

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

|   |   |   |
|---|---|---|
| <sup>1</sup> Operator Name and Address<br>YATES PETROLEUM CORPORATION<br>105 South Fourth Street<br>Artesia, New Mexico 88210 |   | <sup>2</sup> OGRID Number<br>025575     |
| APR 29 2008<br>OCD-ARTESIA  |   | <sup>3</sup> API Number<br>30-015-36305 |
| <sup>4</sup> Property Code<br>37148   | <sup>5</sup> Property Name<br>Stogey BLG State Com. | <sup>6</sup> Well No.<br>1H             |
| <sup>9</sup> Proposed Pool 1<br>Willow Lake; Bone Spring W  |   | <sup>10</sup> Proposed Pool 2           |

<sup>7</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A             | 36      | 24S      | 27E   |         | 660'          | North            | 660           | East           | Eddy   |

<sup>8</sup> 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 |
|--------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| D            | 36      | 24S      | 27E   |         | 660           | South            | 330           | West           | Eddy   |

Additional Well Information

|   |  |   |  |  |
|---|--|---|--|--|
| <sup>11</sup> Work Type Code<br>N   | <sup>12</sup> Well Type Code<br>O                  | <sup>13</sup> Cable/Rotary<br>R                         | <sup>14</sup> Lease Type Code<br>S         | <sup>15</sup> Ground Level Elevation<br>3079'        |
| <sup>16</sup> Multiple<br>No  | <sup>17</sup> Proposed Depth<br>TVD 8320 TMD 12300 | <sup>18</sup> Formation<br>Bone Spring                  | <sup>19</sup> Contractor<br>Not Determined | <sup>20</sup> Spud Date<br>ASAP                      |
| Depth to Groundwater: Less than 50'   |  | Distance from nearest fresh water well: More than 1000' |  | Distance from nearest surface water: more than 1000' |
| Pit Liner: Synthetic <input checked="" type="checkbox"/> 12 mls thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method:<br>Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/> |  |   |  |  |

<sup>21</sup> Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC                 |
|-----------|-------------|--------------------|---------------|-----------------|-------------------------------|
| 14 3/4"   | 11 3/4"     | 42#                | 650'          | 425             | 0                             |
| 11"       | 8 5/8"      | 32#                | 2500'         | 750             | 0                             |
| 7 7/8"    | 5 1/2"      | 17#                | 12860' TMD    | 1150            | 1 <sup>st</sup> st. TOC 5800' |
| 7 7/8"    | 5 1/2"      | 17#                | 5800' TVD     | 625             | 2 <sup>nd</sup> St. TOC 2100' |

<sup>22</sup> 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 a horizontal well and test the Bone Spring/intermediate formations. Approximately 650' of surface casing will be set and cement circulated. Intermediate casing will be set at 2500', cement circulated to surface. The pilot hole will be drilled to a vertical depth of 8720'. The kickoff point for the lateral will be at 7830' VD. If commercial, production casing will be ran and cemented, perforated, and stimulated as need to gain production.

MUD PROGRAM: 0-650' FW Gel; 650'-2500' Brine Water; 2500-3400' Fresh Water; 3400'-8720' Cut Brine; Lateral Section: 7837'-12860' Cut Brine

H2S PLAN: Sources at Yates Petroleum relayed to me that no H2S is anticipated.

BOPE PROGRAM: A 3000# BOPE will be nipped up on the 11 3/4" casing. A 5000# BOPE will be installed on the 8 5/8" casing and tested daily for operational

<sup>23</sup> 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 ☐.

