

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

MAY - 5 2008

Form C-101
May 27, 2004

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

OCD-ARTESIA

Submit to appropriate District Office

☐ AMENDED REPORT

OCD-ARTESIA

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 265575	
³ Property Code 37208		⁴ Property Name Link BKT Federal Com.	
⁵ Proposed Pool 1 Cottonwood Creek Wolfcamp		⁶ Proposed Pool 2	
⁷ API Number 30-015-36384		⁸ Well No 2H	

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	18	16S	25E		760'	South	240'	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	18	16S	25E		760'	South	660'	West	Eddy

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 3572'
¹⁶ Multiple No	¹⁷ Proposed Depth 4302' TVD	¹⁸ Formation Wolfcamp	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: ☒ Emer Synthetic ☐ Closed-Loop System ☐ ¹² 12' mls thick Clay ☐ Pit Volume: 24,000 bbls Drilling Method: ☐ 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
12 1/4"	8 5/8"	24#	1000'	500 sx	Surface
7 7/8"	5 1/2"	17#	9447' MD	1400 sx	Surface

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 a horizontal well to test the Wolfcamp formation. Approximately 1000' of surface casing will be set and cement circulated to the surface. Production casing will be set at 9447' MD and cement circulated to surface. The vertical portion of the hole will be drilled to a depth of 4302'. The horizontal lateral will then be drilled to a TVD of 4945' with a measured depth of 9447' where production casing will be run and cemented and stimulated as needed to gain production.

MUD PROGRAM: 0-1000' FW Gel; 1000'-4302' Cut Brine; 4402'-9447' MD Cut Brine Horizontal Section.

BOPE PROGRAM: A 3000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

NOTE: New Pit Rule
NMAC 19-15-17

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 ☐.

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address

Date: April 30, 2008

Phone: (575) 748-4372

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

NOTE: NEW PIT RULE 19.15.17
NMAC.

Drilling pit must be constructed, operated and closed per above new rule.

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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

MAY - 5 2008

OCD-ARTESIA

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 7525D	Pool Name Cottonwood Creek Wolfcamp
Property Code 37208	Property Name LINK "BKT" FEDERAL COM.	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3572

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	18	16 S	25 E		760	SOUTH	240	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
P	17	16 S	25 E		760	SOUTH	660	EAST	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

● = Penetration Point
760' FSL
660' FWL

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.

Cy Cowan 5/5/08
Signature Date

Cy Cowan, Regulatory
Printed Name Agent

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.

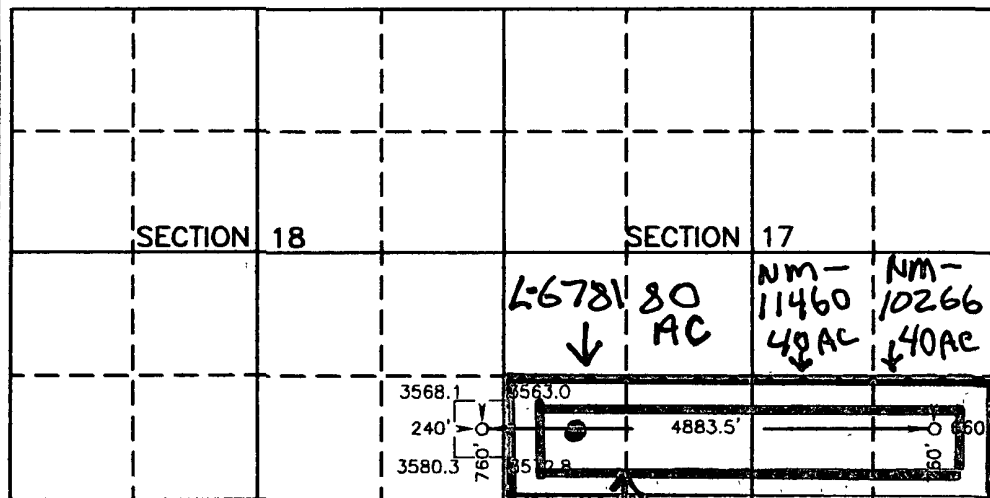
FEBRUARY 27, 2008

Date Surveyed
Signature of Surveyor
Professional Surveyor

Gary L. Jones
Professional Surveyor

Certificate No. Gary L. Jones 7977

BASIN SURVEYS



SURFACE LOCATION
Lat - N32°55'04.38"
Long - W104°31'01.13"
SPC- N.: 697709.859
E.: 484983.100
(NAD-83)

BOTTOM HOLE LOCATION
Lat - N32°55'04.27"
Long - W104°30'03.84"
SPC- N.: 697690.652
E.: 489866.537
(NAD-83)

