

District I
1625 N. French Dr., Hobbs, NM 88240
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
JUN 23 2006
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 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-015-26625
⁴ Property Code 35820	⁵ Property Name Mary SWD	⁶ Well No. 1
⁹ Proposed Pool 1 SWD Delaware		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	36	21S	31E		1980'	North	1980'	East	Eddy

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

Additional Well Information

¹¹ Work Type Code E	¹² Well Type Code S	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3603'
¹⁶ Multiple N	¹⁷ Proposed Depth 8470'	¹⁸ Formation Delaware	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 668'		Distance from nearest fresh water well 3100 feet		Distance from nearest surface water 2.1 miles
Pit: Liner: Synthetic _____mils thick Clay <input type="checkbox"/> Pit Volume: 2500 bbls Drilling Method: Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5#	852'	800 sx	In Place
11"	8 5/8"	32#	4480'	1700 sx	In Place
7 7/8"	5 1/2"	15.5#+17#	8470'	670 sx	In Place
7 7/8"	2 7/8"	6.5#	6500'	-----	-----

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.

SEE ATTACHED PAGE 2.

SWD - 1030 Per Conditions of Approval

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"/> .		OIL CONSERVATION DIVISION	
Printed name: Cy Cowan		Approved by: BRYAN G. ARRANT	
Title: Regulatory Agent		Title: DISTRICT II GEOLOGIST	
E-mail Address:		Approval Date: JUL 05 2006	Expiration Date: JUL 05 2007
Date: 06/22/2006	Phone: (505) 748-4376	Conditions of Approval Attached <input type="checkbox"/>	

YATES PETROLEUM CORPORATION

Mary SWD #1 (Re-entry)
Conversion to Saltwater Disposal Well
1980' FNL and 1980' FEL
Section 36-T21S-R31E
Eddy County, New Mexico
Conversion Prognosis

Page 2

This well was originally drilled by Yates Petroleum Corporation as the Mary AIV State #1. It was spud on January 31, 1991. This well has not been P/A'd but has been shut in since February, 2004.

Yates Petroleum Corporation proposes to convert the captioned well with a pulling unit and reverse unit to pull out the 2 7/8" tubing, rods and pump out of the well. Will then and plug existing perforations at 8,078-8,325', 6,991'-7,105', and 6,614'-6,943' and acidize well bore with iron control 7.5% HCL acid and a nonionic surfactant and flush with 3% KCL water. Will then run in the well 2 7/8" tubing with nickel plated injection packer to be set at +-6,500'. The well will then be put on injection.

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811 South First, Artesia, NM 88210

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1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
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 96100	Pool Name SWD; Delaware
Property Code	Property Name Mary SWD	Well Number 1
OEED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3603'

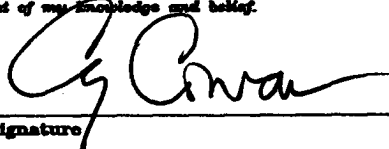
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	36	21S	31E		1980'	North	1980'	East	Eddy

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 N/A	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 the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title June 22, 2006 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. REFER TO ORIGINAL PLAT. Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Herschel L. Jones RLS 3640 GENERAL SURVEYING COMPANY