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address:

Date: 4/28/2004

Phone: 575-748-4376

OIL CONSERVATION DIVISION

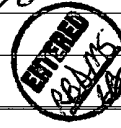
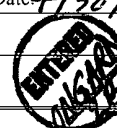
Approved by:

Title:

Approval Date: 4/30/08

Expiration Date: 4/30/10

Conditions of Approval Attached ☐



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State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |   |   |
|----------------------------|---|---|
| API Number<br>30-015-36305 | Pool Code<br>96415                      | Pool Name<br>Willow Lake; Bone Spring W |
| Property Code<br>37148     | Property Name<br>STOGEY "BLG" STATE COM | Well Number<br>1H                       |
| OGRID No.<br>025575        | Operator Name<br>YATES PETROLEUM CORP.  | Elevation<br>3079'                      |

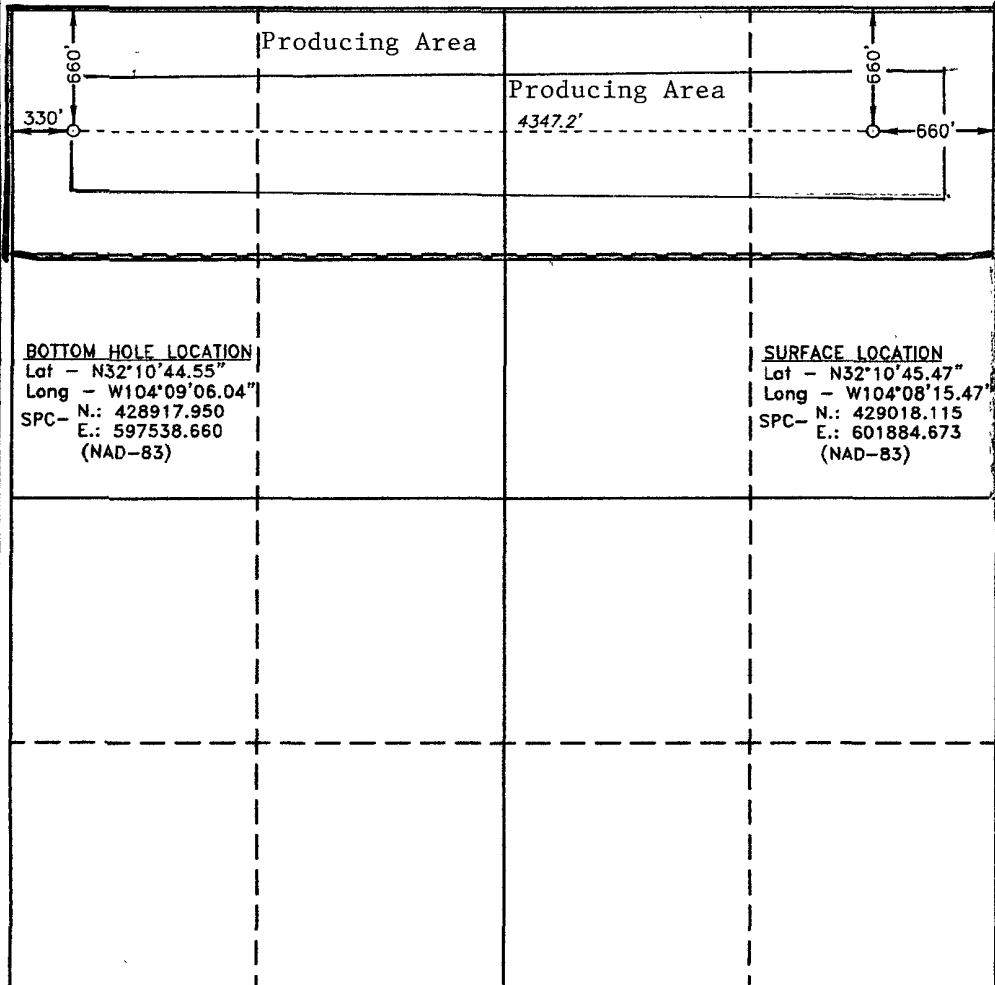
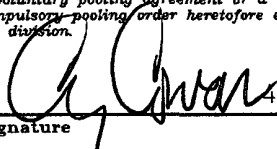
Surface Location

