Orval BDQ State Com	³ API Number 30-015-33174
⁹ Proposed Pool 1 Wildcat Atoka		¹⁰ Proposed Pool 2 OGD-ARTESIA

⁷ Surface Location

UL or lot no. E	Section 32	Township 20S	Range 23E	Lot Idn	Feet from the 2090	North/South line North	Feet from the 1093	East/West line West	County Eddy
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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
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Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code M	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4415'GR
¹⁶ Multiple Y	¹⁷ Proposed Depth N/A	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> ____mils thick Clay <input type="checkbox"/> Pit Volume: ____bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

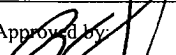
²¹ Proposed Casing and Cement Program

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

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.

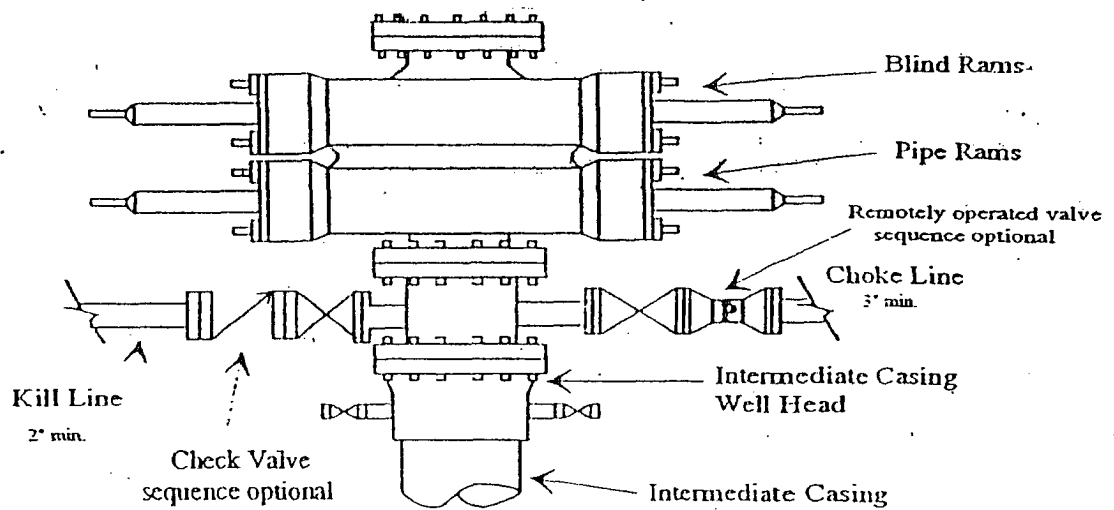
Yates Petroleum Corporation plans to recomplete this well as follows: Set a composite bridge plug at 8496'. Perforate Atoka 8204'-8240' with 217 shots total. Stimulate as needed. Will possibly commingle Morrow and Atoka zones after receiving commingling approval.