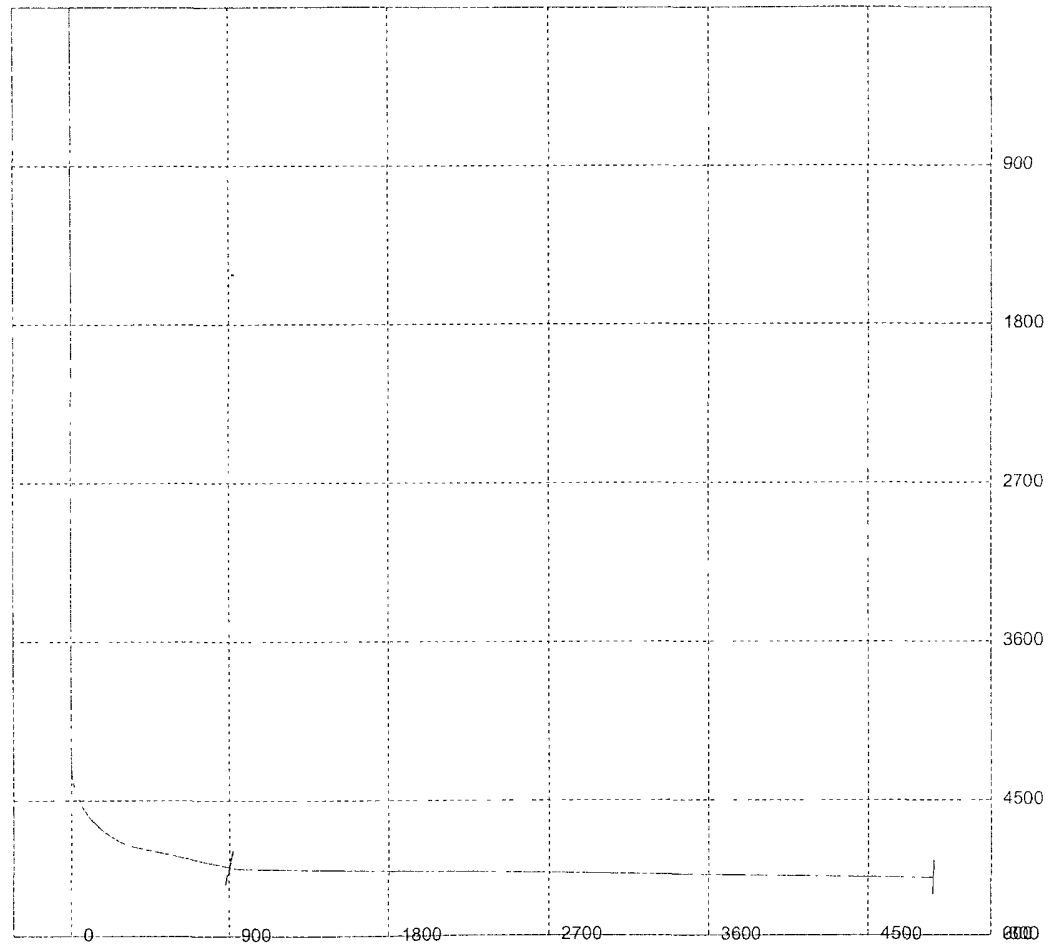
Producing Area
Project Area
Scale: 1" = 2000'

MD	Inclination	Azimuth	TVD	N/S	FW	DLS	Toolface	Ref HS/GN	
0	0	0	0	0	0	0			
560	0	0	560	0	0	0			SAN ANDRES
1810	0	0	1810	0	0	0			GLORIETA
3110	0	0	3110	0	0	0			TUBB
3810	0	0	3810	0	0	0			ABO
4302	0	0	4302	0	0	12	90	GN	KOP
4325	2.76	90	4324.99	0	0.55	12	0	HS	
4350	5.76	90	4349.92	0	2.41	12	0	HS	
4375	8.76	90	4374.72	0	5.57	12	0	HS	
4400	11.76	90	4399.31	0	10.02	12	0	HS	
4425	14.76	90	4423.64	0	15.76	12	0	HS	
4450	17.76	90	4447.64	0	22.75	12	0	HS	
4475	20.76	90	4471.24	0	31	12	0	HS	
4500	23.76	90	4494.37	0	40.47	12	0	HS	
4525	26.76	90	4516.98	0	51.14	12	0	HS	
4550	29.76	90	4539	0	62.97	12	0	HS	
4575	32.76	90	4560.37	0	75.94	12	0	HS	
4600	35.76	90	4581.03	0	90.02	12	0	HS	
4625	38.76	90	4600.92	0	105.15	12	0	HS	
4650	41.76	90	4620	0	121.3	12	0	HS	
4675	44.76	90	4638.2	0	138.43	12	0	HS	
4700	47.76	90	4655.48	0	156.49	12	0	HS	
4725	50.76	90	4671.8	0	175.43	12	0	HS	
4750	53.76	90	4687.1	0	195.2	12	0	HS	
4775	56.76	90	4701.34	0	215.74	12	0	HS	
4800	59.76	90	4714.49	0	237	12	0	HS	
4825	62.76	90	4726.51	0	258.92	12	0	HS	
4850	65.76	90	4737.37	0	281.44	12	0	HS	
4875	68.76	90	4747.03	0	304.49	12	0	HS	
4900	71.76	90	4755.47	0	328.02	12	0	HS	
4925	74.76	90	4762.67	0	351.96	12	0	HS	
4950	77.76	90	4768.61	0	376.24	12	0	HS	
4951.95	77.99	90	4769.02	0	378.15	0			
5485.48	77.99	90	4880	0	900	0			WOLFCAMP
5485.48	77.99	90	4880	0	900	12	0	HS	
5500	79.74	90	4882.81	0	914.25	12	0	HS	
5525	82.74	90	4886.61	0	938.96	12	0	HS	
5550	85.74	90	4889.12	0	963.83	12	0	HS	
5575	88.74	90	4890.33	0	988.8	12	0	HS	
5578.78	89.19	90	4890.4	0	992.58	0			
9446.59	89.19	90	4945	0	4860	0			LATERAL TD

