

District I
1625 N. French Dr., Hobbs, NM 88240
District II
811 South First, 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
Revised March 17, 1999

Oil Conservation Division **RECEIVED**
1220 South St. Francis Dr.
Santa Fe, NM 87505 **APR 30 2004**

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

OCD-ARTESIA

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, NM 88210 | | ² OGRID Number 025575 |
| ³ Property Code 12893 | ⁵ Property Name Willow Creek Unit | ³ API Number 30-005-60728 |
| | | 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| Lot 3 | 31 | 4S | 25E | | 1980 | 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 Wolfcamp | ¹⁰ Proposed Pool 2 |
|--|-------------------------------|

| | | | | |
|-----------------------------------|-------------------------------------|-----------------------------------|------------------------------------|--|
| ¹¹ Work Type Code A | ¹² Well Type Code G | ¹³ Cable/Rotary N/A | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3902' GL |
| ¹⁶ Multiple Y | ¹⁷ Proposed Depth N/A | ¹⁸ Formation Penn | ¹⁹ Contractor N/A | ²⁰ Spud Date N/A |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| | | | | | |

REFER TO ORIGINAL COMPLETION

| | | | | | |
|--|--|--|--|--|--|
| | | | | | |
|--|--|--|--|--|--|

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 plans to recomplete this well as follows: Perforate Wolfcamp 4856'-4864' for a total of 48 holes. Stimulate as needed. If production from Wolfcamp is low, load the tubing w/7% KCL treated water. Release the packer and pull up to 3600' +/- and set the packer. Swab the well and turn to production. The 2-7/8" tubing might be swapped out for 2-3/8" tubing after the work has been completed.

| | | | |
|--|-----------------------|--|-------------------------------------|
| ²³ 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>Tina Huerta</i> | | Approved by: ORIGINAL SIGNED BY TIM W. GUM DISTRICT II SUPERVISOR | |
| Printed name: Tina Huerta | | Title: | |
| Title: Regulatory Compliance Supervisor | | Approval Date: MAY 06 2004 | Expiration Date: MAY 06 2005 |
| Date: April 29, 2004 | Phone: (505) 748-1471 | 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.

Form C-102
Revised August 15, 2000
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|---|--|---|--|--|------------------------------------|
| ¹ API Number 30-005-60728 | | ³ Pool Code | | ² Pool Name Wildcat Wolfcamp | |
| ⁴ Property Code 12893 | | ⁴ Property Name Willow Creek Unit | | | ⁴ Well Number 2 |
| ⁷ OGRID No. 025575 | | ⁸ Operator Name Yates Petroleum Corporation | | | ⁹ Elevation 3902' GR |

| 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 |
| Lot 3 | 31 | 4S | 25E | | 1980 | 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 |
| | | | | | | | | | |

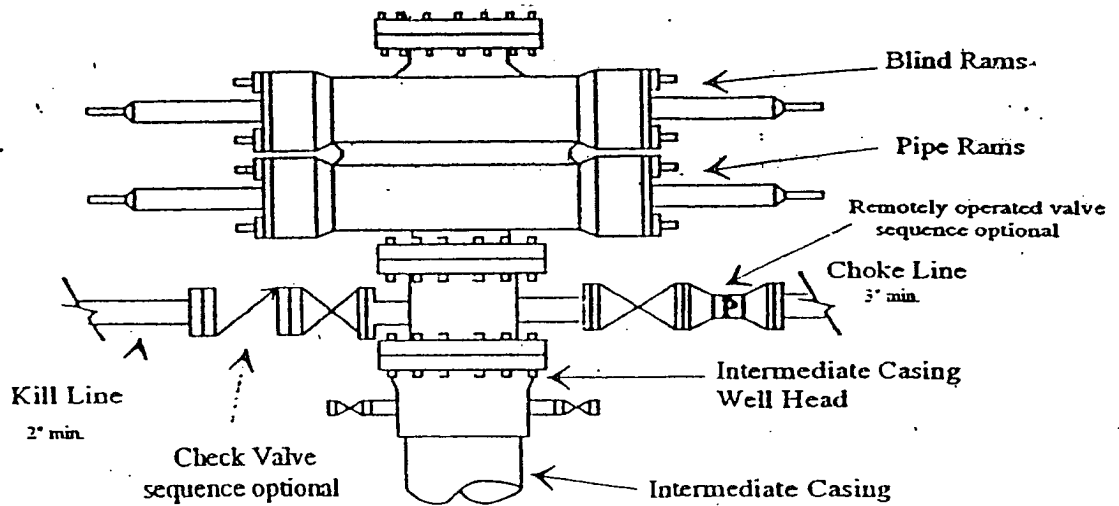
| | | | |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 320 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
|--------------------------------------|-------------------------------|----------------------------------|-------------------------|

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

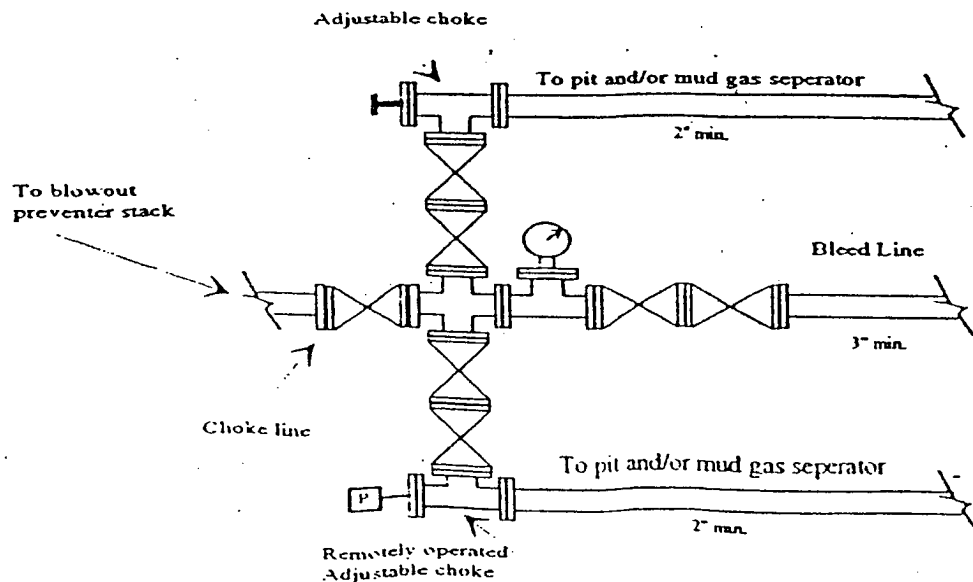
| | | | |
|----------------------|---|--|--|
| <p>¹⁶</p> | ¹⁷ OPERATOR CERTIFICATION | | |
| | <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature <i>Tina Huerta</i></p> <p>Printed Name Tina Huerta</p> <p>Title Regulatory Compliance Supervisor</p> <p>Date April 29, 2004</p> | | |
| | ¹⁸ SURVEYOR CERTIFICATION | | |
| | <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor</p> <p>See Original Plat</p> <p>Certificate Number</p> | | |

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



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
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

April 28, 2004

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

RECEIVED
APR 30 2004
OCD-ARTESIA

Re: Willow Creek Unit #2
1980'FSL & 660'FWL of Section 31-T4S-R25E
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 Wolfcamp Formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

Tina Huerta
Regulatory Compliance Supervisor