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 Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

JUN 28 2007
Submit to appropriate District Office
OCD-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, New Mexico 88210	025575 [3] API Number 30-015-35686

[4] Property Code	[5] Property Name	[6] Well No.
36591	Jericho BKJ State Com.	1

[9] Proposed Pool 1	[10] Proposed Pool 2
Hackberry Draw; Morrow, North	

[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
M	15	25S	27E		660'	South	660'	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

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	S	3139'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
N	12,400	Morrow	Undes.	ASAP

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
100'	1 mile	1 mile

Pit: Liner: Synthetic **XX** 12 mils thick Clay ☐ Pit Volume: 24,000 bbls Drilling Method:
Closed-Loop System ☐ Fresh Water ☐ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48#	400'	420	0
12.25	9.625	36#	2300'	775	0
8.75	7.0	23 & 26#	8900'	1050	1800
6.125	4.5	11.6#	12,400'	450	8400

[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 proposes to drill and test the Morrow/intermediate formations. Approximately 420' of surface casing will be set/cemented. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-400' FWGel; 400-2300' Brine; 2300-8900' FW; 8900-10,000' Brine; 10,000-12,400' SaltGel/Starch/6% KCL.
BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.
Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S anticipated from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

[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: Cy Cowan
Printed name: Cy Cowan
Title: Regulatory Agent
E-mail Address:
Date: 6/28/2007 Phone: (505) 748-4372

OIL CONSERVATION DIVISION

Approved by: BRYAN G. ARRANT
Title: DISTRICT II GEOLOGIST
Approval Date: JUN 28 2007 Expiration Date: JUN 28 2008
Conditions of Approval Attached ☐ Set surface casing above Salado

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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	2 Pool Code	3 pool Name
		Hackberry Draw; Morrow, North

4 Property Code	5 Property Name	6 Well Number
	JERICHO "BKJ" STATE COM.	1

7 OGRID No.	8 Operator Name	9 Elevation
025575	YATES PETROLEUM CORPORATION	3139

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
M	15	25-S	27-E		660	SOUTH	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.
320			

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.

VO-7319

LAT N32.12474
LON W104.18462

660'
660'

17 OPERATORS 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 mineral or working interest, or to voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature 6/28/07
Date

Cy Cowan, 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.

APRIL 22, 2007
Date of Survey

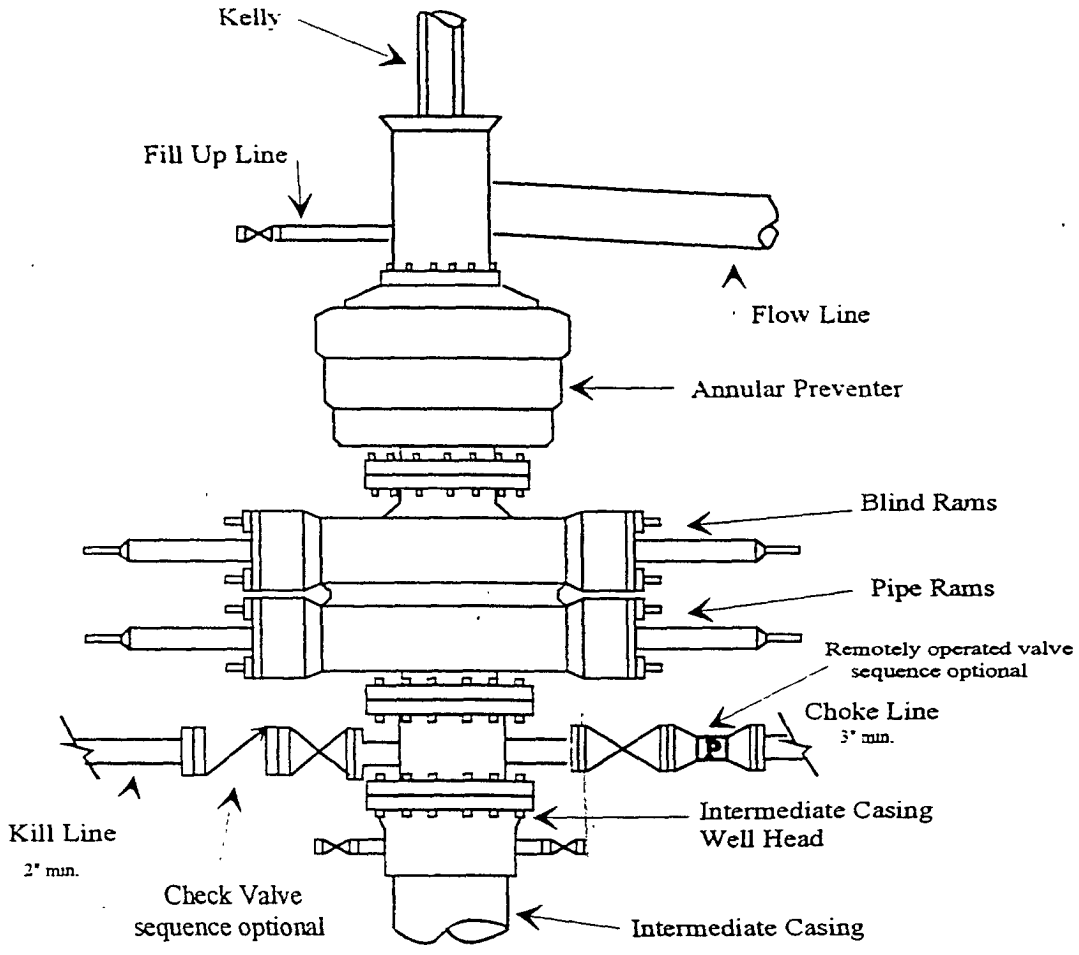
Signature and Seal of Professional Surveyor:

DAN R. REDDY
NEW MEXICO
5412
REGISTERED PROFESSIONAL ENGINEER
LAND SURVEYOR

Certificate Number: DAN R. REDDY NM PE&PS #5412

Yates Petroleum Corporation

Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimun features