

District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 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

**RECEIVED**  
MAR 27 2013  
NMOCD ARTESIA

Permit

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, NM 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30-015-22002
<sup>4</sup> Property Code 12801	<sup>5</sup> Property Name Stonewall EP State	<sup>6</sup> Well No. 2

<sup>7</sup> Surface Location

UL - Lot N	Section 19	Township 20S	Range 28E	Lot Idn	Feet from 660	N/S Line South	Feet From 1980	E/W Line West	County Eddy
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<sup>8</sup> Pool Information

Penlon Artesia; Bone Spring, East	96213 -3713
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Additional Well Information

<sup>9</sup> Work Type P	<sup>10</sup> Well Type O	<sup>11</sup> Cable/Rotary N/A	<sup>12</sup> Lease Type State	<sup>13</sup> Ground Level Elevation 3300'GL
<sup>14</sup> Multiple N	<sup>15</sup> Proposed Depth N/A	<sup>16</sup> Formation Strawn	<sup>17</sup> Contractor N/A	<sup>18</sup> Spud Date N/A
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

<sup>19</sup> Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
REFER TO ORIGINAL COMPLETION						

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to plugback and recomplete this well as follows: NU BOP. Rig up all safety equipment as needed. Pull the RBP at 10,346'. Set a CIBP at 10,390' with 35' cement on top. Set a 2<sup>nd</sup> CIBP at 10,176' with 35' cement on top. Perforate 6 squeeze holes at 8768' and sting into retainer and put 500 psi on 5-1/2" x 2-7/8" annulus. Open all braden head valves on 8-5/8" x 5-1/2" annulus. Pump 500 sx Class "H" cement with a pump time greater than 4 hrs. followed by 675 sx Super "H" cement with a pump time of +/-4 hrs. WOC. Calculated new TOC is 2208'; pull and CBL to verify TOC is above 5275'. Perforate Bone Spring 6274'-6360' (38). Frac as attached. TIH with bit to wash sand. Swab test well to ensure no sand is present in the tubulars. TIH with pump and rods and turn well over to production. Wellbore schematics attached.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

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 ☐. YPC uses steel tanks only.

Signature: Tina Huerta

Printed name: Tina Huerta

Title: Regulatory Reporting Supervisor

E-mail Address: tinah@yatespetroleum.com

Date: March 26, 2013

Phone: 575-748-4168

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

### Treating Schedule

Stage Number	Stage Description	Clean Volume gal	Slurry Volume gal	Prop Conc Start lb/gal	Prop Conc End lb/gal	Prop Volume Stage	Prop Volume Cum	Prop Type
1.0	Viscus Pad	33,000	33,000	0.00	0.00	0	0	
2.0	PLF 0.5 ppg 20/40 White	10,000	10,228	0.50	0.50	5,000	5,000	Ottawa 20/40
3.0	PLF 1.0 ppg 20/40 White	30,000	31,368	1.00	1.00	30,000	35,000	Ottawa 20/40
4.0	PLF 2.0 ppg 20/40 White	40,000	43,648	2.00	2.00	80,000	115,000	Ottawa 20/40
5.0	PLF 3.0 ppg 20/40 White	20,000	22,736	3.00	3.00	60,000	175,000	Ottawa 20/40
6.0	PLF 3.0 ppg 20/40 RCS	3,334	3,790	3.00	3.00	10,002	185,002	Super LC 20/40
7.0	PLF 4.0 ppg 20/40 RCS	10,000	11,824	4.00	4.00	40,000	225,002	Super LC 20/40
8.0	Flush	4,640	4,640	0.00	0.00	0	225,002	
Total		150,974	161,234			225,002		

**Estimated Surface Treating Pressure @ 40 BPM = 6,610 psig**

**Fluid Specifications:** A 20# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the down hole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

**YPC to furnish:** 8 clean frac tanks with 480 BBL of 3% KCL water in each tank.

**Service company to provide:** computer van with job reports, weight tickets, on location and QC lab van.

WELL NAME: Stonewall EP State No. 2

FIELD: Burton Flats

LOCATION: Unit N, 660' FSL &amp; 1980' FWL Sec 19-20S-28E

Eddy County NM

GL: 3,300'

ZERO:

KB:

SPUD DATE: 12-29-76 COMPLETION DATE: 02-15-77

COMMENTS: API # 30-015-22002

10/10/01 took 85 bbls to load annulus, tried to test annulus would not hold pressure.

