

District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
311 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico

Form C-101
Revised December 16, 2011

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Permit

RECEIVED

MAY 30 2012

NMOCD ARTESIA

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

¹ Operator Name and Address Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number
⁴ Property Code 36524	⁵ Property Name Pulsifer AVR	⁶ Well No 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	15	19S	26E		1980	S	1980	W	Eddy

⁸ Pool Information

Wildcat Mississippian Gas	
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Additional Well Information

⁹ Work Type Re-entry	¹⁰ Well Type Gas	¹¹ Cable/Rotary Pulling Unit	¹² Lease Type P	¹³ Ground Level Elevation 3335'
¹⁴ Multiple N	¹⁵ Proposed Depth 9830'	¹⁶ Formation Wolfcamp Mississippian	¹⁷ Contractor	¹⁸ Spud Date ASAP
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17 5"	13 375"	55.5#	355'	450	In Place
Int1	12 25"	8 625"	24#	1630'	620	In Place
Prod	7 875"	5.50"	15 1/2-17#	9834'	750	TOC-2400'

Casing/Cement Program: Additional Comments

SEE ATTACHED PAGE 2

H2S is not anticipated
C-144 Attached
C-102 Attached
Previously Approved

Reference to C-103 (5/9/2012)
res 6/11/2012

DENIED

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Signature: <i>Lori Flores</i>		Approved By	
Printed name: Lori Flores		Title	
Title: Land Regulatory Technician		Approved Date	Expiration Date
E-mail Address: lorif@yatespetroleum.com			
Date: 5/30/2012	Phone: 575-748-4448	Conditions of Approval Attached	

YATES PETROLEUM CORPORATION

Pulsifer AVR #1 (Re-entry)

Drilling Prognosis

This well was originally drilled by American Public Energy Company as the Spencer Trust #1. It was spud on July 7, 1981 and was plugged and abandoned September 9, 1981.

Yates' plan is to re-enter the well with a pulling unit and reverse unit to drill out cement plugs in the 8 5/8" casing and the 7 7/8" open hole to 9,834'. The well will be conditioned and a string of 5 1/2" casing will be run to the original TD of 9,834' and cemented with a 13 ppg cement slurry up to +/-2,400'. (13 ppg, 1.61 yield approximately 1,100 sacks of cement). This well will be completed with a pulling unit. Possible formations to be completed include the Morrow, Atoka, Strawn, Canyon, Upper Penn and the Wildcat.

MUD PROGRAM: 0-9,834' Cut Brine Weight: 9.2-10.2 (increase weight as needed) Vis:35,<10-15 cc water loss.

CASING PROGRAM: 5 1/2" casing will be run to the original TD of 9,834'.

CEMENT PROGRAM: 600 sacks of 13lb Super H or Super C slurry, circulate up to 2,400' use filler slurry weight 12.4 to 12.6 per gallon.

BOPE PROGRAM: 3000# BOPE will be nipped up on 13 3/8" casing.

H2S is not anticipated.

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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 October 15, 2009

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593		² Pool Code	³ Pool Name Wildcat Mississippian
⁴ Property Code 36524	⁵ Property Name PULSIFER AVR		⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION		⁹ Elevation 3335'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	15	19S	26E		1980	South	1980	West	Eddy

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.
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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.

¹⁶	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working mineral or unleased mineral interest in the land including the proposed bottom hole location, or has a right to drill this well at this location pursuant to a contract with an owner, or such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature Date 4/27/10 Cy Cowan - Land Regulatory Agent Printed Name	
	¹⁸ 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 Surveyor	
	Certificate Number	

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

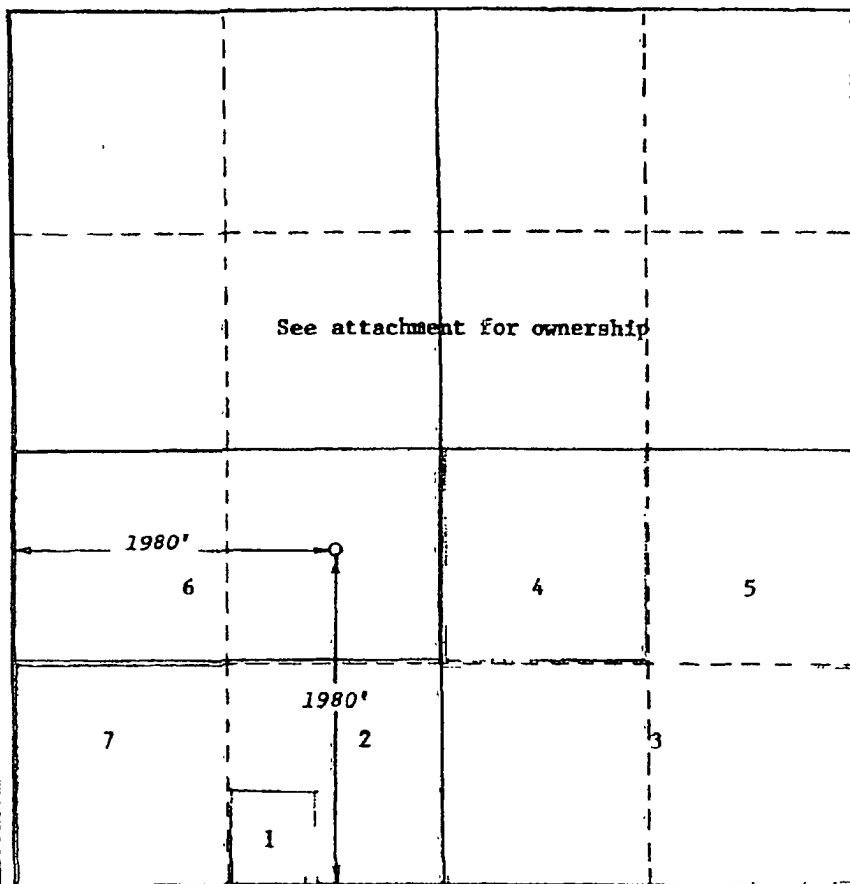
Operator AMERICAN PUBLIC ENERGY COMPANY		Lease Spencer -Spence Trust		Well No. 1
Unit Letter K	Section 15	Township T-19-S	Range R-26-E	County Eddy
Actual Footage Location of Well: South				
1980' feet from the North line and		1980' feet from the West line		
Ground Level Elev. 3335'	Producing Formation Morrow	Pool Undesignated	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation Will be communitized if productive