**NEW 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.

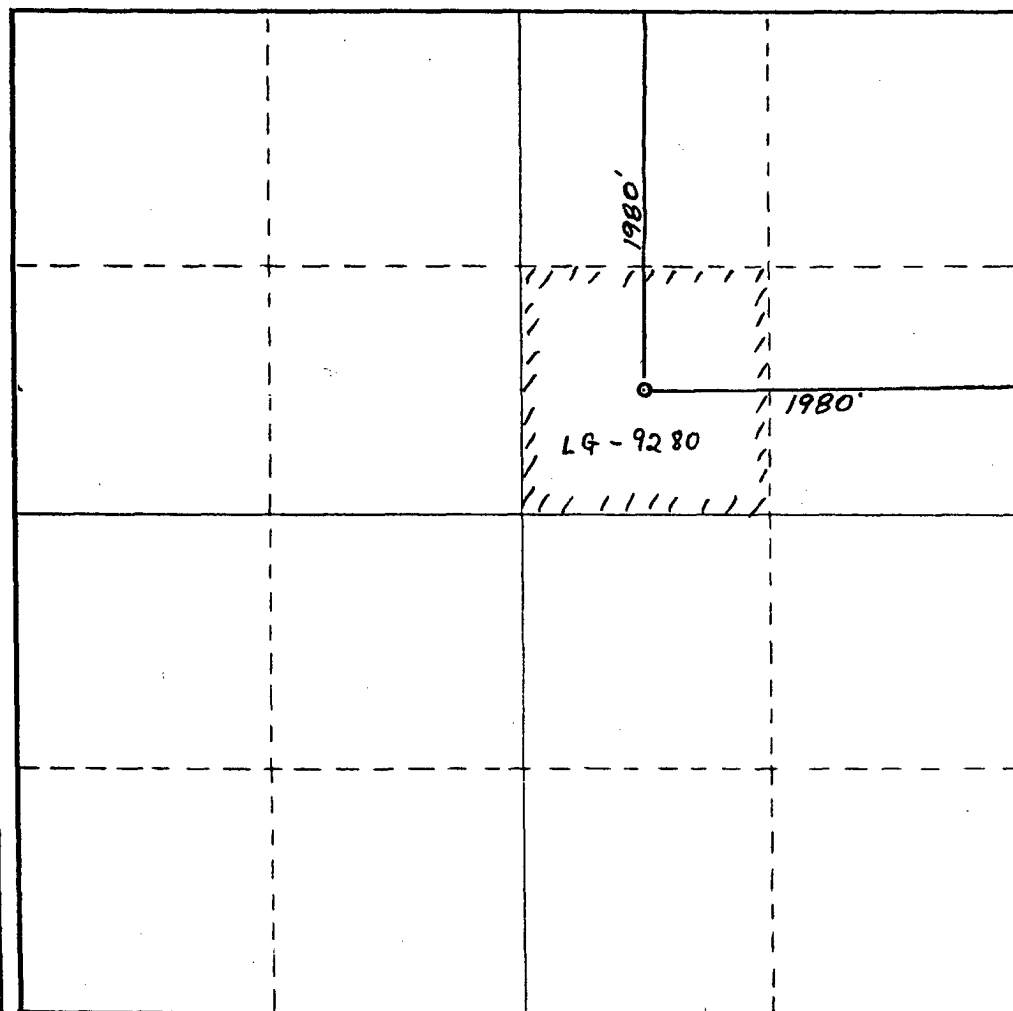
Operator YATES PETROLEUM CORPORATION			Lease Mary AIV State		Well No. 1
Unit Letter G	Section 36	Township 21 South	Range 31 East	County Eddy County, N.M.	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 1980 feet from the North line and 1980 feet from the East line </div>					
Ground Level Elev. 3603.	Producing Formation DELAWARE	Pool WILDCAT	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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.

Clifton R. May

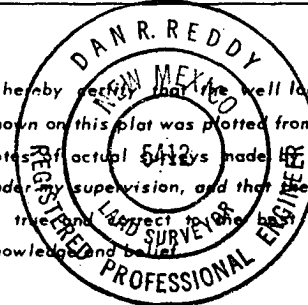
Name
Clifton R. May

Position
Permit Agent

Company
Yates Petroleum Corporation

Date
1-28-91

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 knowledge and belief.



Date Surveyed
January 26, 1991

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.
NM PE&PS NO. 5412



WELL NAME: Mary AIV State #1

FIELD: Livingston Ridge

LOCATION: 1,980' FNL & 1,980' FEL of Section 36-21S-31E

Eddy Co., NM

GL: 3,603' ZERO: 14' KB: 3,617'