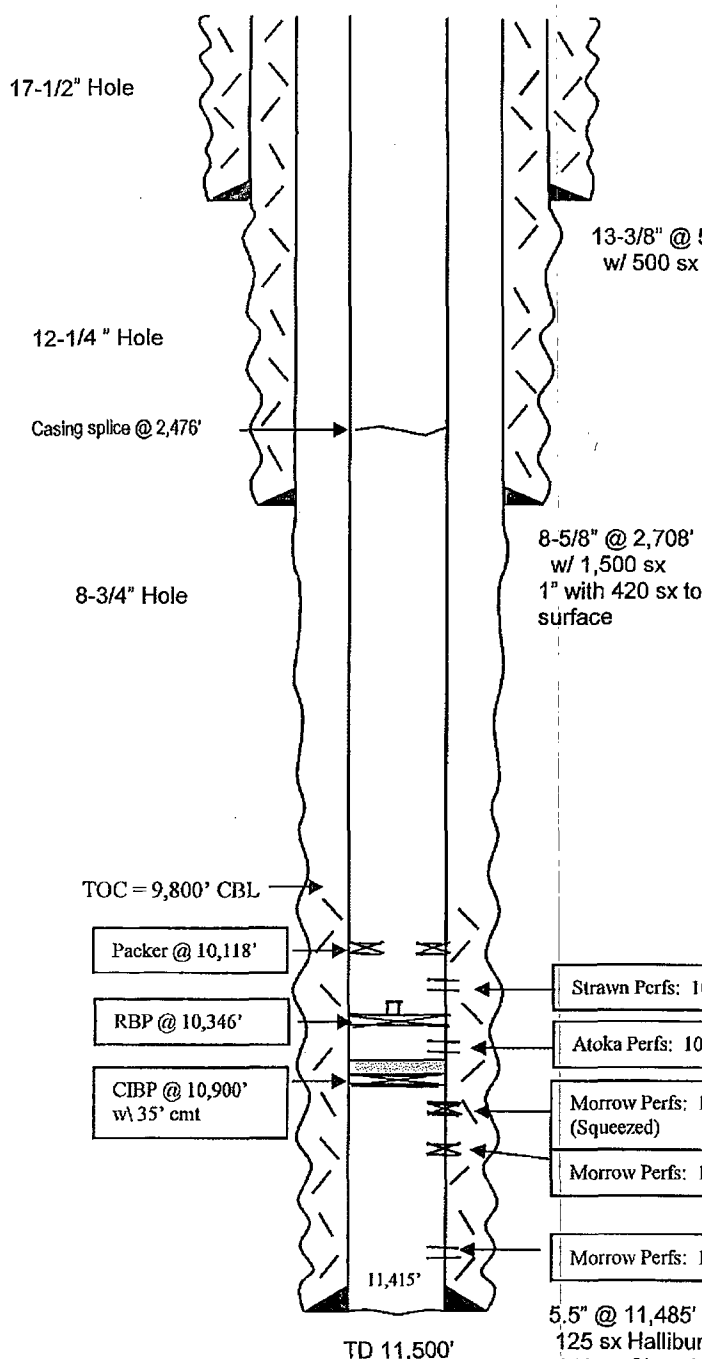
## CASING PROGRAM

13-3/8" 48# H40 ST&C	588'
8-5/8" 32 & 24# K & J55 ST&C	2,708'
5-1/2" 17# L80 LT&C	2,476'
5-1/2" 17# N80 LT&C	8,317'
5-1/2" 20# N80 LT&C	695'
2-7/8" 6.5#	11,485'

## Current

## Tops:

2,520' Delaware  
4,780' Bone Springs  
8,718' Wolfcamp  
10,097' Strawn  
10,334' Atoka  
10,912' Morrow Cl.



DST No. 1 4355' - 4395' (Delaware) TO 30", SI 90", TO 90", SI 180". TO w/weak blow, reop w/fair blow. GTS in 30" and stabilized at 20 mcf on 12/64" choke. Recovered 300' W&GCO 1000' GCO, 500' oil. Sampler: 700 psi. 1.6 c/g, 1450 cc oil, gravity 46 deg, GOR 145cu ft. pe bbl. BHT 97 deg. F. Pressures: HP 2114-2079; IFP 175-437; ISIP 1956; FFP 437-733; FSIP 1956 psi.

DST No. 2 4920' - 4970' (Delaware) TO 30", SI 90", TO 60", SI 180". TO w/fair blow on 18 choke. Decreased to weak blow, reop w/strong blow. Recovered 217' G&OCW. Sampler: G&OCW. BHT 108 deg. F. Pressures: HP 2498-2477; IFP 87-87; ISIP 280; FFP 130-130; FSIP 369 psi.

DST No. 3 10,927' - 10,965' (Morrow) TO 20", SI 60", TO 40", SI 510". TO w/strong blow pressure increasing. GTS in 4", reop w/strong blow, stabilized on 1/2" choke - rate 8.7 mmcf. Recovered - reversed out heavy condensate and GCDM. Sampler: 100#, 1,143 cu. ft. gas, 0 cc liquid. Pressures: HP 5784-5761; IFP 1726-3027; ISIP 4488; FFP 2069-2639; FSIP 4465 psi.