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

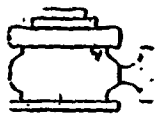
Name
M. J. Walker
Position
Agent
Company
American Public Energy Co.
Date
December 22, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of *Gary D. Boswell* made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

GARY D. BOSWELL
Date
December 23, 1980
Registered Professional Engineer and/or Land Surveyor

Gary D. Boswell
Certificate No.

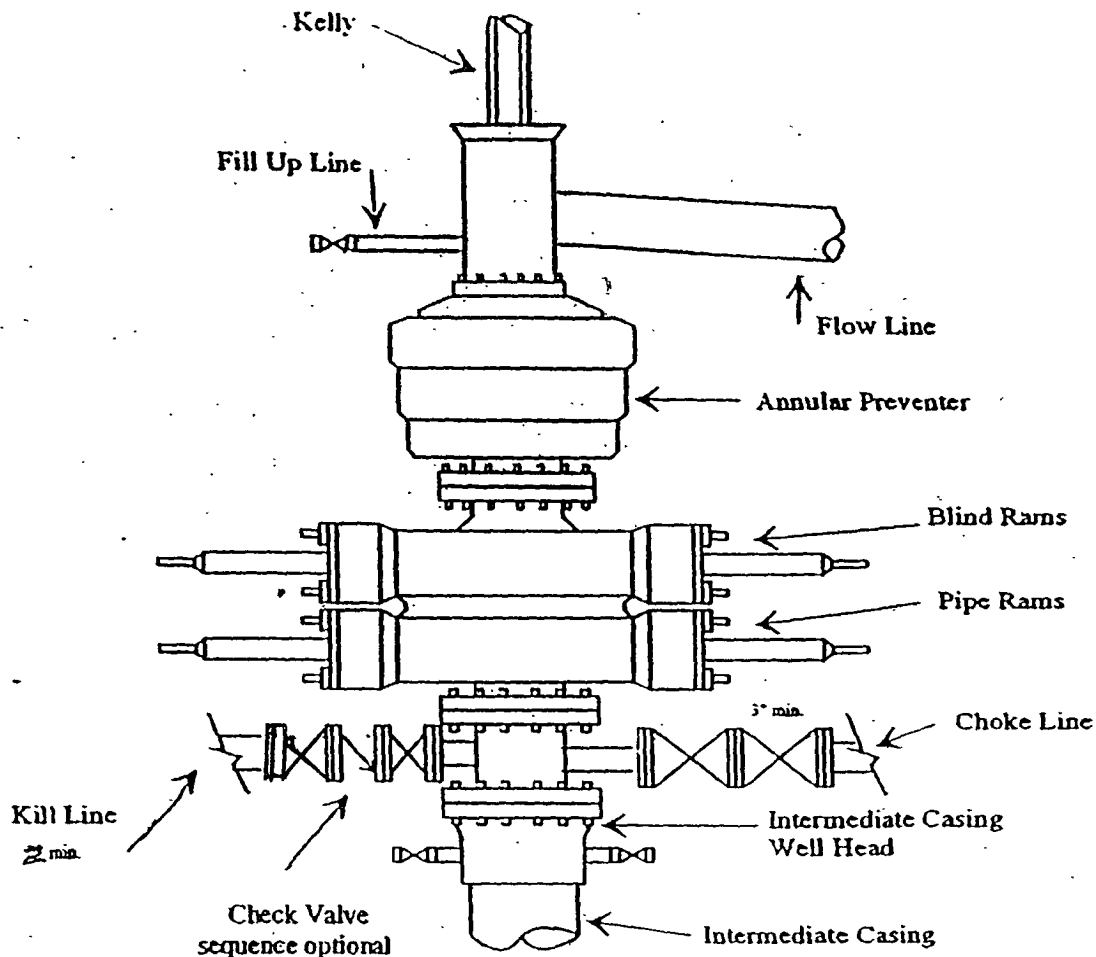
6689



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



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