SPUD DATE: 1/31/91 COMPLETION DATE: 4/8/91

COMMENTS: API No.: 30-015-26625

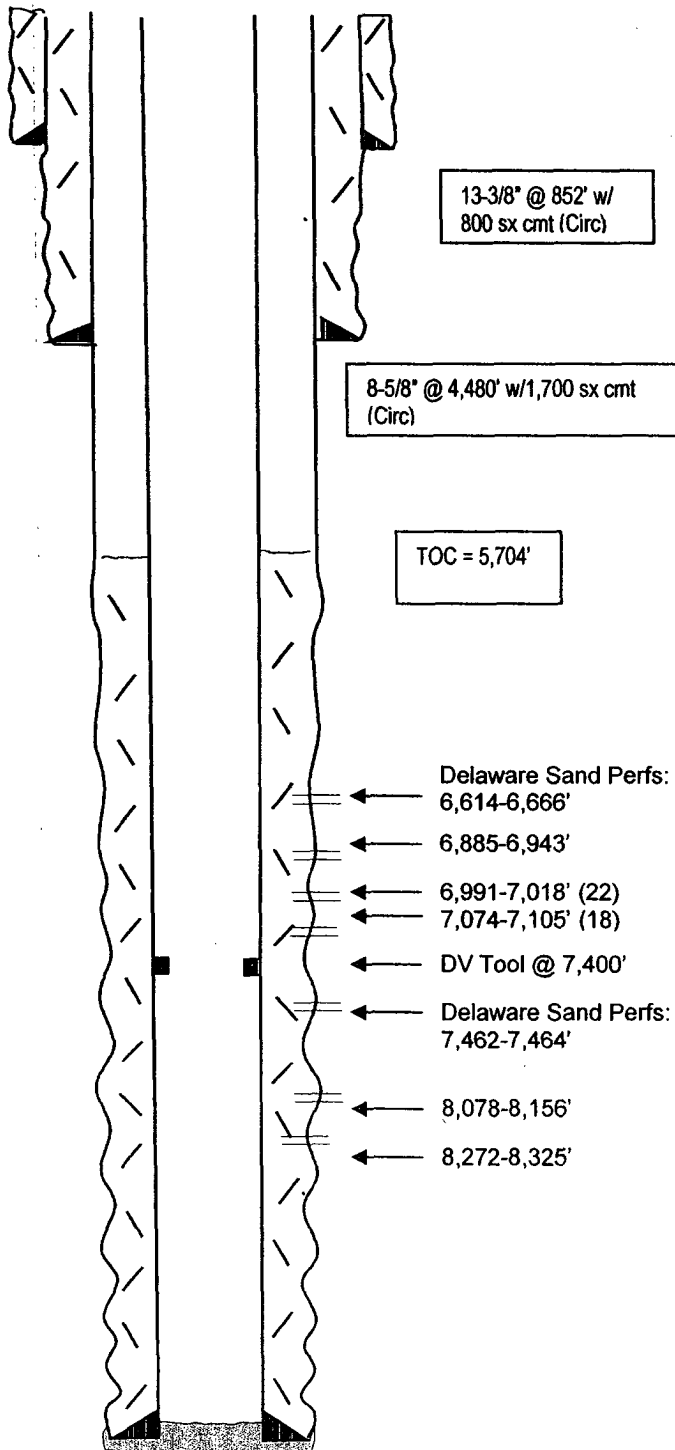
CASING PROGRAM

13-3/8" 54.5# J55 STC	852'
8-5/8" 32# S80/J55	4,480'
5-1/2" 17# J55 LTC 1,047'	
5-1/2" 15.5# J55 LTC 5,808'	
5-1/2" 17# J55 LTC 1,615'	8,470'
2-7/8" 6.5# J55 EUE	

17-1/2"
Hole

11" Hole

7-7/8" Hole



Before

TOPS

Rustler 631'
Delaware 4,456'
Cherry Cny 5,489'
Brushy Cny 7,206'
BS 8,392'

