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
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

RECEIVED
NOV 13 2013
NMOCD ARTESIA

☐ AMENDED REPORT

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

1. Operator Name and Address	2. OGRID Number
Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210	025575
	3. API Number 30-015-28748

4. Property Code	5. Property Name	6. Well No.
17177	Marshall APH	2

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
E	9	19S	25E		1980	North	660	West	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name	Pool Code
Penasco Draw; ~~N. Seven Rivers; Glorieta-Yeso~~ San Andres-Yeso	~~97565~~ 50270

Additional Well Information

11. Work Type	12. Well Type	13. Cable/Rotary	14. Lease Type	15. Ground Level Elevation
P	O	NA	P	3535 GR
16. Multiple	**17. Proposed Depth**	**18. Formation**	**19. Contractor**	**20. Spud Date**
N	NA	Glorieta-Yeso	NA	NA

Depth to Ground water	Distance from nearest fresh water well	Distance to nearest surface water

☒ **We will be using a closed-loop system in lieu of lined pits**

21. 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

Refer to page 2

22. Proposed Blowout Prevention Program

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

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 I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.** Signature: Laura Watts	OIL CONSERVATION DIVISION Approved By: T. C. Shepard
Printed name: Laura Watts	Title: "Geologist"
Title: Regulatory Reporting Technician	Approved Date: 11/13/2013 Expiration Date: 11/15/2015
E-mail Address: laura@yatespetroleum.com	
Date: November 12, 2013 Phone: 575-748-4272	Conditions of Approval Attached

Proposal for a Plugback:

Yates Petroleum plans to Plugback and Recomplete this well as follows:

1. MIRU WSU and all safety equipment necessary. NU BOP.
2. POOH with the existing production equipment.
3. Run a gauge ring and junk basket to 7,730'. Set a CIBP at 7,722' and cap it with 35' of cement. Pressure test the casing to 3500 psi. Perforate Glorieta-Yeso in the following interval: 2,114' to 2,330' (146 holes)
4. Pump a fracture treatment (treating schedule attached) down the 7" casing limiting the surface treating pressure to 3000 psig. Set a pop off valve at 3500 psi. Flush to the bottom perf and then over flush by 600 bbls.
5. Flow the well back and allow the well to clean up. TIH with tubing to check for fill and to ensure that the perforations are not covered. POOH.
6. TIH with TAC and 2.875" tubing. Swab the well until it cleans up, then turn the well over to the production department.

Schematics attached

Laura Watts
Regulatory Reporting Technician
November 12, 2013

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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

[1] API Number	[2] Pool Code	[3] Pool Name
30-015-28748	~~97565~~	Penasco Draw San Andres-Yeso ~~N. Seven Rivers; Glorieta-Yeso~~

[4] Property Code	[5] Property Name	[6] Well Number
17177	50270 Marshall APH	2

[7] OGRID No.	[8] Operator Name	[9] Elevation
025575	Yates Petroleum Corporation	3535 GR

[10] Surface Location

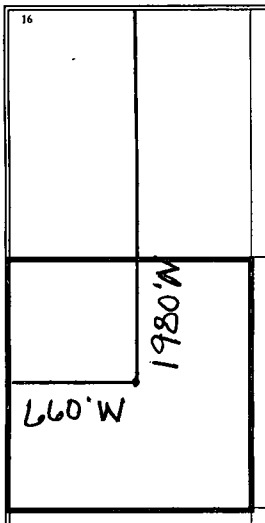
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	9	19S	25E		1980	North	660	West	Eddy

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
40			

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.



[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 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.

Laura Watts — November 12, 2013
Signature — Date

Laura Watts
Printed Name

laura@yatespetroleum.com
E-mail Address

[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.

