

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

Form C-101
May 27, 2004

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

RECEIVED Permit to appropriate District Office
FEB 23 2005 ☐ AMENDED REPORT

ARTESIA

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 API Number 30-005-63687
³ Property Code 26800	⁵ Property Name Hard as Nails AMD State Com	⁶ Well No. 5
⁹ Proposed Pool 1 Undes. Four Ranch Wolfcamp Gas		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. C	Section 27	Township 9S	Range 26E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line West	County Chaves
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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 P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3778'
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Siluro-Devonian	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater >100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input type="checkbox"/> _____mils thick Clay <input type="checkbox"/> Pit Volume: _____bbls Drilling Method: Closed-Loop System <input checked="" 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 workover, possibly plugback and recomplete this well as follows: Swab test Silurian perfs 6044'-6054' for water production. If the perfs swab dry, acidize these perfs. If the lower Silurian interval is wet, set a 5-1/2" cement retainer at 6040' and squeeze perfs with 100+/- sx cement. Acidize Silurian 5998'-6010'. Depending on the results of the swab test will either move up the hole to the next zone to be tested or turn the well to production if the zone produces gas. If the Silurian interval is not wet and not productive, set a 5-1/2" CIBP at 5990' and cap with 35' cement. Perforate Cisco 5714'-5726' (48). Stimulate as needed. If the gas rate of these Cisco perfs is low, perforate additional Cisco 5676'-5682' (24). If the Cisco zones are not productive and are not going to produce, set a 5-1/2" CIBP at 5650' and cap with 35' cement on top. Perforate Wolfcamp 5454'-5460' (24). Stimulate as needed. Possibly will commingle Wolfcamp zone with any of the deeper zones that are productive, after receiving approval from the NMOCD for DHC.

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 NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature: Tina Huerta

