

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

JUN 13 2008

☐ AMENDED REPORT

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 205575
Property Code 12157	Property Name Cottonwood KI Federal Com	API Number 30 - 015-36388
Proposed Pool 1 Wildcat Wolfcamp		Proposed Pool 2

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	18	16S	25E		1880'	South	260'	East	Eddy

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
L	18	16S	25E		1880'	South	660'	West	Eddy

Additional Well Information

Work Type Code N	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3554'
Multiple No	Proposed Depth 4886' TVD	Formation Wolfcamp	Contractor Not Determined	Spud Date ASAP
Depth to Groundwater 100'		Distance from nearest fresh water well <1000'		Distance from nearest surface water <1000'
Pit: ☒ Liner Synthetic ☐ 12' mls thick Clay ☐ Pit Volume 24,000 bbls Drilling Method:				
Closed-Loop System ☐ Fresh Water ☐ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐				

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#	9042' MD	1350 sx	Surface

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 9042' and cement circulated to surface. The well will be drilled to a vertical depth of 4886'. The kickoff point for the lateral will be at 4409' TVD. If commercial, production casing will be run and cemented and stimulated as needed to gain production

MUD PROGRAM: 0-1000' FW Gel, 1000'-4409' Cut Brine; 4409'-9042 Horizontal Section

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

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 ☐		OIL CONSERVATION DIVISION Approved by: <i>Jim W. Green</i> Title: <i>District II Supervisor</i> Approval Date: <i>6/14/08</i> Expiration Date: <i>6/14/10</i>	
Printed name Cy Cowan		Title: <i>District II Supervisor</i>	
Title Regulatory Agent		Approval Date: <i>6/14/08</i> Expiration Date: <i>6/14/10</i>	
E-mail Address		NOTE: NEW PIT RULE 19.15.17 NMAC.	
Date: June 5, 2008	Phone: (575) 748-4372	Conditions of	

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 97489	Pool Name Wildcat Wolfcamp
Property Code	Property Name COTTONWOOD "KI" FEDERAL COM.	Well Number 3H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3554

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	18	16 S	25 E		1880	SOUTH	260	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
L	18	16 S	25 E		1880	SOUTH	660	WEST	EDDY

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

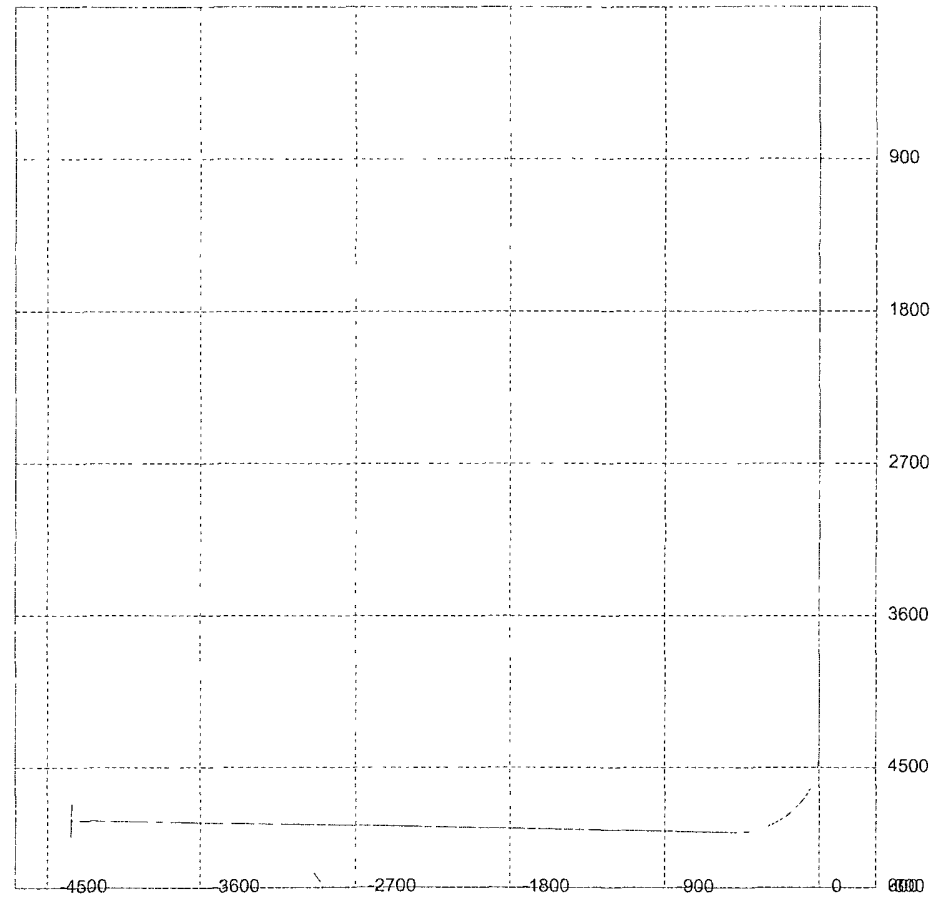
BOTTOM HOLE LOCATION Lat - N32°55'15.41" Long - W104°31'52.93" SPC- N.: 698831.813 E.: 480570.173 (NAD-83)		SURFACE LOCATION Lat - N32°55'15.46" Long - W104°31'01.36" SPC- N.: 698829.552 E.: 484965.767 (NAD-83)		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and 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. <i>Clifton R. May</i> 6/3/08 Signature Date Clifton R. May Printed Name
Project Area Nm 9402 FEE		Producing Area V-8103		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 & Seal of Professional Surveyor Gary L. Jones Certificate No. Gary L. Jones 7977 BASIN SURVEYS

