

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

MAY - 8 2008

Form C-101
May 27, 2004

OCD-ARTESIA

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 - 015-36319
⁵ Property Code 26974	⁴ Property Name Junior AWW State Com.	⁶ Well No. .3H
⁹ Proposed Pool 1 Wildcat Wolfcamp		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	17	16S	28E		660	South	200	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
M	17	16S	28E		660	South	330	West	Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3592'
¹⁶ Multiple No	¹⁷ Proposed Depth TVD 6740 TMD 11109	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
²¹ Pit Liner: Synthetic ☒ 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 1/2"	13 3/8"	48#	400'	425	Surface
11"	8 5/8"	24#	1900	550	Surface
7 7/8"	5 1/2"	17#	11109 MD	1900	1400

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 Wolfcamp and intermediate formations. A vertical hole will be drilled and 8 5/8" casing will be set at 1900' and cemented to surface. Will continue to drill a 7 7/8" hole to a vertical depth of 6740'. At this point the well will be plugged back and kicked off at approx 6086' drilled at 12 degrees per 100' until horizontal. The lateral will then be drilled to a TVD of 6536' with a measured depth of 11109' where 5 1/2" casing will be set and cemented back to approximately 1400'.

MUD PROGRAM: 0 to 400' w/Fresh Water Gel; 400' to 1900' w/Brine Water; 1900 to 6740' w/Cut Brine, 6086 to 11109' w/Cut Brine (Horizontal Section).

BOPE PROGRAM: A 3000 psi system will be nipped up and tested on the 8 5/8" casing. The BOP will be tested daily for operational

H2S is not anticipated.

If earthen pits are used in association with the drilling of this well, an OCD pit permit must be obtained prior to pit construction.

²³ I hereby certify that 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: 5/8/08

Phone: 575-748-4372

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date: 5/16/08

Expiration Date: 5/16/10

Conditions of Approval Attached ☐

✓ R40-5.15-08
KMD

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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	Pool Code 96085	Pool Name Wildcat Wolfcamp
Property Code 26974	Property Name JUNIOR "AWW" STATE COM	Well Number 3H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3592'

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	17	16 S	28 E		660	SOUTH	200	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
M	17	16 S	28 E		660	SOUTH	330	WEST	EDDY
Dedicated Acres 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

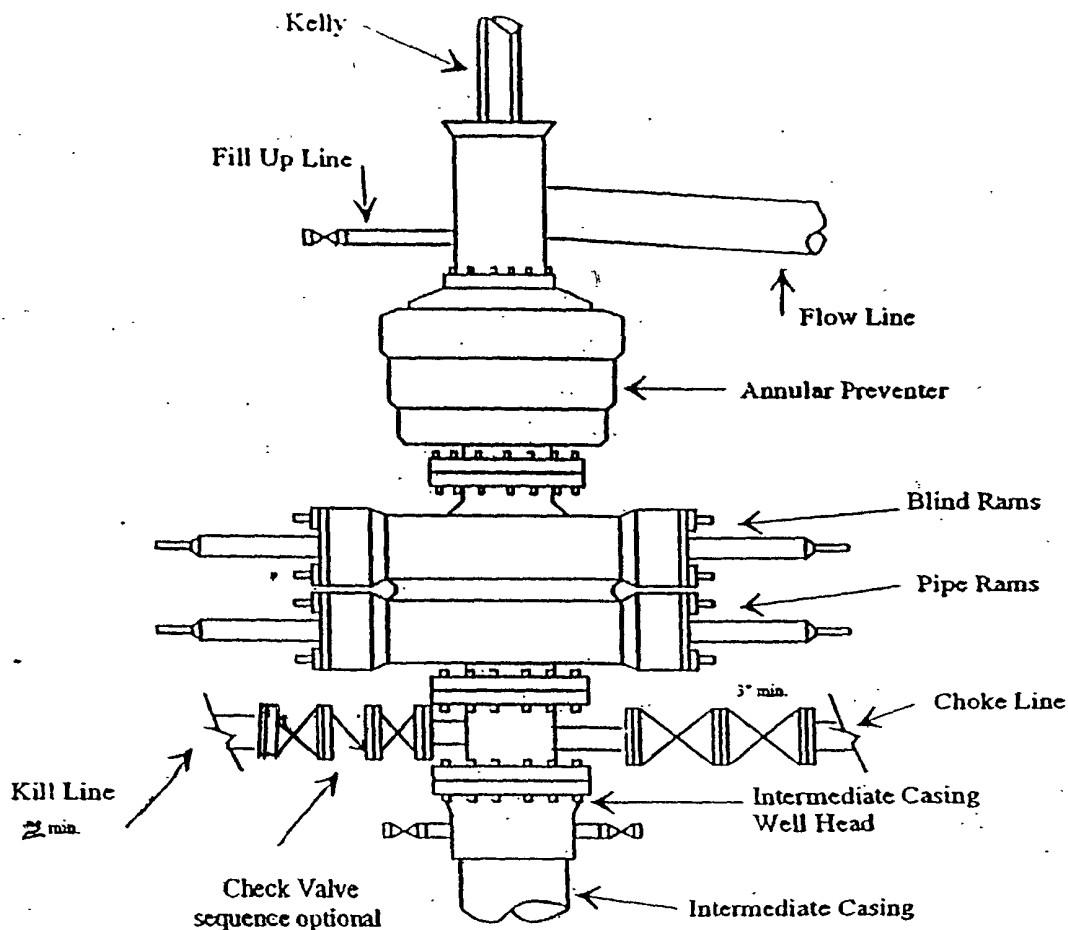
BOTTOM HOLE LOCATION Lat - N32°55'01.48" Long - W104°12'19.02" SPC- N.: 697391.768 E.: 580630.939 (NAD-83)		SURFACE LOCATION Lat - N32°55'01.62" Long - W104°11'24.06" SPC- N.: 697411.409 E.: 585316.508 (NAD-83)		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and 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 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. 5/8/08 Signature _____ Date _____ Clifton R. May Printed Name _____
PROJECT AREA		PRODUCING AREA		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. MARCH 13, 2008 Date Surveyed _____ Signature & Seal _____ Professional Surveyor Certificate No. Gary L. Jones 7977 BASIN SURVEYS



