

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



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	
NOV 27 2007 OCD-ARTESIA		³ API Number 30-005-63997	
³ Property Code 29184	³ Property Name Pennzoil SG State Com		⁶ Well No 2
⁹ Proposed Pool 1 Wildcat Basement (96542)		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
P	32	7S	26E		660'	South	660'	East	Chaves

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 N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3675'
¹⁶ Multiple N	¹⁷ Proposed Depth 5225'	¹⁸ Formation Basement	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater Less than 50'		Distance from nearest fresh water well Over 200' from domestic, over 1000' from other water source		Distance from nearest surface water 1000' or more
Pit Liner Synthetic XX 12_mils thick Clay <input type="checkbox"/> Pit Volume _____ bbls Drilling Method Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" 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
12.25	8.625	24#	900'	450 sx	Surface
7.875	5.5	15.5#	5225'	400 sx	**

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 Basement/Intermediate formations. Approximately 900' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-900' FW/Gel/Paper/LCM; 900'-3875' Cut Brine, 3875'-5225' Starch/Salt Gel.

BOPE PROGRAM: a 2000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Basement 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

Printed name Debbie L Caffall

Title Regulatory Agent

E-mail Address

Date 11/21/07

Phone (575) 748-4376

OIL CONSERVATION DIVISION

Approved by

BRYAN G. ARANT

DISTRICT II GEOLOGIST

Title

Approval Date

DEC 10 2007

Expiration Date

DEC 10 2008

Conditions of Approval Attached ☐

PREVIOUSLY APPROVED

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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 96542	³ Pool Name Wildcat Basement
⁴ Property Code 29184	⁵ Property Name PENNZOIL SG STATE COM	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 3675'

¹⁰ Surface Location

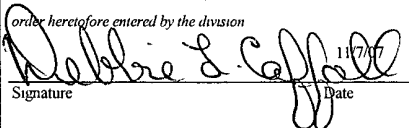
UL or lot no P	Section 32	Township 7S	Range 26E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line EAST	County CHAVES
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320 - S/2	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.

¹⁶				¹⁷ OPERATOR CERTIFICATION <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 11/7/07 Debbie L. Caffall Printed Name Regulatory Agent Title
V-30		L-6997		¹⁸ SURVEYOR CERTIFICATION <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 REFER TO ORIGINAL PLAT Certificate Number

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DISTRICT II
811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

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	Pool Name
		Wildcat Basement
Property Code	Property Name	Well Number
	PENNZOIL "SG" STATE COM.	2
OCRD No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3675

Surface Location

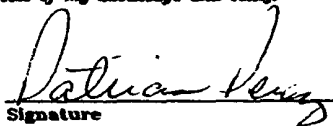
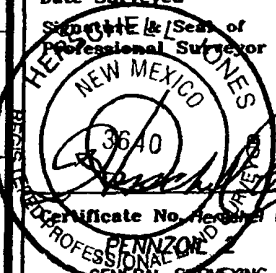
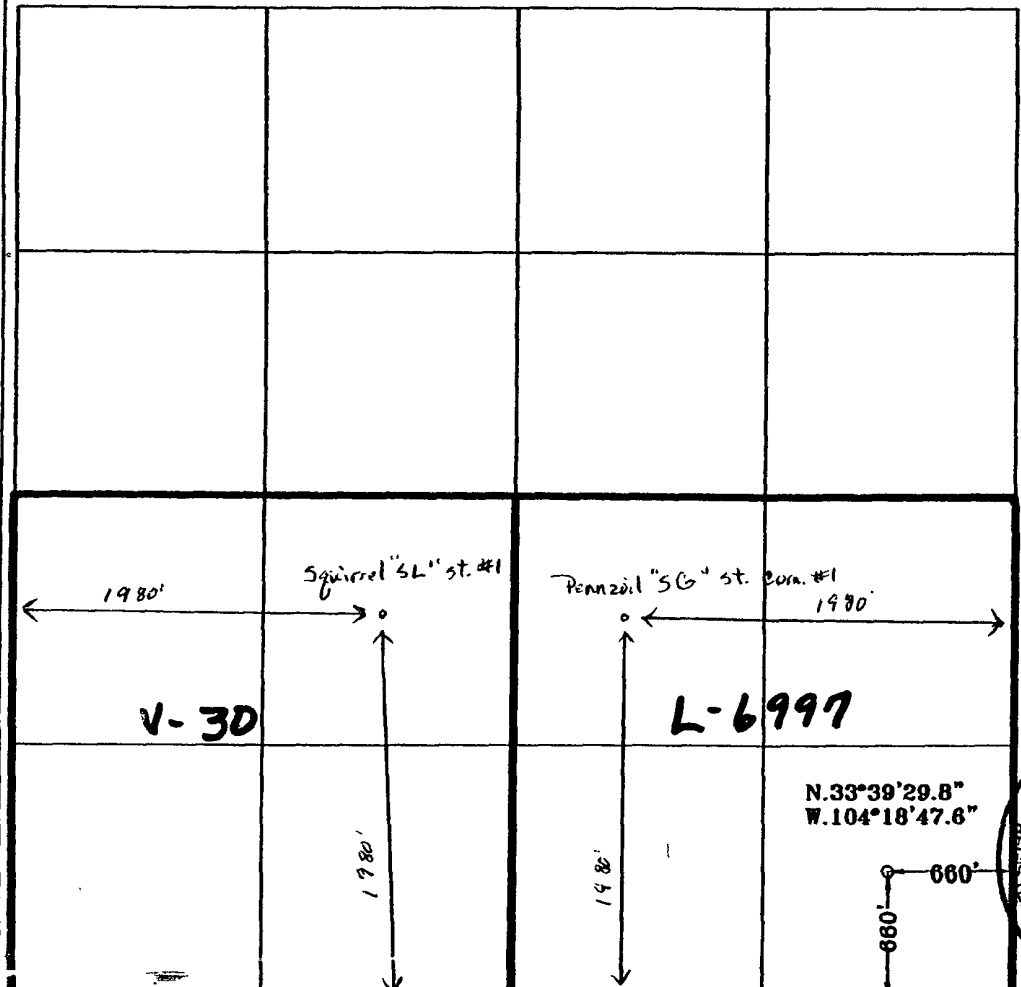
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	32	7S	26E		660	SOUTH	660	EAST	CHAVES