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

WELL NAME: Marshall APH #2 **FIELD**: Dagger Draw

LOCATION: 660" FNL & 1,980' FEL of Section 9-19S-25E Eddy Co., NM

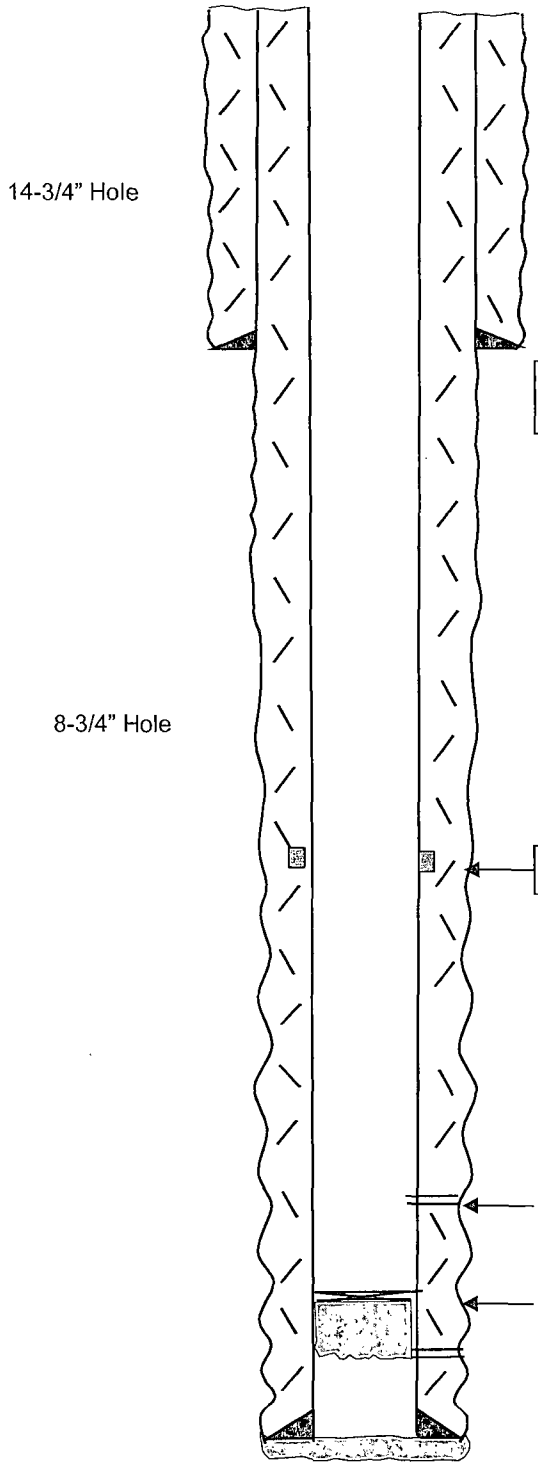
GL: 3,535' **ZERO**: 16 **KB**: 3544'

SPUD DATE: 1/09/96 **COMPLETION DATE**: 2/09/96

COMMENTS: API No.: 30-015-28748

CASING PROGRAM

9-5/8" 36# J-55		**1,160'**
7" 26# J-55	(563')	
7" 23# J-55	(4,679')	
7" 26# J-55	(2008')	
7" 26# N-80	(1,005)	**8,250'**



Before

9-5/8" @ 1,160' w/1,100 sx (Circ)

DV Tool @ 6,019'

CanyonPerfs: 7,772' -7,826' (20) 2-9-96 Acidized with 20,000 gallons 20% HCL

CanyonPerfs: 7,890' -7,898' (5) Squeezed with 100 sx

PBTD: 8,208'
TD: 8,250'

7" @ 8,250' w
1st Stage: 575 sx
2nd Stage: 850 (Circ)

TOPS

SA	613'
Glorieta	2,037'
Abo	4,245'
WC	5,510'
Canyon	7,644'

Not to Scale
10/27/09
Hill

WELL NAME: Marshall APH #2 **FIELD:** Dagger Draw

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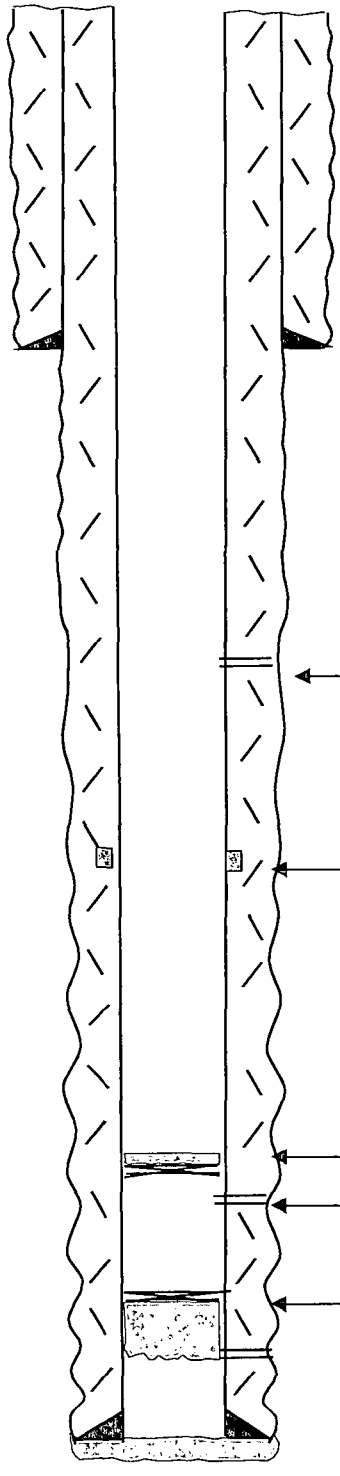

14-3/4" Hole

8-3/4" Hole

9-5/8" @ 1,160' w/1,100 sx (Circ)

TOPS

SA	613'
Glorieta	2,037'
Abo	4,245'
WC	5,510'
Canyon	7,644'