Long Section - Not Unorthodox

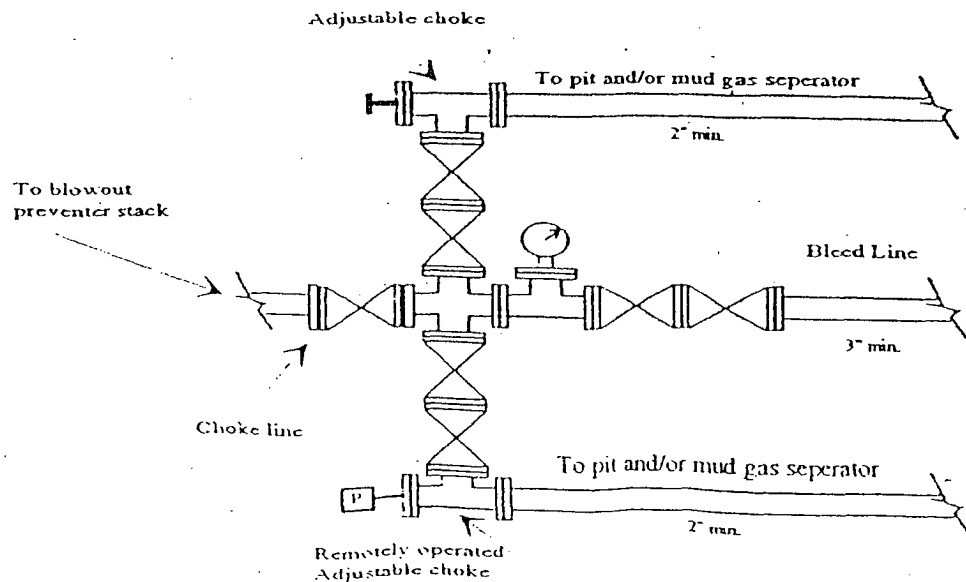
<p>23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOC guidelines <input type="checkbox"/>, a general permit <input checked="" type="checkbox"/>, or an (attached) alternative OCD-approved plan <input type="checkbox"/>.</p>		<p>OIL CONSERVATION DIVISION</p>	
<p>Signature:</p>		<p>Approved by: </p>	
<p>Printed name: Tina Huerta</p>		<p>TIM W. GUM DISTRICT II SUPERVISOR</p>	
<p>Title: Regulatory Compliance Supervisor</p>		<p>Title:</p>	
<p>E-mail Address: tinah@ypcnm.com</p>		<p>Approval Date: SEP 15 2004 Expiration Date: SEP 15 2005</p>	
<p>Date: September 9, 2004</p>	<p>Phone: 505-748-4168</p>	<p>Conditions of Approval Attached <input type="checkbox"/></p>	

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



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
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

September 9, 2004

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

Re: Orval BDQ State Com #1
Section 32-T20S-R23E
Eddy County, New Mexico
H2S Contingency Plan

RECEIVED
SEP 10 2004
OCD-ARTESIA

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 Atoka 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

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-11
Revised March 17, 1984
Instruction on how
to 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 Wildcat Chimney <i>Atoka</i>
Property Code	Property Name ORVAL "BDQ" STATE COM.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4415

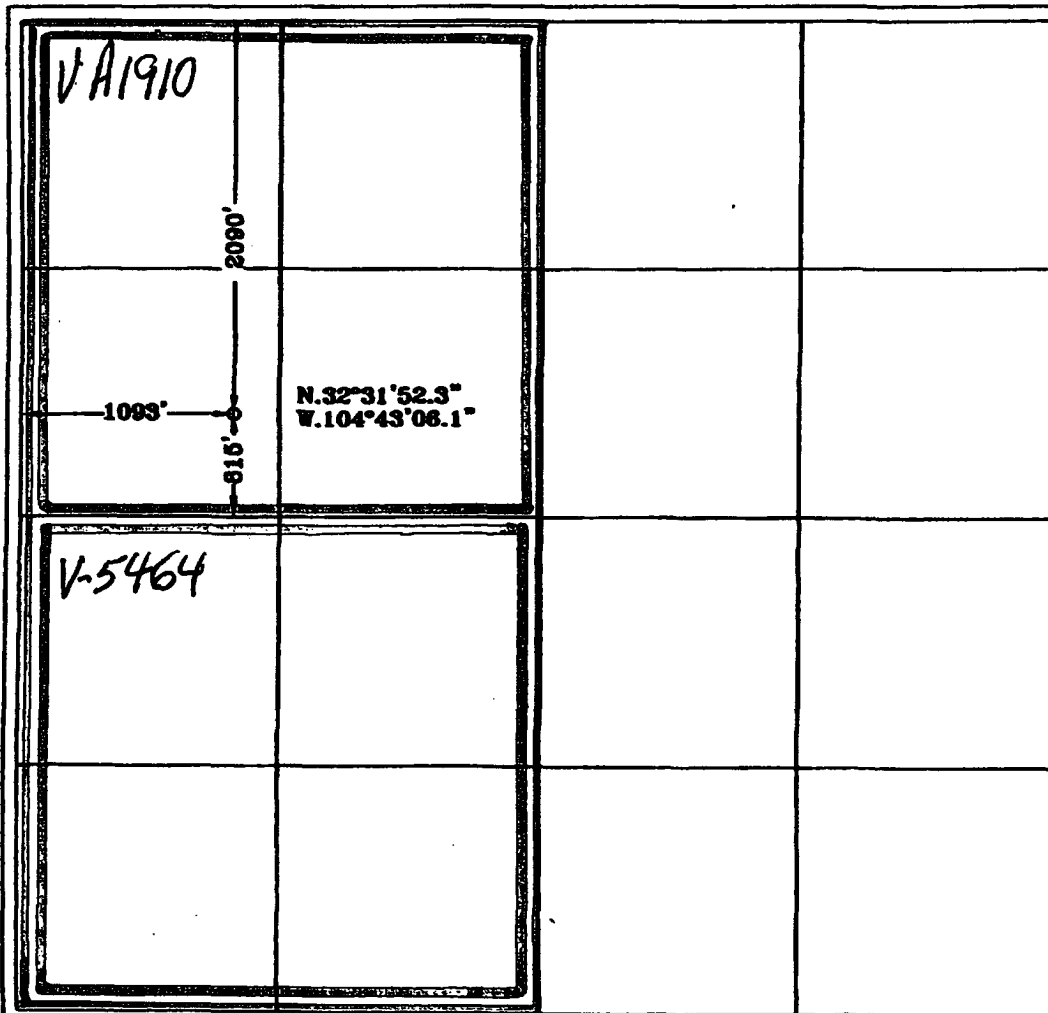
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	20S	23E		2090	NORTH	1093	WEST	EDC