Not to Scale  
11-30-12 JMH

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FIELD: Burton Flats

LOCATION: Unit N, 660' FSL &amp; 1980' FWL Sec 19-20S-28E

Eddy County NM

GL: 3,300'

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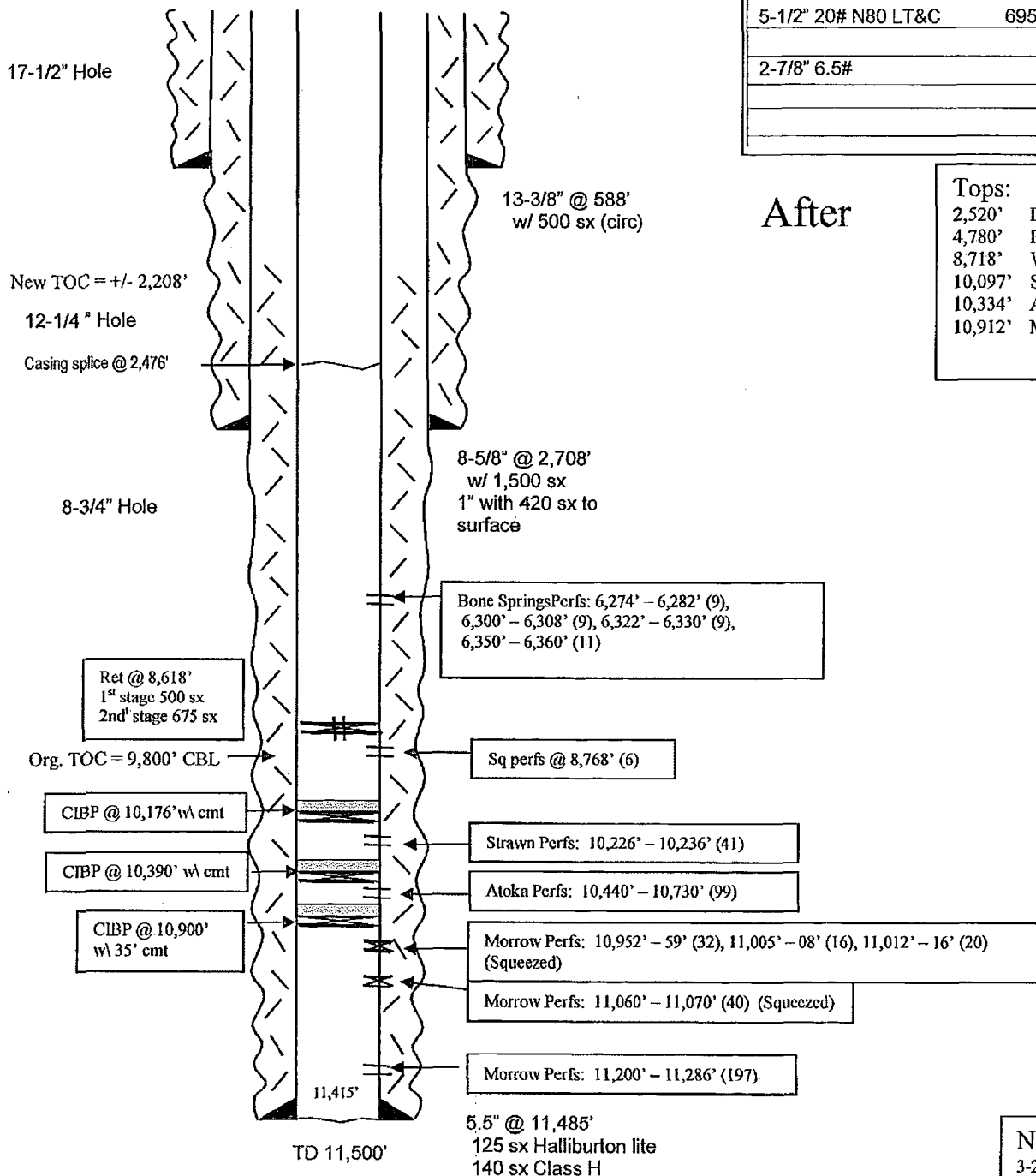
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2-7/8" 6.5#	