Well will be drilled vertically to 4302'. At 4302' the well will be directionally drilled at 12 degrees per 100' with a 7 7/8" hole until horizontal. The lateral will then be drilled to a TVD of 4945' with a MD of 9447' where 5 1/2" casing will be set and cemented.

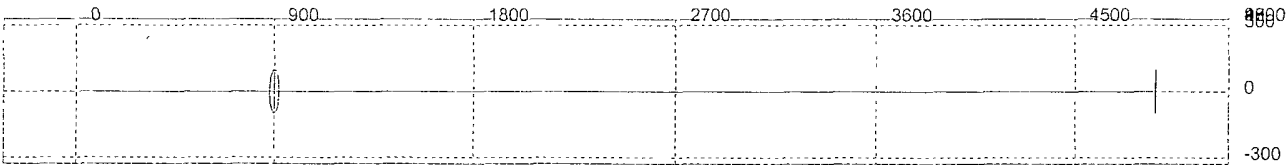
3D³ Directional Drilling Planner - 3D View

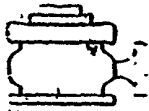
Company: Yates Petroleum Corporation
Well: Link BKT Federal Com. #2H



3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Link BKT Federal Com. #2H

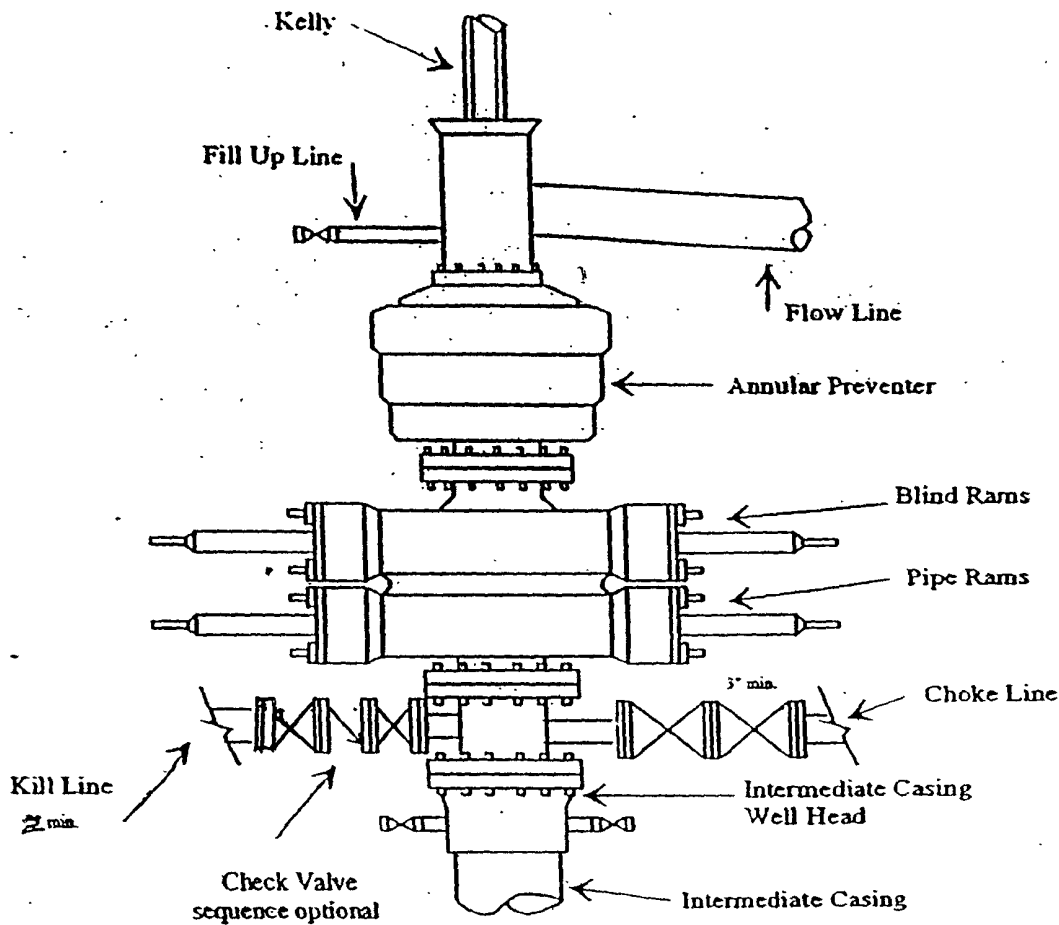




Yates Petroleum Corporation

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