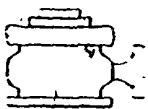
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A             | 36      | 24 S     | 27 E  |         | 660           | NORTH            | 660           | 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 |
|------------------------|-----------------|--------------------|-----------|---------|---------------|------------------|---------------|----------------|--------|
| D                      | 36              | 24 S               | 27 E      |         | 660           | NORTH            | 330           | WEST           | EDDY   |
| Dedicated Acres<br>160 | 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

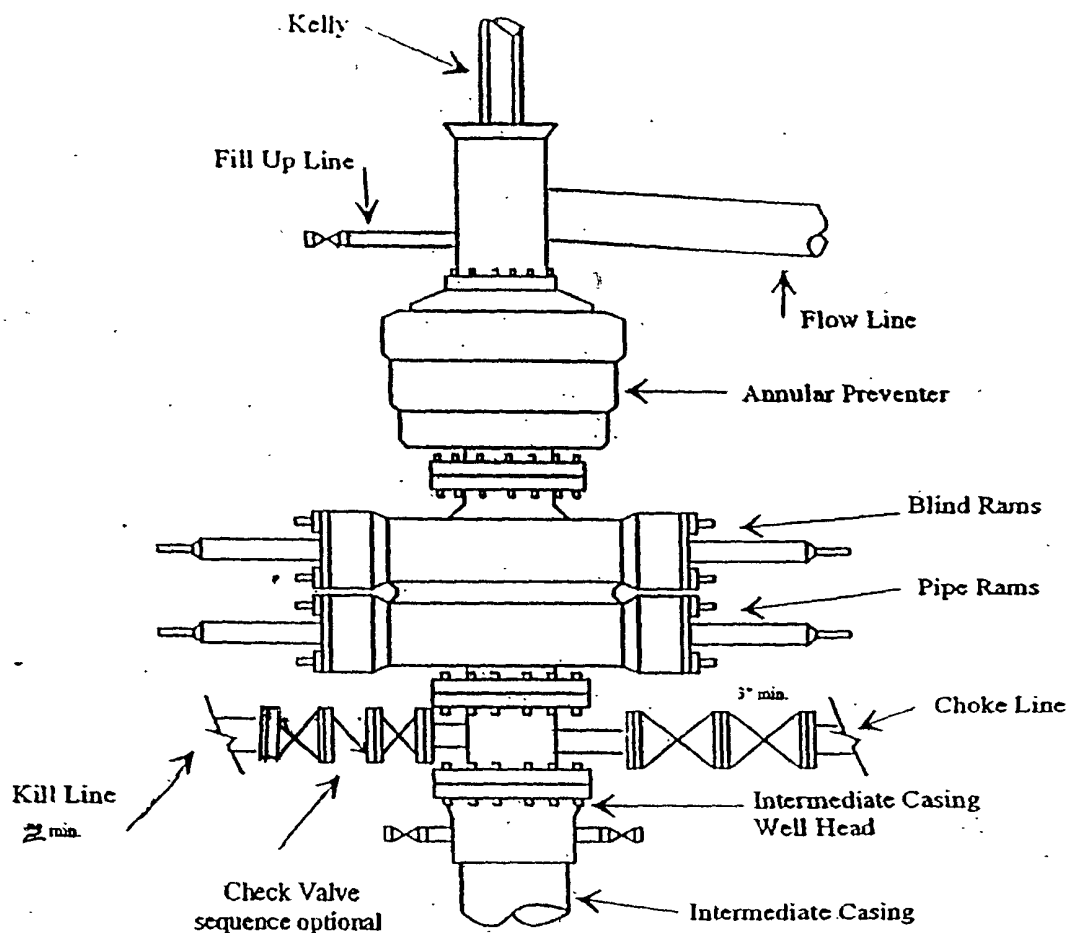
|   |   |
|---|---|
|  <p><b>BOTTOM HOLE LOCATION</b><br/>Lat - N32°10'44.55"<br/>Long - W104°09'06.04"<br/>SPC- N.: 428917.950<br/>E.: 597538.660<br/>(NAD-83)</p> <p><b>SURFACE LOCATION</b><br/>Lat - N32°10'45.47"<br/>Long - W104°08'15.47"<br/>SPC- N.: 429018.115<br/>E.: 601884.673<br/>(NAD-83)</p> | <p><b>OPERATOR CERTIFICATION</b></p> <p>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 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.</p> <p> 4/28/08<br/>Signature Date<br/>Cy Cowan<br/>Printed Name</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>APRIL 17, 2008<br/>Date Surveyed<br/>Signature &amp; Seal<br/>Professional Surveyor<br/>W.O. Jones<br/>Certificate No. Gary L. Jones 7977<br/>BASIN SURVEYS</p> |
|---|---|