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			
565	0	0	565	0	0	0			SAN ANDRES
1815	0	0	1815	0	0	0			GLORIETA
3115	0	0	3115	0	0	0			TUBB
3815	0	0	3815	0	0	0			ABO
4409	0	0	4409	0	0	12	270	GN	KOP
4425	1.92	270	4425	0	-0.27	12	0	HS	
4450	4.92	270	4449.95	0	-1.76	12	0	HS	
4475	7.92	270	4474.79	0	-4.55	12	0	HS	
4500	10.92	270	4499.45	0	-8.65	12	0	HS	
4525	13.92	270	4523.86	0	-14.02	12	0	HS	
4550	16.92	270	4547.96	0	-20.67	12	0	HS	
4575	19.92	270	4571.68	0	-28.57	12	0	HS	
4600	22.92	270	4594.95	0	-37.7	12	0	HS	
4625	25.92	270	4617.71	0	-48.03	12	0	HS	
4650	28.92	270	4639.9	0	-59.54	12	0	HS	
4675	31.92	270	4661.45	0	-72.2	12	0	HS	
4700	34.92	270	4682.32	0	-85.97	12	0	HS	
4725	37.92	270	4702.43	0	-100.81	12	0	HS	
4750	40.92	270	4721.74	0	-116.68	12	0	HS	
4775	43.92	270	4740.2	0	-133.54	12	0	HS	
4800	46.92	270	4757.74	0	-151.35	12	0	HS	
4825	49.92	270	4774.33	0	-170.05	12	0	HS	
4850	52.92	270	4789.92	0	-189.59	12	0	HS	
4875	55.92	270	4804.46	0	-209.92	12	0	HS	
4900	58.92	270	4817.92	0	-230.98	12	0	HS	
4925	61.92	270	4830.26	0	-252.72	12	0	HS	
4950	64.92	270	4841.45	0	-275.08	12	0	HS	
4975	67.92	270	4851.45	0	-297.99	12	0	HS	
5000	70.92	270	4860.23	0	-321.39	12	0	HS	
5025	73.92	270	4867.78	0	-345.22	12	0	HS	
5050	76.92	270	4874.08	0	-369.41	12	0	HS	
5075	79.92	270	4879.1	0	-393.9	12	0	HS	
5081	80.64	270	4880	0	-400	12	0	HS	WOLFCAMP
5100	82.92	270	4882.82	0	-418.61	12	0	HS	
5125	85.92	270	4885.26	0	-443.49	12	0	HS	
5150	88.92	270	4886.38	0	-468.47	12	0	HS	
5167.8	91.06	270	4886.38	0	-486.26	12	0	HS	
9042.19	91.06	270	4815	0	-4360	0			LATERAL TD

Well will be drilled vertically to 4409'. At 4409' 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 4815' with a MD of 9042' where 5 1/2" casing will be set and cemented.