Yeso Perfs: 2,114' – 2,118' (5), 2,126' – 2,132' (7), 2,138' – 2,152' (15), 2,156' – 2,194' (39), 2,220' – 2,254' (34), 2,270' – 2,300; (31) and 2,316' – 2,330' (15)

DV Tool @ 6,019'

CIBP @ 7,722 w\ 35" of cement

CanyonPerfs: 7,772' -7,826' (20) 2-9-96 Acidized with 20,000 gallons 20% HCL

CanyonPerfs: 7,890' -7,898' (5) Squeezed with 100 sx

PBTD: 8,208'
TD: 8,250'

7" @ 8,250' w
1st Stage: 575 sx
2nd Stage: 850 (Circ)

Not to Scale
10/27/09
Hill

Treating Schedule

Sta. #	Fluid	Stg. Type	Cln. Vol. (gals)	Rate (bpm)	Proppant	Conc. (lb/gal)	Stage Prop. (lbs)	Cum. Prop. (lbs)
1	Slick Water	Prepad	100	20		0.0	0	0
2	20% HCL	Acid	3,000	30		0.0	0	0
3	Slick Water	Prepad	2,000	100		0.0	0	0
4	Slick Water	Pad	56,000	100		0.0	0	0
5	Slick Water	Slurry	4,500	100	100 Mesh	0.2	900	900
6	Slick Water	Sweep	4,500	100		0.0	0	900
7	Slick Water	Slurry	4,500	100	100 Mesh	0.3	1,350	2,250
8	Slick Water	Sweep	4,500	100		0.0	0	2,250
9	Slick Water	Slurry	4,500	100	100 Mesh	0.4	1,800	4,050
10	Slick Water	Sweep	4,500	100		0.0	0	4,050
11	Slick Water	Slurry	4,500	100	100 Mesh	0.5	2,250	6,300
12	Slick Water	Sweep	4,500	100		0.0	0	6,300
13	Slick Water	Slurry	4,500	100	100 Mesh	0.6	2,700	9,000
14	Slick Water	Sweep	4,500	100		0.0	0	9,000
15	Slick Water	Slurry	4,500	100	100 Mesh	0.7	3,150	12,150
16	Slick Water	Sweep	4,500	100		0.0	0	12,150
17	Slick Water	Slurry	4,500	100	100 Mesh	0.8	3,600	15,750
18	Slick Water	Sweep	4,500	100		0.0	0	15,750
19	Slick Water	Slurry	4,500	100	100 Mesh	0.9	4,050	19,800
20	Slick Water	Sweep	4,500	100		0.0	0	19,800
21	Slick Water	Slurry	4,500	100	100 Mesh	1.0	4,500	24,300
22	Slick Water	Pad	10,700	100		0.0	0	24,300
23	Slick Water	Slurry	20,000	100	40/70 Brady	0.2	4,000	28,300
24	Slick Water	Sweep	6,000	100		0.0	0	28,300
25	Slick Water	Slurry	20,000	100	40/70 Brady	0.3	6,000	34,300
26	Slick Water	Sweep	6,000	100		0.0	0	34,300
27	Slick Water	Slurry	20,000	100	40/70 Brady	0.4	8,000	42,300
28	Slick Water	Sweep	6,000	100		0.0	0	42,300
29	Slick Water	Slurry	20,000	100	40/70 Brady	0.5	10,000	52,300
30	Slick Water	Sweep	6,000	100		0.0	0	52,300
31	Slick Water	Slurry	20,000	100	40/70 Brady	0.6	12,000	64,300
32	Slick Water	Sweep	6,000	100		0.0	0	64,300
33	Slick Water	Slurry	20,000	100	40/70 Brady	0.7	14,000	78,300
34	Slick Water	Sweep	6,000	100		0.0	0	78,300
35	Slick Water	Slurry	20,000	100	40/70 Brady	0.8	16,000	94,300
36	Slick Water	Sweep	6,000	100		0.0	0	94,300
37	Slick Water	Slurry	23,000	100	40/70 Brady	0.9	20,700	115,000
38	Slick Water	Sweep	6,000	100		0.0	0	115,000
39	Slick Water	Slurry	24,000	100	40/70 Brady	1.0	24,000	139,000
40	Slick Water	Pad	17,000	100		0.0	0	139,000
41	Slick Water	Slurry	17,000	100	16/30 Brady	1.0	17,000	156,000
42	Slick Water	Slurry	24,000	100	16/30 Brady	2.0	48,000	204,000
43	Slick Water	Slurry	32,000	100	16/30 Brady	3.0	96,000	300,000
44	Slick Water	Flush	2,388	100		0.0	0	300,000
45	Slick Water	Flush	29,100	100		0.0	0	300,000
	Totals						300,000	

Estimated Surface Treating Pressure = 2,223 psig.
Maximum Surface Treating Pressure = 3,000 psig.