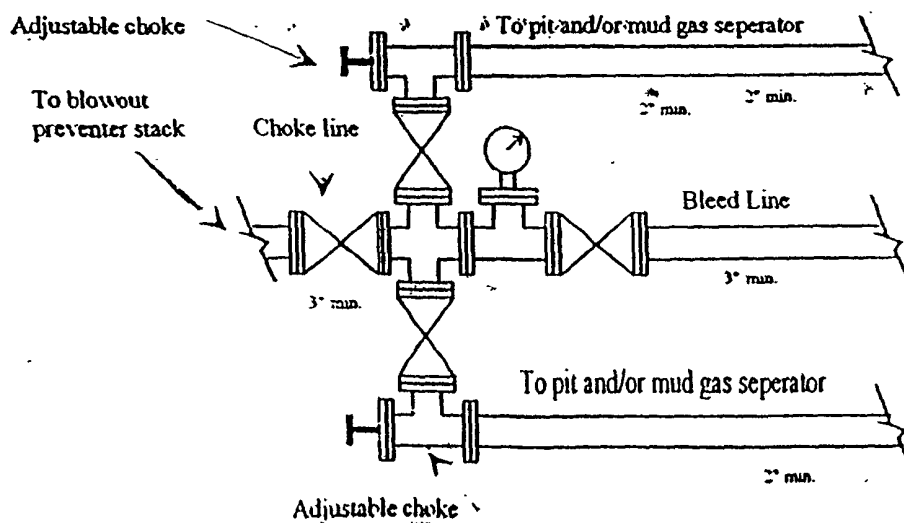
Yates Petroleum Corporation

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

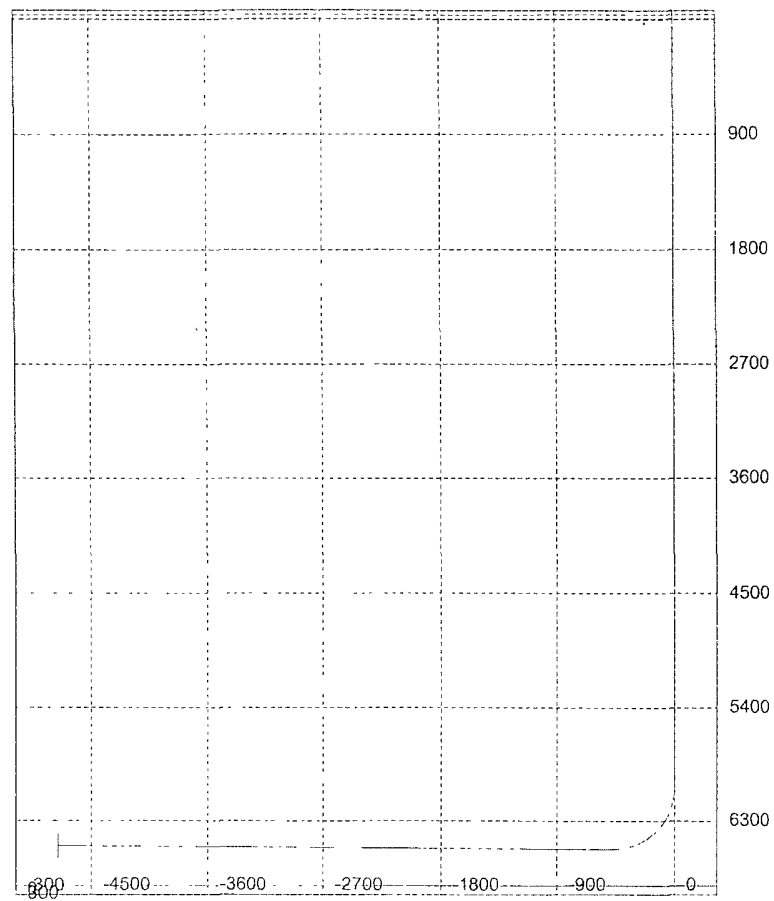


INVD	Inclination	Azimuth	INVD	INTS	FW	DLS	Tool Face	Ref (HS/GN)	
0	0	0	0	0	0	0			
348	0	0	348	0	0	0			YATES
518	0	0	518	0	0	0			SEVEN RIVERS
1044	0	0	1044	0	0	0			QUEEN
1218	0	0	1218	0	0	0			GRAYBURG
1824	0	0	1824	0	0	0			SAN ANDRES
3302	0	0	3302	0	0	0			GLORIETA
4586	0	0	4586	0	0	0			TUBB
5306	0	0	5306	0	0	0			ABO
6086	0	0	6086	0	0	12	270	GN	KOP
6100	1 68	270	6100	0	-0 21	12	0	HS	
6125	4 68	270	6124 96	0	-1 59	12	0	HS	
6150	7 68	270	6149.81	0	-4 28	12	0	HS	
6175	10 68	270	6174 49	0	-8 27	12	0	HS	
6200	13 68	270	6198 92	0	-13 54	12	0	HS	
6225	16 68	270	6223 05	0	-20 09	12	0	HS	
6250	19 68	270	6246.79	0	-27 89	12	0	HS	
6275	22 68	270	6270 1	0	-36 92	12	0	HS	
6300	25 68	270	6292.91	0	-47 16	12	0	HS	
6325	28 68	270	6315 14	0	-58 58	12	0	HS	
6350	31 68	270	6336.75	0	-71 14	12	0	HS	
6375	34 68	270	6357.67	0	-84 83	12	0	HS	
6400	37 68	270	6377 85	0	-99 58	12	0	HS	
6425	40 68	270	6397 23	0	-115 37	12	0	HS	
6450	43 68	270	6415.75	0	-132 16	12	0	HS	