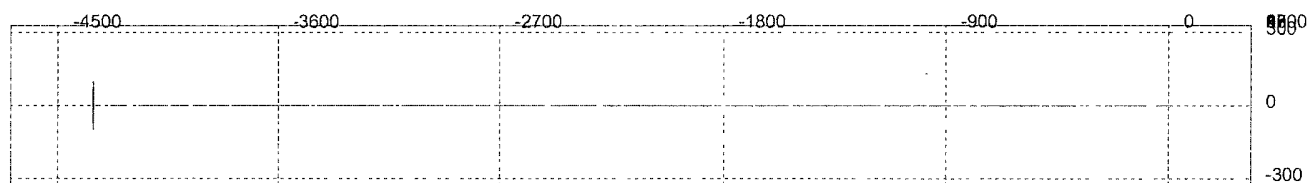
3D³ Directional Drilling Planner - 3D View

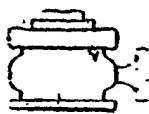
Company: Yates Petroleum Corporation
Well: Cottonwood KI Federal Com. #3H



3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Cottonwood KI Federal Com. #3H





Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

YATES PETROLEUM CORPORATION

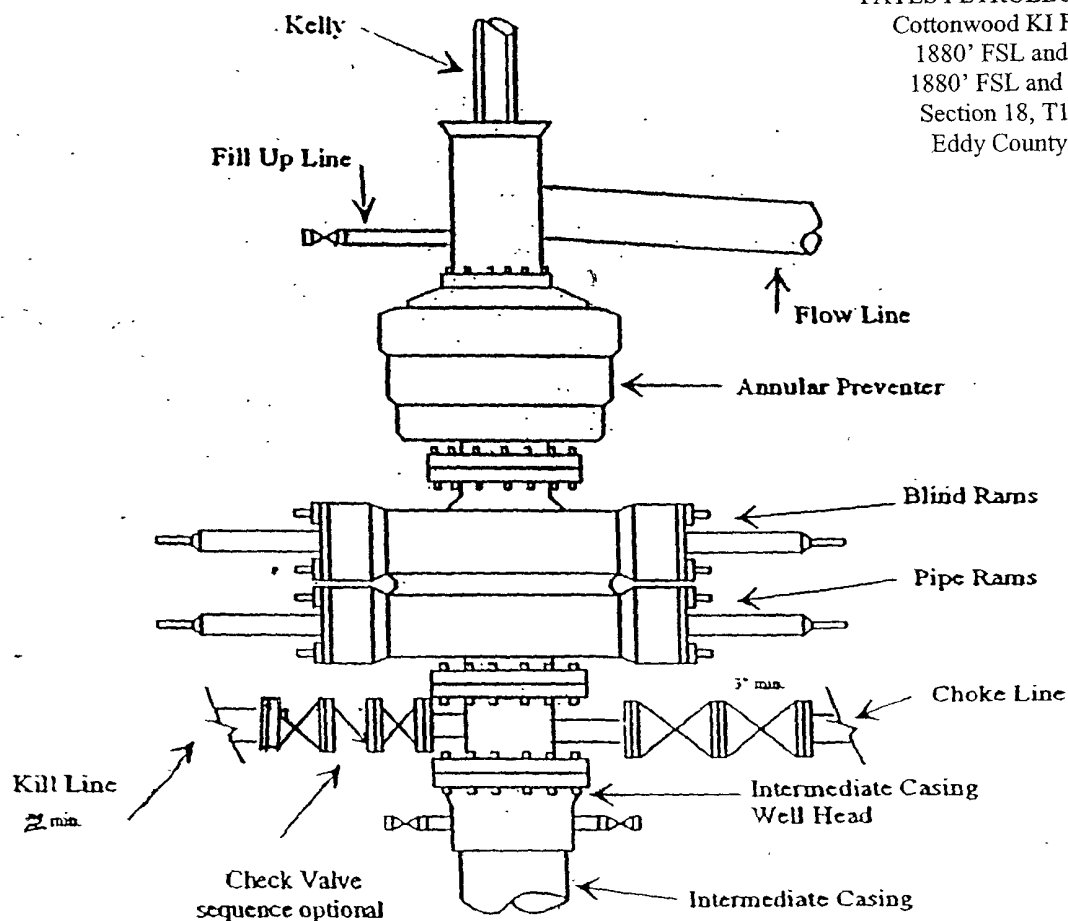
Cottonwood KI Federal Com. #3H

1880' FSL and 260' FEL SHL

1880' FSL and 660' FWL BHL

Section 18, T16 S Range 25E

Eddy County, New Mexico



Typical 3,000 psi choke manifold assembly with at least these minimum features

