

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-10  
June 16, 2000

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

Submit to appropriate District Office

NOV 17 2008 ☐ AMENDED REPORT

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

OCD-ARTESIA

<sup>1</sup> Operator Name and Address  Yates Petroleum Corporation 105 S. 4 <sup>th</sup> Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30-015-29377
<sup>3</sup> Property Code 20437	<sup>5</sup> Property Name Rainbow ARB Com	<sup>6</sup> Well No. 1
<sup>9</sup> Proposed Pool 1 Dagger Draw, Upper Penn, South Associated		<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
M	26	20S	24E		660	South	660	West	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

Additional Well Information

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3682'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8200'	<sup>18</sup> Formation Canyon	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date ASAP

<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"	9 5/8"	36#	1150'	1100 sx	Circulate
8 3/4"	7"	23# & 26#	TD	1350 sx	Circulate

<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 and test the Canyon and intermediate formations. Approximately 1150' 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: 0-1500' FW Gel/LCM; 1150'-5200' Fresh Water; 5200'-7200' Cut Brine/KCL; 7200'-TD Cut Brine/Starch.

BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily.

H2S Contingency Plan attached.

C-102 attached. C-144 attached.



<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Cliffie May</i>		Approved by: <i>Jim W. Brown</i>	
Printed name: Cy Cowan		Title: District II Supervisor	
Title: Regulatory Agent		Approval Date: 11/19/08	Expiration Date: 11/18/10
E-mail Address: cy@yatespetroleum.com			
Date: November 14, 2008	Phone: (575) 748-4372	Conditions of Approval Attached <input type="checkbox"/>	

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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**

<sup>1</sup> API Number 30-015-29377		<sup>2</sup> Pool Code 15475	<sup>3</sup> Pool Name Dagger Draw, Upper Penn, South Assoc
<sup>4</sup> Property Code 20437	<sup>5</sup> Property Name RAINBOW ARB COM		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION		<sup>9</sup> Elevation 3682'

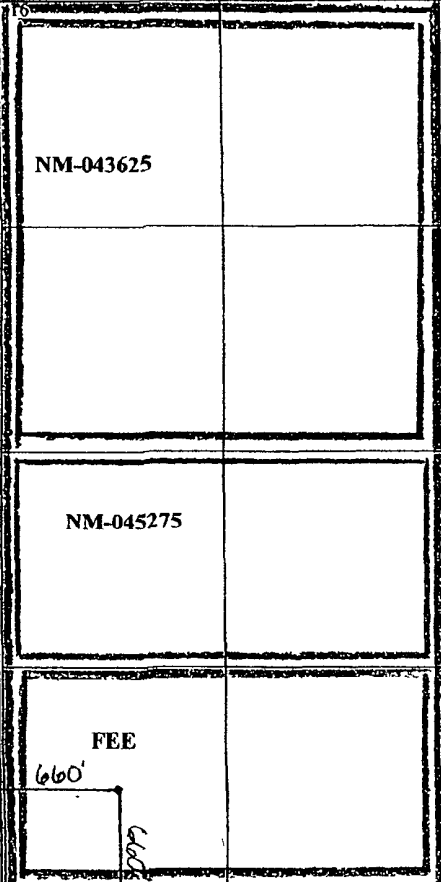
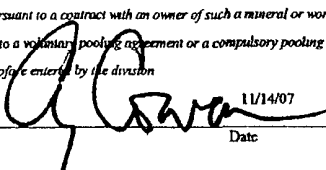
<sup>10</sup> Surface Location

UL or lot no. M	Section 26	Township 20S	Range 24E	Lot Idn	Feet from the 660	North/South line SOUTH	Feet from the 660	East/West line WEST	County EDDY
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres 320 W/2									
<sup>13</sup> Joint or Infill									
<sup>14</sup> Consolidation Code									
<sup>15</sup> 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.

	<sup>17</sup> 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 11/14/07 Cy Cowan Printed Name Regulatory Agent Title	
	<sup>18</sup> 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 _____	

District I  
PO Box 1944, Hobbs, NM 88240-1944  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Grande Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

* API Number <b>30-015-29377</b>		* Pool Code <b>15475</b>	* Pool Name <b>Dagger Draw, Upper Penn, South</b>
* Property Code	* Property Name <b>RAINBOW "ARB" COM</b>		* Well Number <b>1</b>
* OGRID No. <b>025575</b>	* Operator Name <b>YATES PETROLEUM CORPORATION</b>		* Elevation <b>3682.</b>