Not to Scale

4/11/06

DC/Margarethe

WELL NAME: Mary AIV State #1

FIELD: Livingston Ridge

LOCATION: 1,980' FNL & 1,980' FEL of Section 36-21S-31E

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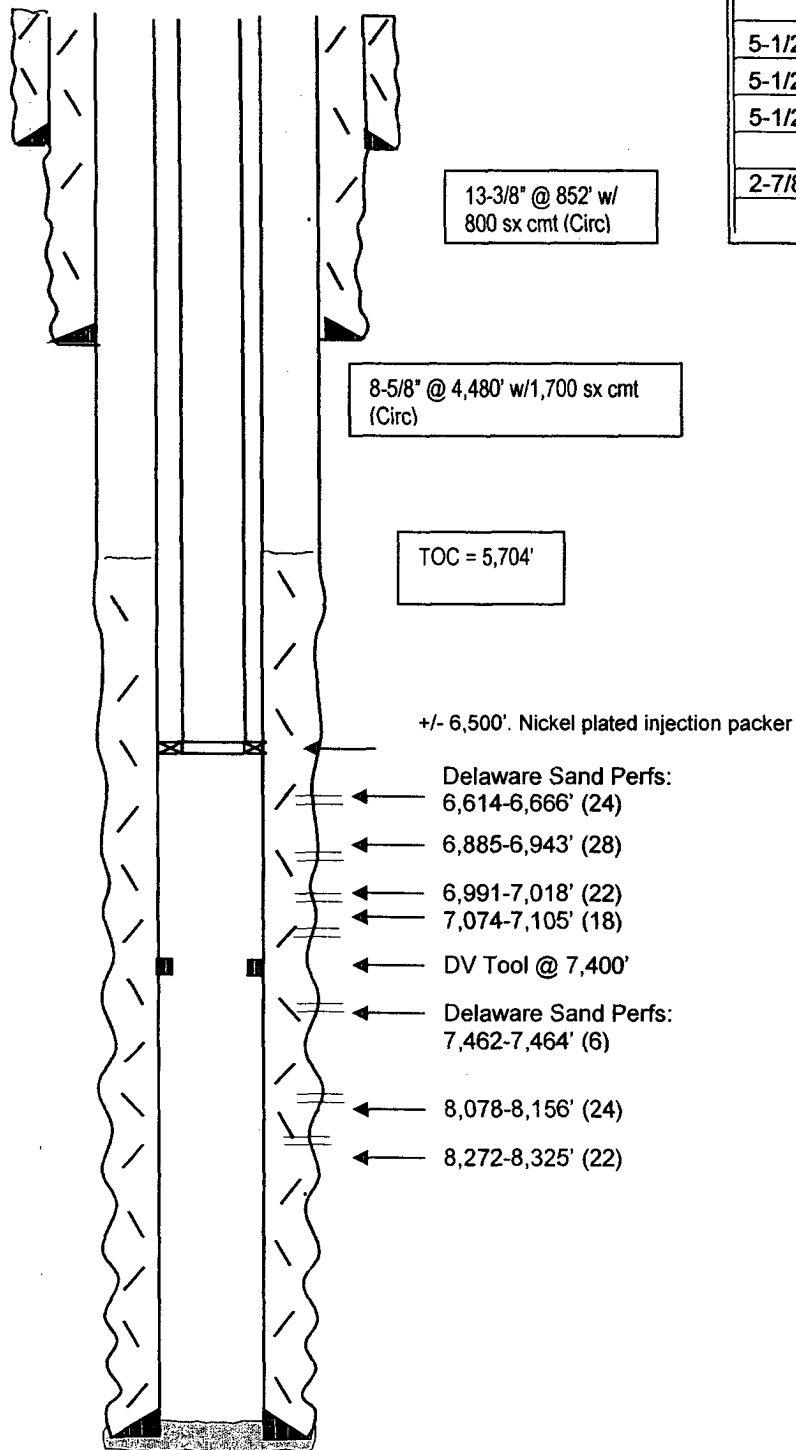
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2-7/8" 6.5# J55 EUE	

17-1/2"
Hole

11" Hole

7-7/8" Hole



FC: 8,426'
TD: 8,470'

5-1/2" @ 8,470'
1st Stage: 260 "H"
2nd Stage: 410 "H"

After

TOPS

Rustler 631'
Delaware 4,456'
Cherry Cny 5,489'
Brushy Cny 7,206'
BS 8,392'