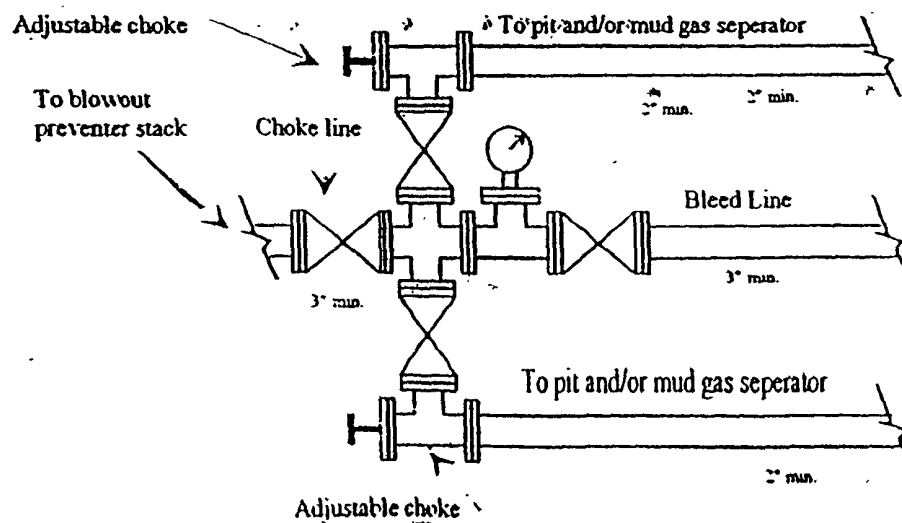
# Yates Petroleum Corporation

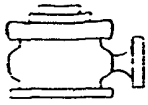
BOP-3

## 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

