

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

Oil Conservation Division

1220 South St. Francis

Santa Fe, NM 87505

Form C-101

May 27, 2004

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 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-015-33395
⁴ Property Code 12451	⁵ Property Name Lake Shore XH Federal Com	⁶ Well No. 2
⁹ Proposed Pool 1 Calabaza Draw; Atoka		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
Lot 2	11	21S	26E		2100	North	2271	West	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
A	11	21S	26E		896	North	988	East	Eddy

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code C. I. D.	¹⁵ Ground Level Elevation 3191'GR
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
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 and possibly recompleat this well as follows: Pull a casing inspection log from 10,000' to 11,350', possibly have bad casing at 10,971'. Discuss casing inspection results with the office. Set a CIBP at 11,420' with 15' cement on top. Set a flow through composite BP at 11,270'. Perforate Morrow 11,066'-11,074' (49), 11,156'-11,160' (25) and 11,196'-11,208' (73) for a total of 147 holes. Stimulate as needed. If decide to recompleat, set a composite BP at 11,040'. Perforate Atoka 10,760'-10,780' (21), 10,880'-10,900' (21) and 10,960'-10,970' (11) for a total of 61 holes. Stimulate as needed.

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: 

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tinah@ypcnm.com

Date: January 2, 2007

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

Title:

Approval Date:

JAN 12 2007

Expiration Date:

JAN 12 2008

Conditions of Approval Attached ☐

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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 October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☒ **AMENDED REPORT****WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-33395		² Pool Code 73695	³ Pool Name Calabaza Draw; Atoka
⁴ Property Code 12451	⁵ Property Name Lake Shore XH Federal Com		⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3191'GR

¹⁰ Surface Location

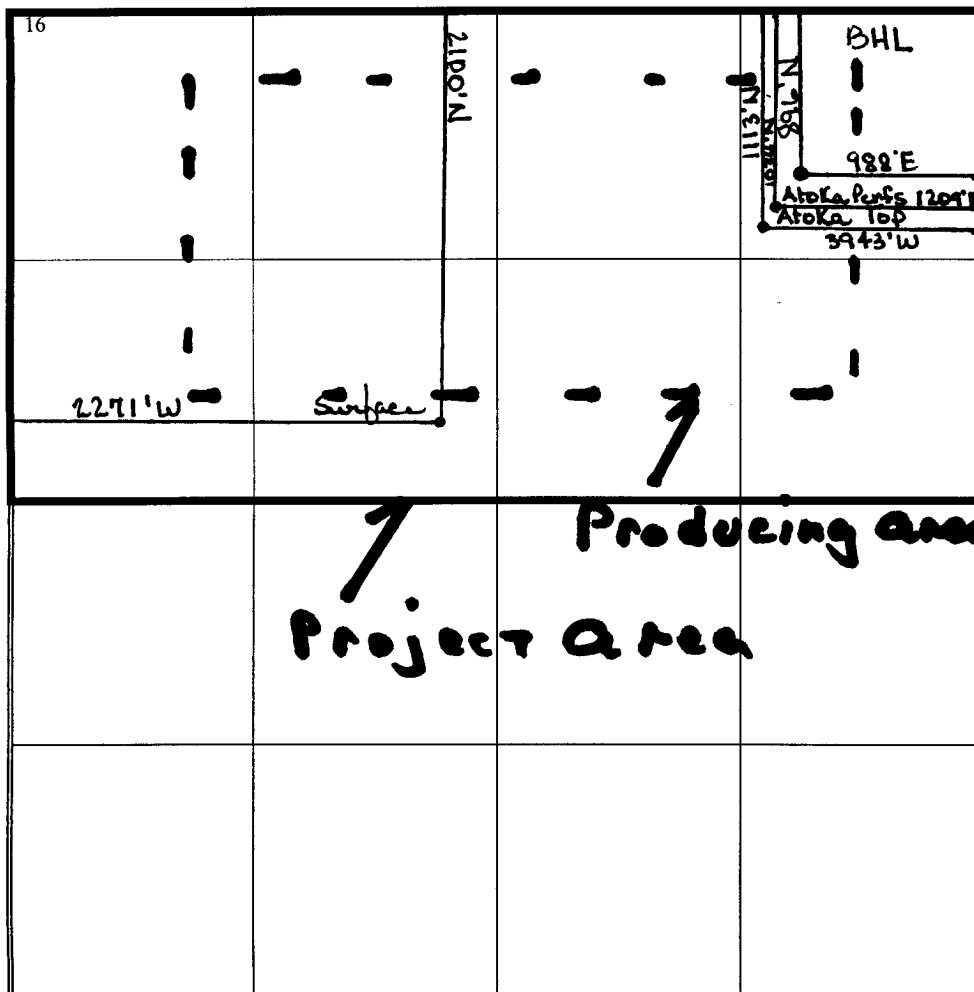
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 2	11	21S	26E		2100	North	2271	West	Eddy

