

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Re, NM 8750.

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

PO BOX 2088
Santa Fe, NM 87504-2088

RECEIVED

MAR - 2 2004

OCD-ARTESIA

Form C-101
Revised March 17, 1999
Instructions on back
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ 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- 005 - 63366
⁴ Property Code	⁵ Property Name Program "AXP" State	⁶ Well No. 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
M	5	10S	26E		660'	South	660'	West	Chaves

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
⁹ Proposed Pool 1 Wildcat Precambrian					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3778'
¹⁶ Multiple N	¹⁷ Proposed Depth 6150'	¹⁸ Formation Basement	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1100'	750 sx	Surface
7 7/8"	5 1/2"	15.5#	6150'	500 sx	**

** Cement to cover all oil, gas and waterbearing zones.

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 production. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill and test the Basement and intermediate formations. Approximately 1100' 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: 0-1100' FWGel/Paper/LCM; 1100-4210' Brine; 4210-6150' Starch/Salt Gel.
BOPE PROGRAM: A 2000# BOPE will be installed on the 8 5/8" casing and tested daily.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Robert Asher

Printed name:

Robert Asher

Title:

Regulatory Agent/Land Department

Date:

02/27/04

Email: debbiec@ypcnm.com

Phone: (505) 748-1471

OIL CONSERVATION DIVISION

Approved by:

Jim M. Brown

Title:

REVISOR, DISTRICT II

Approval Date:

MAR 03 2004

Expiration Date:

MAR 03 2005

Conditions of Approval

Attached ☐

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name	
				Wildcat Precambrian	
⁴ Property Code		⁵ Property Name			⁶ Well Number
		Program AXP State			2
⁷ OGRID No.		⁸ Operator Name			⁹ Elevation
025575		Yates Petroleum Corporation			3778'


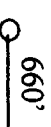
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	10S	26E		660	South	660	West	Chaves

¹¹ 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
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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

¹⁶				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Robert Asher Printed Name Regulatory Agent Title 2/27/2004 Date	
				¹⁸ 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:	
				Certificate Number	
V-5656					
660' 					

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OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
			Wildcat Precambrian
Property Code	Property Name		Well Number
	PROGRAM "AXP" STATE		2
OGRID No.	Operator Name		Elevation
025575	YATES PETROLEUM CORPORATION		3778

Surface Location

UL or lot No.	Section	Township	Range	Lot kin	Feet from the	North/South line	Feet from the	East/West line	County
M	5	10S	26E		660	SOUTH	660	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
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**

				OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief. <u>Pat Perez</u> Printed Name <u>Regulatory Agent</u> Title <u>3-27-01</u> Date
				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. <u>3/15/2001</u> Date Surveyed <u>Herald Jones</u> Signature of Professional Surveyor <div style="text-align: center;"> </div> <u>Certificate No. Herald Jones RLS 3640</u> PROGRAM PROFESSIONAL SURVEYING COMPANY

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
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EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

February 27, 2004

Mr. Bryan Arrant
Oil Conservation Division, District II Office
1301 W. Grand Ave.
Artesia, NM 88210

Re: Program AXP State #2
660' FSL and 660' FWL
Section 5, T10S-R26E
Chaves County, New Mexico
H2S Contingency Plan

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Basement Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Debbie L. Caffall
Regulatory Technician

Well Name . . . PROGRAM AXP STATE #2
Location. . . . 10S 26E 5 M 001 CHA NM

Other Instructions to Driller

,
PROD 0-6150 5.5 15.5 J-55 ST&C
CEMENT:
SURFACE 550 SX. LITE "C" (YLD 2.0 WT 12.5) TAIL W/ 200
,
SX C WITH 2% CACL2 (YLD 1.33 WT 15.6)
,
PROD. (TOC=3700') 500 SX PECOS VALLEY LITE (YLD 1.42 WT
13.0)
NO H2S IS ANTICIPATED. MAX BHT EXPECTED IS 145DEG. F
,

Bottom

F3=Exit F12=Previous F4=Prompt F2=Main F6=Geological Prog. F7=Drilling Prog.
F8=Mud Prog. F9=Other Instr. F10=Directions to Loc. F13=Vendor Check List