6475	46 68	270	6433.37	0	-149 89	12	0	HS	
6500	49 68	270	6450.04	0	-168 52	12	0	HS	
6525	52 68	270	6465 71	0	-187 99	12	0	HS	
6543	54 84	270	6476.35	0	-202 51	12	0	HS	Top of Pay
6550	55 68	270	6480 34	0	-208 26	12	0	HS	
6575	58 68	270	6493 89	0	-229 27	12	0	HS	
6600	61 68	270	6506 32	0	-250 96	12	0	HS	
6625	64 68	270	6517 6	0	-273 27	12	0	HS	
6650	67 68	270	6527.69	0	-296 13	12	0	HS	
6675	70 68	270	6536 58	0	-319 5	12	0	HS	
6700	73 68	270	6544 23	0	-343 3	12	0	HS	
6725	76 68	270	6550 62	0	-367 46	12	0	HS	
6750	79 68	270	6555 74	0	-391 93	12	0	HS	
6775	82 68	270	6559.57	0	-416 63	12	0	HS	
6800	85 68	270	6562.11	0	-441 5	12	0	HS	
6825	88 68	270	6563 34	0	-466 47	12	0	HS	
6839 07	90 37	270	6563 46	0	-480 53	0			
11108.62	90.37	270	6536	0	-4750	0			Lateral TD

Pilot hole will be drilled to 6740'. Well will then be plugged back and kicked off at approx 6086' at 12 degrees per 100' with a 7 7/8" hole to 11,109' MD
TVD of 6,536' at TD

3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Junior AWW State Com. #3H



3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Junior AWW State Com. #3H