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
Dedicated Acres 320	Joint or Infill	Consolidation Code	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



OPERATOR CERTIFICATION

I hereby certify that 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
January 13, 2004

Date

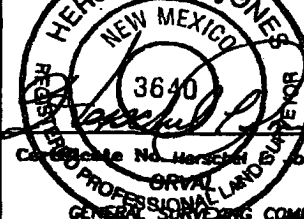
SURVEYOR CERTIFICATION

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.

1/06/2004

Date Surveyed

Signature of
Professional Surveyor



0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 0'

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 June 10, 2003
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33174	² Pool Code	³ Pool Name Wildcat Atoka
⁴ Property Code	⁵ Property Name Orval BDQ State Com	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4415'GR

¹⁰ Surface Location


UL or lot no. E	Section 32	Township 20S	Range 23E	Lot Idn	Feet from the 2090	North/South line North	Feet from the 1093	East/West line West	County Eddy
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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VA-1910 2090' N 1093' W				RECEIVED SEP 10 2004 OCD-ARTESIA	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Tina Huerta Printed Name Regulatory Compliance Supervisor Title and E-mail Address September 9, 2004 Date
V-5464					¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-3339

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

Attention: James M. Hill

RECEIVED

SEP 13 2004

OCD-ARTESIA

*Orval BDQ State Com Well No.1
API No. 30-015-33174
Unit E, Section 32, Township 20 South, Range 23 East, NMPM,
Eddy County, New Mexico
Undesignated Little Box Canyon-Morrow Gas (80240), and
Wildcat-Atoka Gas Pools*

Dear Mr. Hill:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above-described well to commingle production from the subject pools in the wellbore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion or otherwise required separation of the zones is hereby placed in abeyance.

In accordance with Division 303C.(1)(f), the production attributed to any commingled pool within the well shall not exceed the allowable applicable to that pool.

Assignment of allowable to the well and allocation of production from the well shall be done by the operator within 30 days following completion of the commingling operations. The allocation percentages shall be supplied in writing to the Engineering bureau of the Santa Fe office of the Division.

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303C(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 8th day of September 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Artesia
State Land Office – Minerals Management