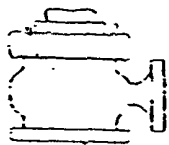
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	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

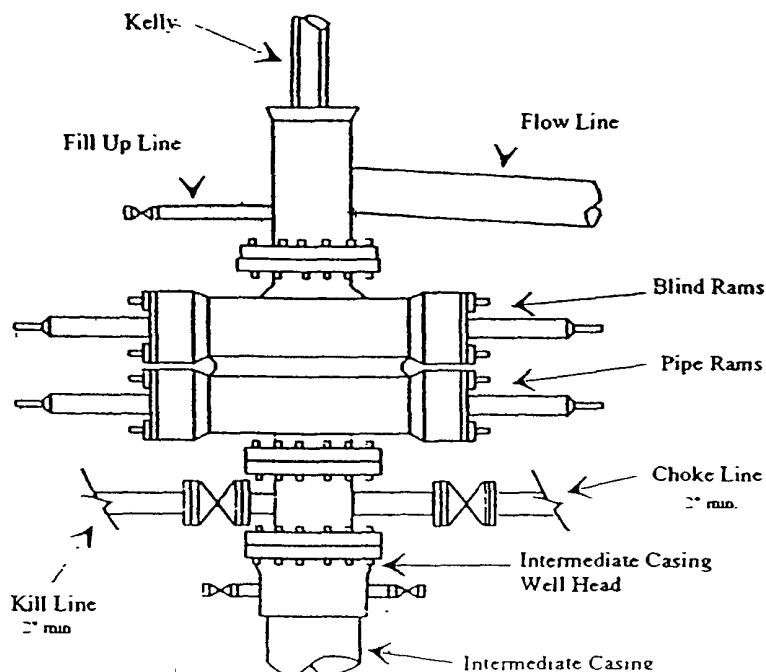
				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Patricia Perez Printed Name Regulatory Agent Title 1/07/02 Date
				SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was 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. 12/26/2001 Date Surveyed Signed & Sealed of Professional Surveyor  Certificate No. L. Jones RLS 3640 PENNZONE GENERAL SURVEYING COMPANY
 <p>The diagram shows a well location plat with a grid. The well is labeled 'V-30' and 'L-6997'. The diagram includes dimensions: 1980' (horizontal), 1980' (vertical), and 660' (horizontal). It also includes bearings: N.33°39'29.8" and W.104°18'47.6". The diagram is labeled 'Squirrel "SL" st. #1' and 'Pennzoil "SG" st. com. #1'.</p>				



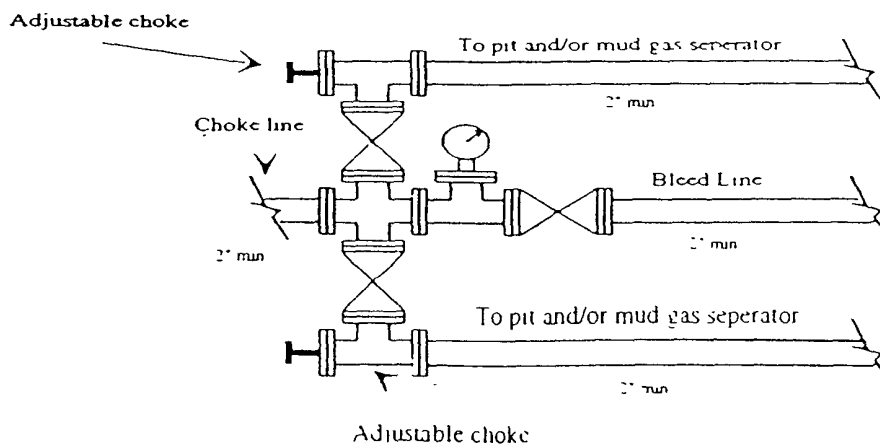
Yates Petroleum Corporation

BOP-2

Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features



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Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

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

Form 144
March 12, 2004

105 South Fourth Street, Artesia, NM 88210

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

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

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@yppcnm.com

Address: 104 South 4th Street, Artesia, New Mexico 88210

Facility or well name: Pennzoil SG State Com. #2 API #: 30-005-6397 U/L or Qr/Qr SESE Sec 32 T 7S R 26E

County: Chaves Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner: Federal ☐ State ☒ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Volume bbl	Volume: bbl Type of fluid: Construction material: Double-walled, with leak detection? Yes <input type="checkbox"/> 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)
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)
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)
	Ranking Score (Total Points) 20

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 NMOC guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 10/25/2004

Printed Name/Title Robert Asher/Regulatory Agent

Signature

Your certification and NMOC 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

**A PIT CLOSURE PLAN MUST
BE APPROVED PRIOR TO THE
COMMENCEMENT OF
CLOSURE OPERATIONS.**

As a condition of approval, if during pit construction water is encountered or if water seeps in pits after construction the **OCD MUST BE CONTACTED IMMEDIATELY!**