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
A	11	21S	26E		896	North	988	East	Eddy

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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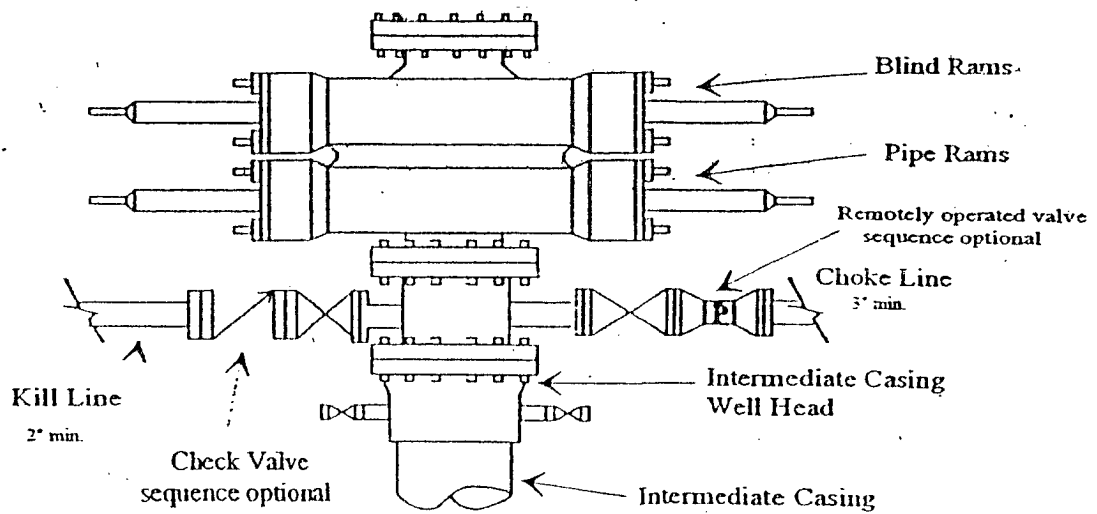
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

<div><div>16</div></div>	<div>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. Signature: <u>Tina Huerta</u> Date: <u>January 8, 2007</u> Printed Name: <u>Tina Huerta</u></div>
	<div>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</div>

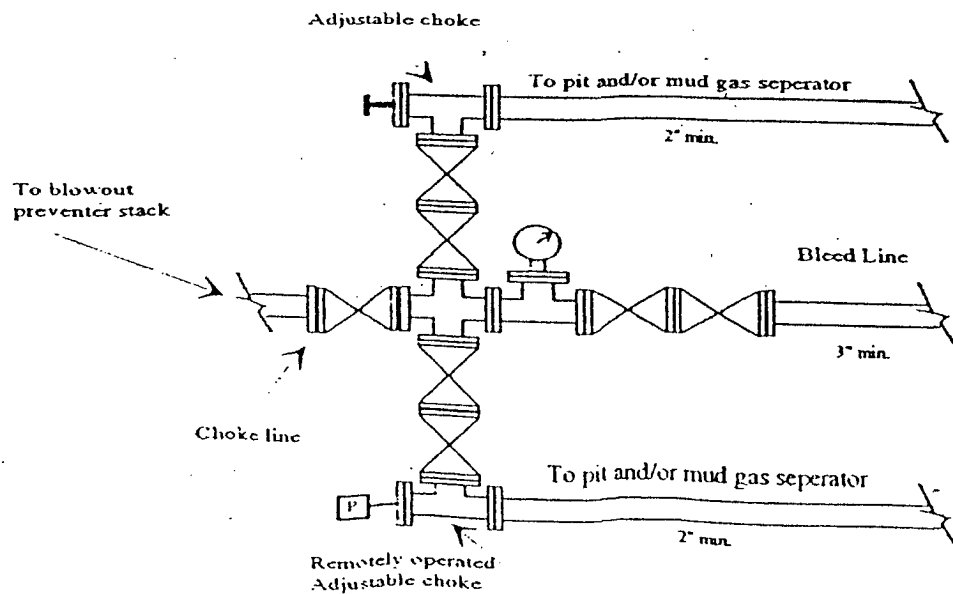
AMENDED C-102 AS PER BRYAN ARRANT 1/8/07

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



PathFinder

Survey Report

Company: Yates Petroleum Corp.
 Field: Lake Shore 'XH' Fed. Com. #2
 Site: Sec. 11, T-21S, R-26E
 Well: Lake Shore 'XH' Federal Com. #
 Wellpath: Original Hole

Date: 10/13/2004 Time: 14:28:38 Page: 2
 Co-ordinate(NE) Reference: Well: Lake Shore 'XH' Federal Com. #2
 Vertical (TVD) Reference: SITE 0.0
 Section (VS) Reference: Well (0.00N,0.00E,59.21Azi)
 Survey Calculation Method: Minimum Curvature Db: Sybase

Survey: PathFinder MWD Surveys

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
7583.00	22.77	60.52	7448.30	335.27	547.35	641.82	0.48	-0.48	0.00	
7711.00	23.21	59.73	7566.13	360.17	590.70	691.81	0.42	0.34	-0.62	
7839.00	23.30	58.76	7683.74	386.02	634.13	742.35	0.31	0.07	-0.76	
7968.00	22.95	59.99	7802.37	411.83	677.72	793.01	0.46	-0.27	0.95	
8094.00	23.65	61.22	7918.10	436.28	721.14	842.83	0.68	0.56	0.98	
8223.00	23.48	60.87	8036.34	461.25	766.27	894.37	0.17	-0.13	-0.27	
8412.00	23.57	63.16	8209.63	496.64	832.88	969.71	0.49	0.05	1.21	
8540.00	24.09	61.66	8326.72	520.59	878.71	1021.34	0.62	0.41	-1.17	
8668.00	24.45	60.61	8443.41	545.99	924.78	1073.92	0.44	0.28	-0.82	
8796.00	24.09	59.91	8560.10	572.09	970.46	1126.52	0.36	-0.28	-0.55	
8924.00	24.45	60.61	8676.78	598.19	1016.14	1179.13	0.36	0.28	0.55	
9053.00	25.06	59.82	8793.93	625.02	1063.02	1233.13	0.54	0.47	-0.61	
9180.00	23.39	57.71	8909.74	652.01	1107.59	1285.23	1.48	-1.31	-1.66	
9308.00	23.92	57.80	9026.99	679.41	1151.02	1336.57	0.42	0.41	0.07	
9436.00	24.18	58.06	9143.88	707.11	1195.23	1388.72	0.22	0.20	0.20	
9564.00	23.57	61.40	9260.93	733.23	1239.95	1440.51	1.16	-0.48	2.61	
9692.00	23.65	61.58	9378.21	757.70	1284.99	1491.73	0.08	0.06	0.14	
9809.00	23.48	59.29	9485.46	780.77	1325.67	1538.49	0.80	-0.15	-1.96	
9937.00	24.71	58.85	9602.30	807.64	1370.49	1590.75	0.97	0.96	-0.34	
10065.00	23.83	60.26	9718.99	834.30	1415.84	1643.35	0.82	-0.69	1.10	
10193.00	22.69	58.94	9836.59	859.87	1459.45	1693.90	0.98	-0.89	-1.03	
10321.00	21.81	57.27	9955.06	885.46	1500.60	1742.35	0.85	-0.69	-1.30	
10449.00	22.34	59.38	10073.67	910.71	1541.54	1790.44	0.75	0.41	1.65	
10577.00	22.95	59.73	10191.81	935.68	1584.02	1839.72	0.49	0.48	0.27	
10704.00	23.48	59.56	10308.52	960.98	1627.22	1889.78	0.42	0.42	-0.13	
10832.00	24.18	60.26	10425.61	986.90	1671.97	1941.49	0.59	0.55	0.55	
10960.00	21.63	57.89	10543.51	1012.45	1714.72	1991.30	2.12	-1.99	-1.85	
11088.00	23.21	56.83	10661.83	1038.79	1755.82	2040.09	1.27	1.23	-0.83	
11217.00	24.01	59.47	10780.04	1066.03	1799.70	2091.73	1.03	0.62	2.05	
11345.00	24.18	56.04	10896.89	1093.91	1843.88	2143.95	1.10	0.13	-2.68	
11473.00	23.92	57.62	11013.78	1122.45	1887.54	2196.06	0.54	-0.20	1.23	
11601.00	24.45	56.48	11130.54	1150.97	1931.54	2248.46	0.55	0.41	-0.89	
11730.00	22.86	58.32	11248.70	1178.88	1975.12	2300.19	1.36	-1.23	1.43	
11869.00	21.37	64.48	11377.49	1203.97	2020.96	2352.41	1.98	-1.07	4.43	
11910.00	21.37	64.48	11415.67	1210.41	2034.44	2367.29	0.00	0.00	0.00	

Surface 2100' FNL & 2271' FNL

Atoka Top 1113' FNL & 13943' FNL

Atoka Park Top Prof 1034' FNL & 1209' FEL

1113' FNL & 1337' FEL

Top Perforation

Top of formation

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

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RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 2, 2007



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

Re: Lake Shore XH Federal Com #2
Section 11-T21S-R26E
Eddy 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 Atoka 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