After

## Tops:

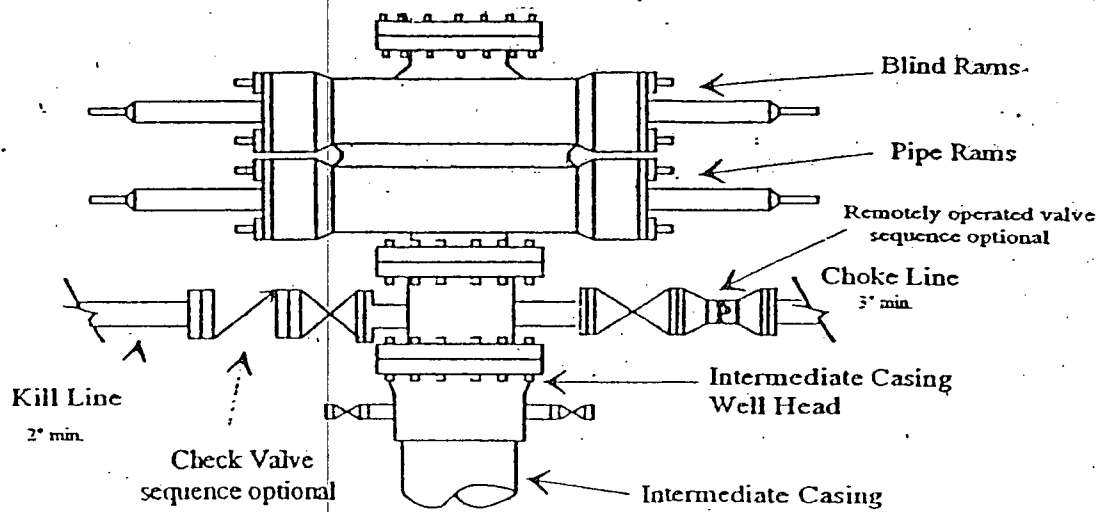
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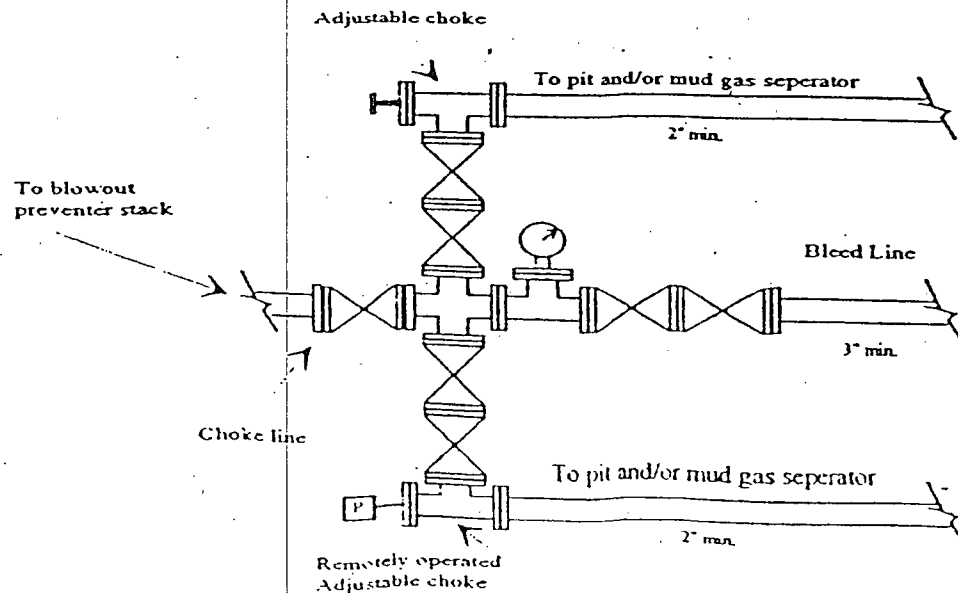
Not to Scale  
3-22-13 JMH

# Yates Petroleum Corporation

## Typical 3,000 psi Pressure System Schematic

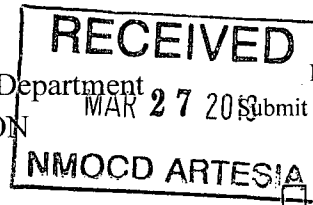


Typical 3,000 psi choke manifold assembly with at least these minimum features



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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 August 1, 2011  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-015-22002	<sup>2</sup> Pool Code 3713 962B	<sup>3</sup> Pool Name Penlon, Bone Spring, East
<sup>4</sup> Property Code 12801	<sup>5</sup> Property Name Stonewall EP State	<sup>6</sup> Well Number 2
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3300'GL

<sup>10</sup> Surface Location

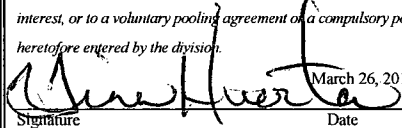
UL or lot no. N	Section 19	Township 20S	Range 28E	Lot Idn	Feet from the 660	North/South line South	Feet from the 1980	East/West line West	County Eddy
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<sup>11</sup> Bottom Hole Location If Different From Surface

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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<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup>				<b><sup>17</sup> OPERATOR CERTIFICATION</b> <i>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 interest 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 of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i>  Signature _____ Date March 26, 2013 Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address
				<b><sup>18</sup> SURVEYOR CERTIFICATION</b> <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 _____
1980' W				