**10 Surface Location**

CL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
<b>M</b>	<b>26</b>	<b>20-S</b>	<b>24-E</b>		<b>660</b>	<b>SOUTH</b>	<b>660</b>	<b>WEST</b>	<b>HDDY</b>

**11 Bottom Hole Location If Different From Surface**

CL or lot no.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County

* Dedicated Acres <b>320</b>	* Joint or InHH	* Consolidation Code	* 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**

	<b>12 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature: <u><i>Kan Beardemphl</i></u> Printed Name: <b>Kan Beardemphl</b> Title: <b>Regulatory Agent</b> Date: <b>February 13, 1997</b>	
	<b>13 SURVEYOR CERTIFICATION</b> 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.  Date of Survey: <b>FEBRUARY 8, 1997</b> Signature and Seal of Registered Surveyor: 	
	Date of Survey: <b>FEBRUARY 8, 1997</b> Signature and Seal of Registered Surveyor: 	

# **Yates Petroleum Corporation**

**105 S. Fourth Street  
Artesia, NM 88210**

**S**

## **Hydrogen Sulfide (H<sub>2</sub>S) Contingency Plan**

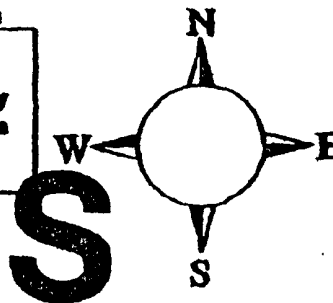
**For**

### **Rainbow ARB Com. #1**

**660' FSL, 660' FWL  
Sec-26, T-20S, R-24E  
Eddy County NM**

### Rainbow ARB Com. #1

This is an open drilling site. H<sub>2</sub>S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H<sub>2</sub>S, including warning signs, wind indicators and H<sub>2</sub>S monitor.



## Emergency Procedures

In the case of a release of gas containing H<sub>2</sub>S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROH. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROH. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROH.

All responders must have training in the detection of H<sub>2</sub>S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H<sub>2</sub>S monitors and air packs in order to control the release. Use the "buddy system" to ensure no injuries during the response.

## Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO<sub>2</sub>). Intentional ignition must be coordinated with the RMOCD and local officials. Additionally the NMI State Police may become involved. NMI State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas.

## Characteristics of H<sub>2</sub>S and SO<sub>2</sub>

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H <sub>2</sub> S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO <sub>2</sub>	2.21 Air = 1	2 ppm	N/A	1000 ppm

## Contacting Authorities

YPC personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico's Hazardous Materials Emergency Response Plan (HMERP)

## Yates Petroleum Corporation Phone Numbers

YPC Office ..... (505) 748-1471  
Pineau McWhorter/Operations Manager ..... (505) 748-4189  
David Atkins/Production Manager ..... (505) 748-4204  
Ron Beasley/Prod Superintendent ..... (505) 748-4210  
Al Springer/Drilling ..... (505) 748-4225  
Paul Hance/Prod. Foreman/Roswell ..... (505) 624-2805  
Jim Kroghman/Drilling Superintendent ..... (505) 748-4215  
Artists Answering Service ..... (505) 748-4302  
(During non-office hours)

### **Agency Call List**

#### **Eddy County (505)**

##### **Artists**

State Police ..... 746-2703  
City Police ..... 746-2703  
Sheriff's Office ..... 746-9888  
Ambulance ..... 911  
Fire Department ..... 746-2701  
LEPC (Local Emergency Planning Committee) ..... 746-2122  
NMOCD ..... 748-1283

##### **Carlsbad**

State Police ..... 885-3137  
City Police ..... 885-2111  
Sheriff's Office ..... 887-7551  
Ambulance ..... 911  
Fire Department ..... 885-2111  
LEPC (Local Emergency Planning Committee) ..... 887-3798  
US Bureau of Land Management ..... 887-6544

New Mexico Emergency Response Commission (Santa Fe) ..... (505) 476-9600  
24 HR ..... (505) 827-9126  
National Emergency Response Center (Washington, DC) ..... (800) 424-8802

##### **Other**

Boots & Coots IWC ..... 1-800-256-9688 or (281) 931-8884  
Cold Pressure Control ..... (915) 699-0139 or (915) 563-3356  
Halliburton ..... (505) 746-2757  
B. J. Services ..... (505) 746-3569

Flight For Life -4000 24th St, Lubbock, TX ..... (806) 743-9911  
Aerocom -Rr 3 Box 49f, Lubbock, TX ..... (806) 747-8923  
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuquerque, NM ..... (505) 842-4433  
S B Air Med Svc 2505 Clark Carr Loop SE, Albuquerque, NM ..... (505) 842-4949