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tinah@ypcnm.com

Date: February 18, 2005

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

TIM W. GUM

Title: DISTRICT II SUPERVISOR

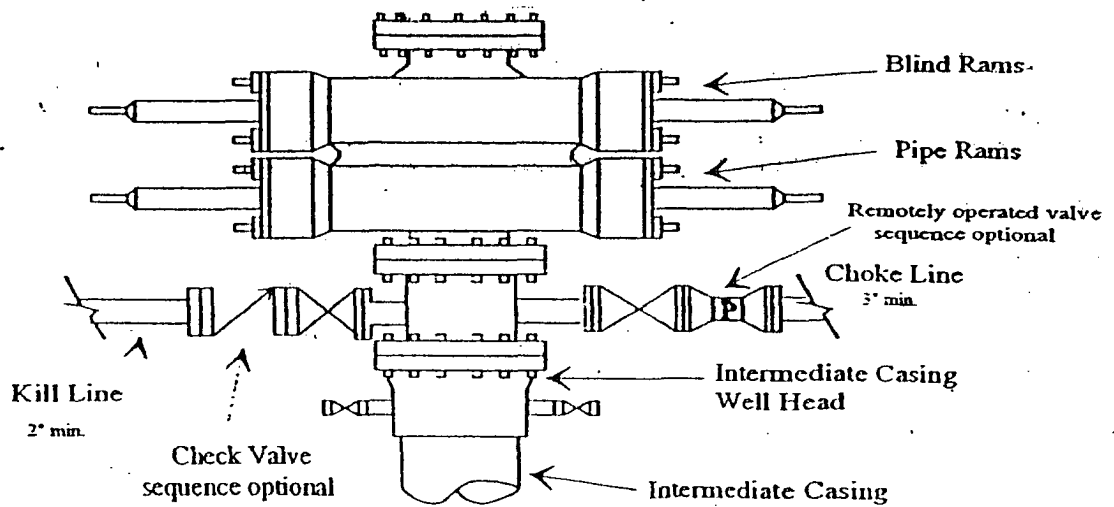
Approval Date: FEB 24 2005

Expiration Date: FEB 24 2006

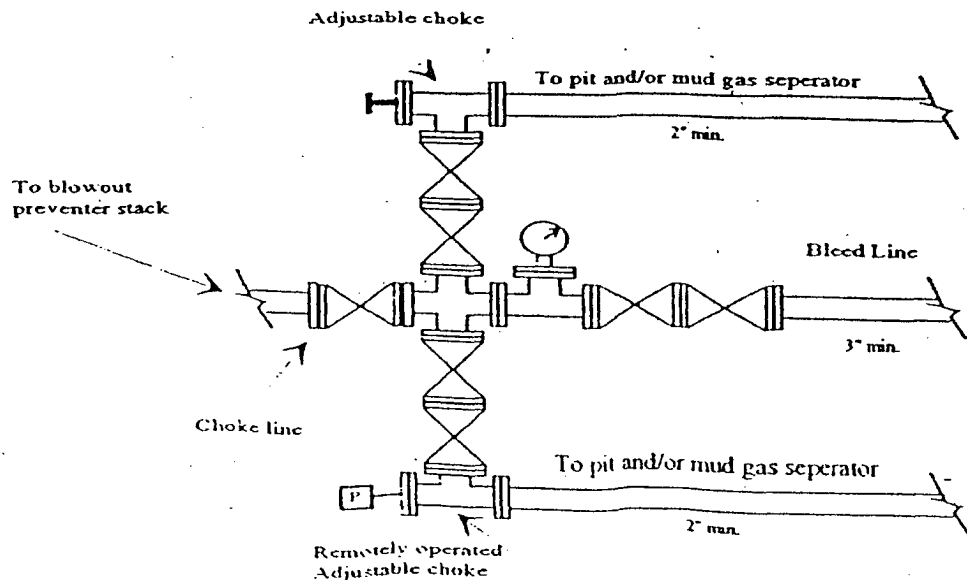
Conditions of Approval Attached ☐

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



1625 N. French Dr., Hobbs, NM 88240
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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 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 30-005-63687	² Pool Code 76750	³ Pool Name Foor Ranch Wolfcamp Gas
⁴ Property Code 26800	⁵ Property Name Hard as Nails AMD State Com	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number 5
		⁹ Elevation 3778'GR

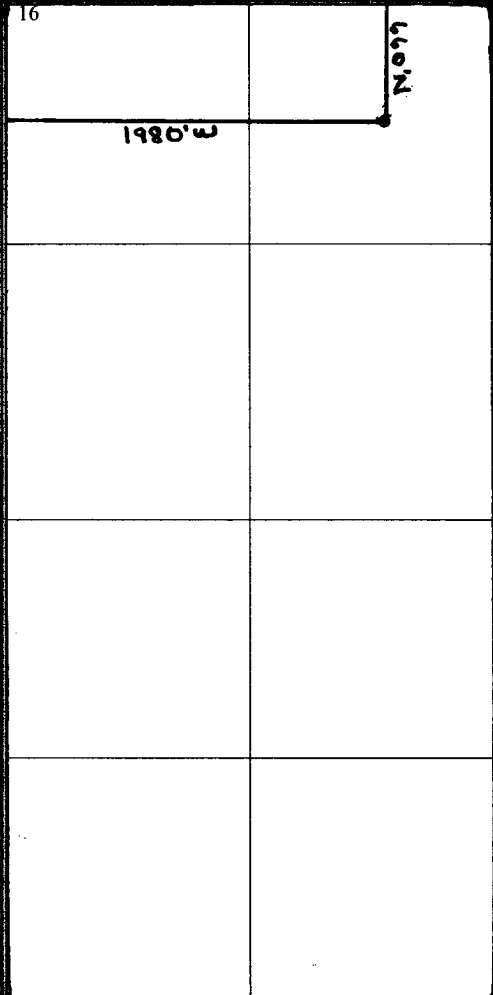
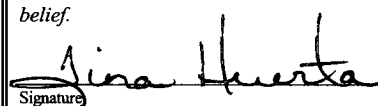
¹⁰ **Surface Location**

UL or lot no. C	Section 27	Township 9S	Range 26E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line West	County Chaves
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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.					

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

¹⁶ 	RECEIVED FEB 23 2005 ODD-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 February 18, 2005 Date
			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

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
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SECRETARY
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TREASURER

February 18, 2005

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

RECEIVED
FEB 23 2005
OCD/ARTESIA

Re: Hard as Nails AMD State Com #5
Section 27-T9S-R26E
Chaves County, New Mexico
H2S Contingency Plan

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 Wolfcamp 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