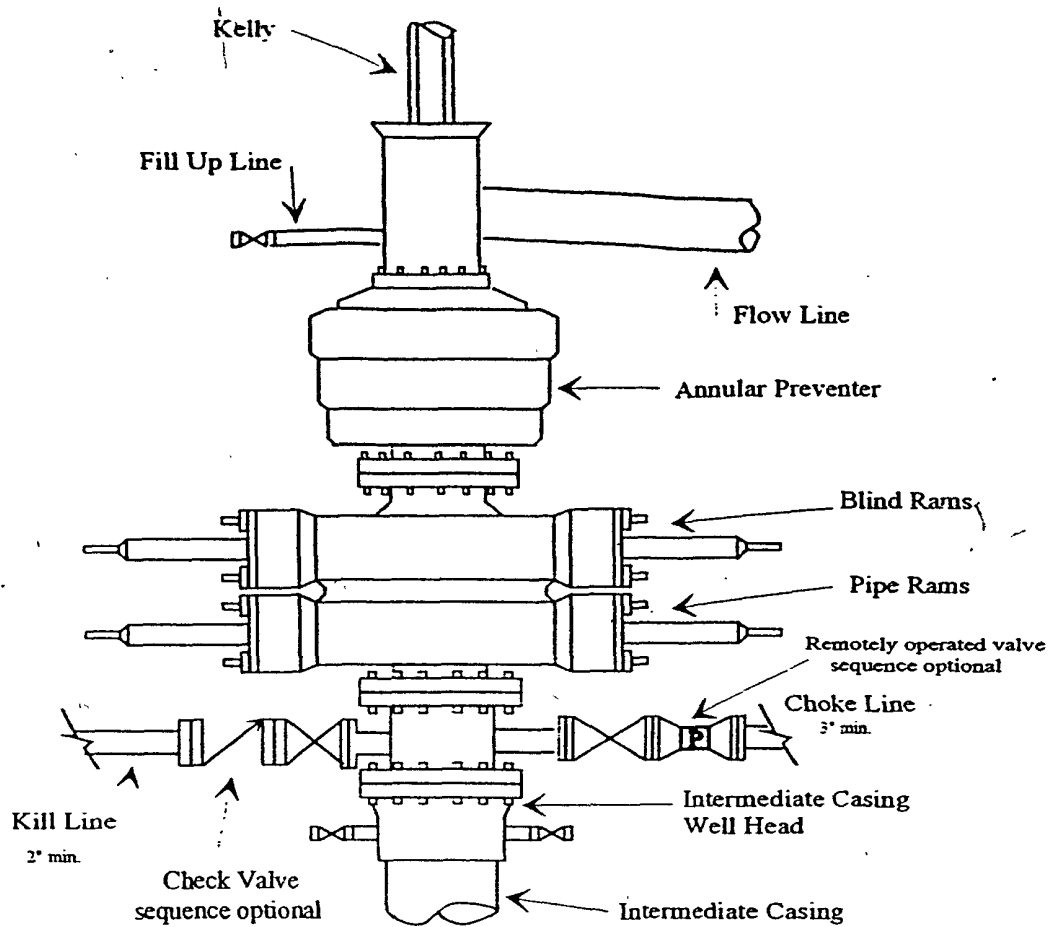




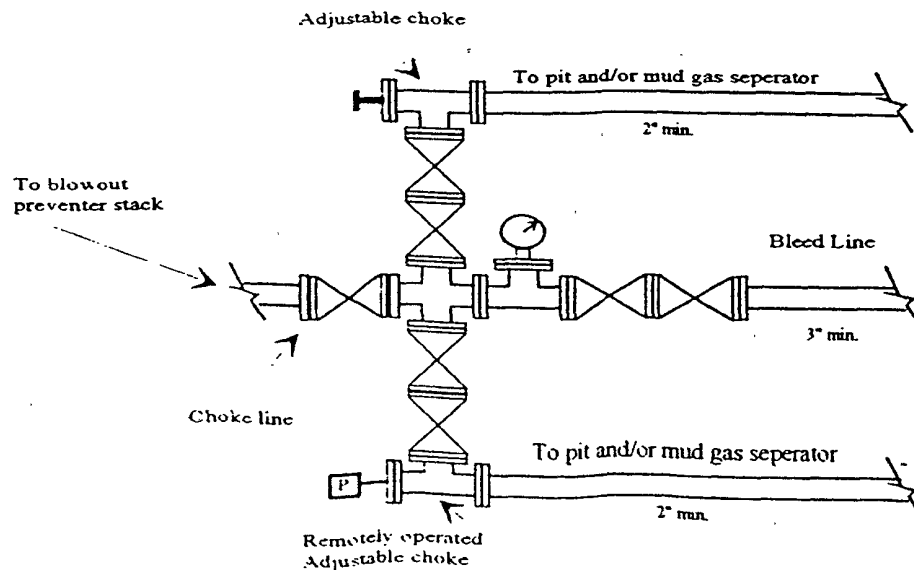
# Yates Petroleum Corporation

BOP-4