Not to Scale

4/11/06

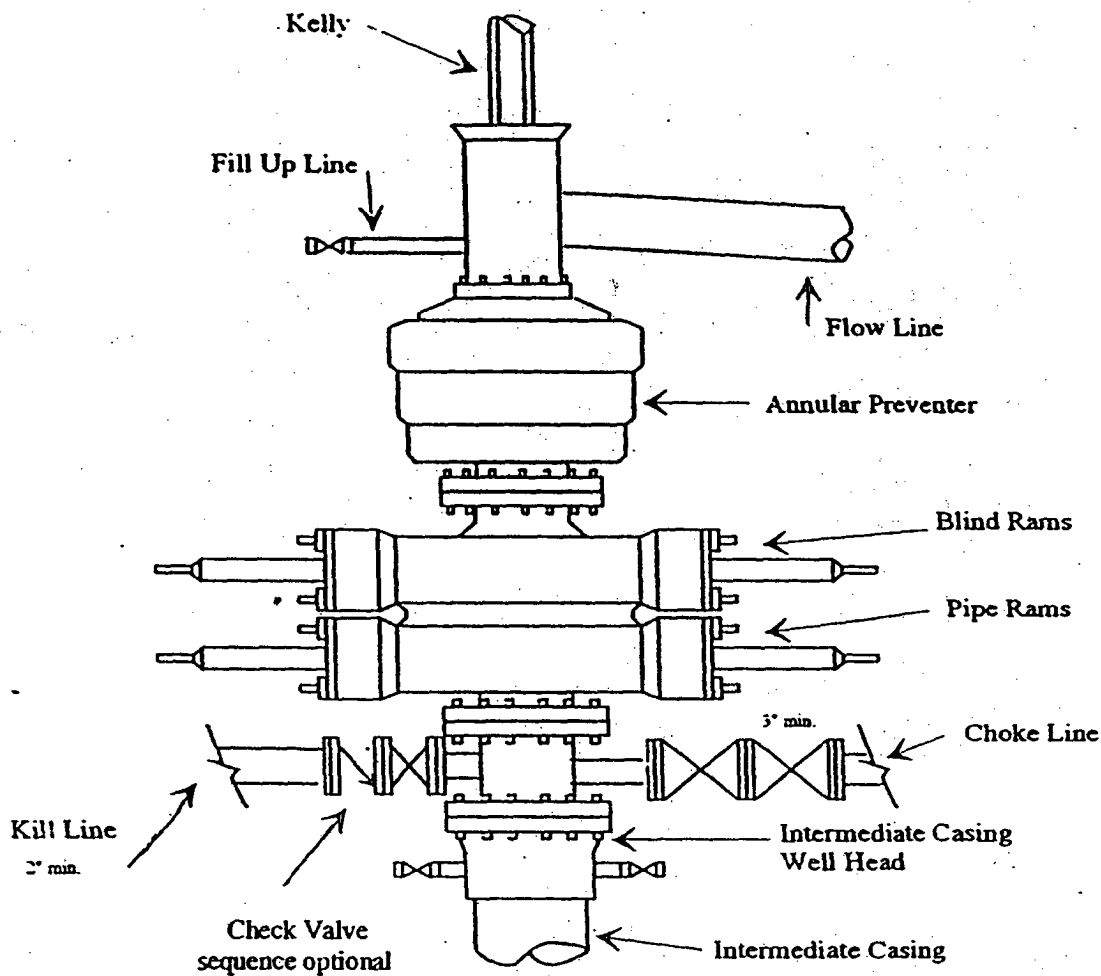
DC/Margarethe



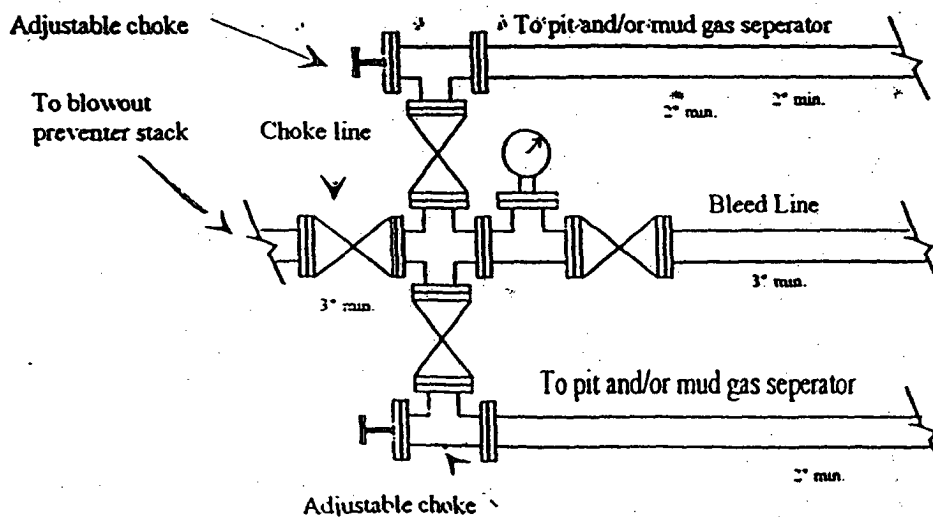
Yates Petroleum Corporation

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



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Energy Minerals and Natural Resources

Oil Conservation Division
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Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

RECEIVED

JUN 23 2006

OCD-ARTESIA

Operator: YATES PETROLEUM CORPORATION Telephone: (505) 748-1471

e-mail address: _____

Address: 105 South Fourth Street, Artesia, NM 88210

Facility or well name: Mary SWD #1 API #: _____ U/L or Qtr/Qtr_G _____ Sec 36 T 21 S R 31 E

County: Eddy Latitude N/A Longitude N/A NAD: 1927 X 1983 ☐ Surface Owner Federal ☐ State X Private ☐ Indian ☐

Pit

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume 2000 bbl

Below-grade tank

Volume: _____ bbl Type of fluid: _____

Construction material: _____

Double-walled, with leak detection? Yes ☐ If not, explain why not. _____

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet	(20 points)	
	50 feet or more, but less than 100 feet	(10 points)	
	100 feet or more	(0 points)	0
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes	(20 points)	
	No	(0 points)	0
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet	(20 points)	
	200 feet or more, but less than 1000 feet	(10 points)	
	1000 feet or more	(0 points)	0
	Ranking Score (Total Points)		0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit X or an (attached) alternative OCD-approved plan ☐.

Date: June 22, 2006

Printed Name/Title: Cy Cowan, Regulatory Agent

Signature: 

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval: _____

Date: _____

Printed Name/Title: _____ Signature: _____