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



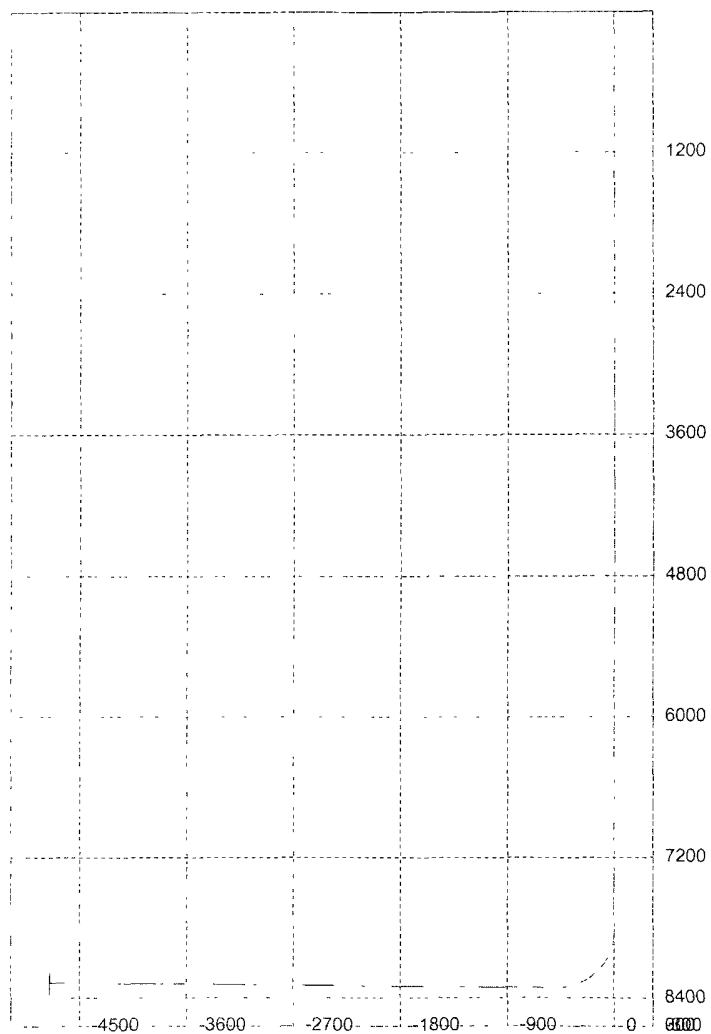
Typical 5,000 psi choke manifold assembly with at least these minimum features



| M.D.     | Inclination | Azimuth | T.V.D    | N+/S | E+/W    | D.L.S | ToolFace | T.F. Ref. HS/GN |                     |
|----------|-------------|---------|----------|------|---------|-------|----------|-----------------|---------------------|
| 0        | 0           | 0       | 0        | 0    | 0       | 0     |          |                 |                     |
| 595 00   |             |         | 595 00   |      |         |       |          |                 | RUSTLER             |
| 860 00   |             |         | 860 00   |      |         |       |          |                 | CASTILLE            |
| 2,430.00 |             |         | 2,430.00 |      |         |       |          |                 | DELAWARE            |
| 5,900 00 |             |         | 5,900 00 |      |         |       |          |                 | BONE SPRINGS        |
| 7,620 00 |             |         | 7,620 00 |      |         |       |          |                 | BONE SPRINGS 2 SAND |
| 7837     | 0           | 0       | 7837     | 0    | 0       | 12    | 270      | GN              | KOP                 |
| 7850     | 1 56        | 270     | 7850     | 0    | -0 18   | 12    | 0        | HS              |                     |
| 7875     | 4 56        | 270     | 7874.96  | 0    | -1 51   | 12    | 0        | HS              |                     |
| 7900     | 7 56        | 270     | 7899 82  | 0    | -4 15   | 12    | 0        | HS              |                     |
| 7925     | 10 56       | 270     | 7924.5   | 0    | -8.09   | 12    | 0        | HS              |                     |
| 7950     | 13 56       | 270     | 7948 95  | 0    | -13 31  | 12    | 0        | HS              |                     |
| 7975     | 16 56       | 270     | 7973.09  | 0    | -19 8   | 12    | 0        | HS              |                     |
| 8000     | 19 56       | 270     | 7996 85  | 0    | -27 55  | 12    | 0        | HS              |                     |
| 8025     | 22 56       | 270     | 8020.18  | 0    | -36 54  | 12    | 0        | HS              |                     |
| 8050     | 25 56       | 270     | 8043     | 0    | -46 73  | 12    | 0        | HS              |                     |
| 8075     | 28 56       | 270     | 8065 27  | 0    | -58 1   | 12    | 0        | HS              |                     |
| 8100     | 31 56       | 270     | 8086 9   | 0    | -70 62  | 12    | 0        | HS              |                     |
| 8125     | 34 56       | 270     | 8107.85  | 0    | -84 26  | 12    | 0        | HS              |                     |
| 8150     | 37 56       | 270     | 8128 06  | 0    | -98 97  | 12    | 0        | HS              |                     |
| 8175     | 40 56       | 270     | 8147 47  | 0    | -114 72 | 12    | 0        | HS              |                     |
| 8200     | 43 56       | 270     | 8166.03  | 0    | -131 47 | 12    | 0        | HS              |                     |
| 8225     | 46 56       | 270     | 8183.69  | 0    | -149 16 | 12    | 0        | HS              |                     |
| 8250     | 49 56       | 270     | 8200 39  | 0    | -167 76 | 12    | 0        | HS              |                     |
| 8275     | 52 56       | 270     | 8216.1   | 0    | -187 2  | 12    | 0        | HS              |                     |
| 8300     | 55 56       | 270     | 8230 77  | 0    | -207 44 | 12    | 0        | HS              |                     |
| 8325     | 58 56       | 270     | 8244 37  | 0    | -228 42 | 12    | 0        | HS              |                     |
| 8350     | 61 56       | 270     | 8256 84  | 0    | -250 08 | 12    | 0        | HS              |                     |
| 8375     | 64 56       | 270     | 8268 17  | 0    | -272 36 | 12    | 0        | HS              |                     |
| 8400     | 67 56       | 270     | 8278 31  | 0    | -295 21 | 12    | 0        | HS              |                     |
| 8425     | 70 56       | 270     | 8287 25  | 0    | -318 55 | 12    | 0        | HS              |                     |
| 8450     | 73 56       | 270     | 8294 95  | 0    | -342 34 | 12    | 0        | HS              |                     |
| 8475     | 76 56       | 270     | 8301 39  | 0    | -366 49 | 12    | 0        | HS              |                     |
| 8500     | 79 56       | 270     | 8306 56  | 0    | -390 94 | 12    | 0        | HS              |                     |
| 8525     | 82 56       | 270     | 8310 45  | 0    | -415 64 | 12    | 0        | HS              |                     |
| 8550     | 85 56       | 270     | 8313 03  | 0    | -440 5  | 12    | 0        | HS              |                     |
| 8575     | 88 56       | 270     | 8314 32  | 0    | -465 46 | 12    | 0        | HS              |                     |
| 8591 97  | 90 6        | 270     | 8314.44  | 0    | -482 44 | 0     |          |                 | BONE SPRINGS 2 PAY  |
| 12859 77 | 90 6        | 270     | 8270     | 0    | -4750   | 0     |          |                 | LATERAL TD          |

### 3D<sup>3</sup> Directional Drilling Planner - 3D View

Company: **Yates Petroleum Corporation**  
Well: **Stogey BLG State Com. #1H**



### 3D<sup>3</sup> Directional Drilling Planner - 3D View

Company: **Yates Petroleum Corporation**  
Well: **Stogey BLG State Com. #1H**

