

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

As per Guidelines, a detailed closure plan must be submitted prior to closure.

As a condition of approval, if during construction water is encountered or if water seeps in pits after construction the **OCD MUST BE CONTACTED IMMEDIATELY!**
Santa Fe, NM 87505

NOTIFY OCD OF SPUD & TIME TO WITNESS CEMENTING OF SURFACE & INTERMEDIATE CASING

MAY 05 2005

APPLICATION

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210

ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Property Code 34148		³ Property Name Clarence BCU Com.		² OGRID Number 025575
				⁴ API Number 30-015-34168
⁹ Proposed Pool 1 Chester		¹⁰ Proposed Pool 2 Undes. Pecos River; Marrow 97375		

Surface Location

UL or lot no. C	Section 23	Township 16S	Range 26E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1980	East/West line West	County Eddy
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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
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3325
¹⁶ Multiple No	¹⁷ Proposed Depth 8150	¹⁸ Formation Chester	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 16'		Distance from nearest fresh water well 2200'		Distance from nearest surface water 1800'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 20,000K bbls Drilling Method:				
<input checked="" type="checkbox"/> Closed-Loop System <input type="checkbox"/> 20 points Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	400'	400sx	Surface
12 1/4"	9 5/8"	36#	1200'	750sx	Surface
8 3/4"	5 1/2"	15.5 # & 17#	8150'	2300sx	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 and test the Chester and Intermediate formations. Approximately 400' 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.

Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Chester formation to meet the OCD's minimum requirements for the submission of contingency plan. The State Engineers Web Site has been accessed for the captioned well. Information obtained from this web site determines the Site Ranking for this well is 10 points. With this ranking deep trench, burial, and capping will take place at pit closure.

Any pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines with approved general permit on file.

MUD PROGRAM: 0-400' FW Gel; 400-1200' Fresh Water; 1200-7000' Cut Brine; 7000'-8150' Salt Gel/Starch/4%-6% KCL.

BOPE PROGRAM: A 3000# BOPE will be installed on the 9 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. 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: cy@ypcnm.com

Date: May 5, 2005

Phone: (505) 748-4372

OIL CONSERVATION DIVISION

Approved by:

W. W. GUM
DISTRICT II SUPERVISOR

Title:

Approval Date: **MAY 30 2005**

Expiration Date: **MAY 30 2006**

Conditions of Approval Attached ☐

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 Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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
		Chester
Property Code	Property Name	Well Number
	CLARENCE "BCU"	6
OGRID No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3325

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	16S	26E		1140	NORTH	2300	WEST	EDDY

Bottom Hole Location If Different From Surface

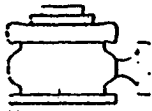
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

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

FEE	2300'	1140'	N.32°54'44.3" W.104°21'12.2" N.695575.5 E.494001.0 (NAD-27)	NM-101089	OPERATOR CERTIFICATION
					<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>May 4, 2005</p> <p>Date</p>
FEE					SURVEYOR CERTIFICATION
					<p>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.</p> <p>4/20/2005</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>HERSCHEL JONES</p> <p>NEW MEXICO</p> <p>3640</p> <p>Certificate No. Herschel Jones RLS 3640</p> <p>CLARENCE</p> <p>GENERAL SURVEYING COMPANY</p>

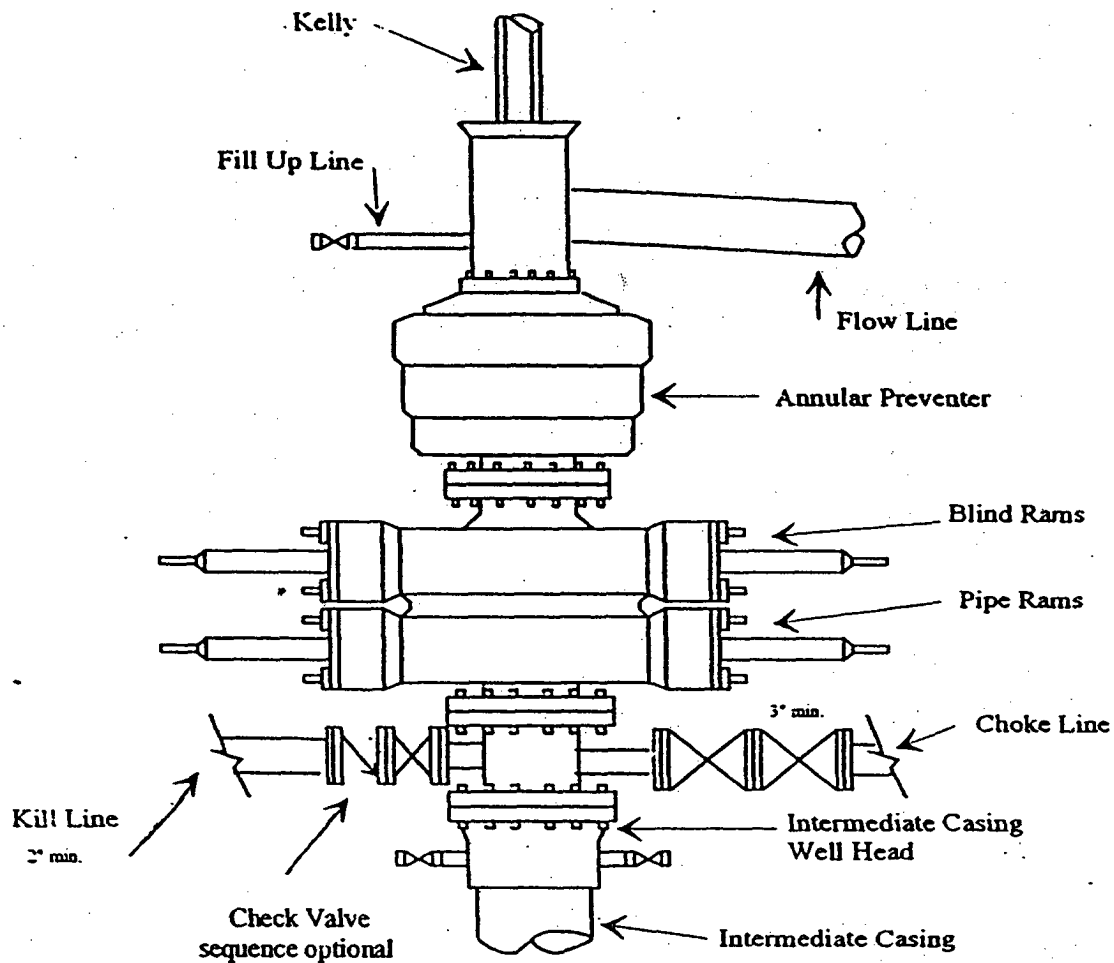
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



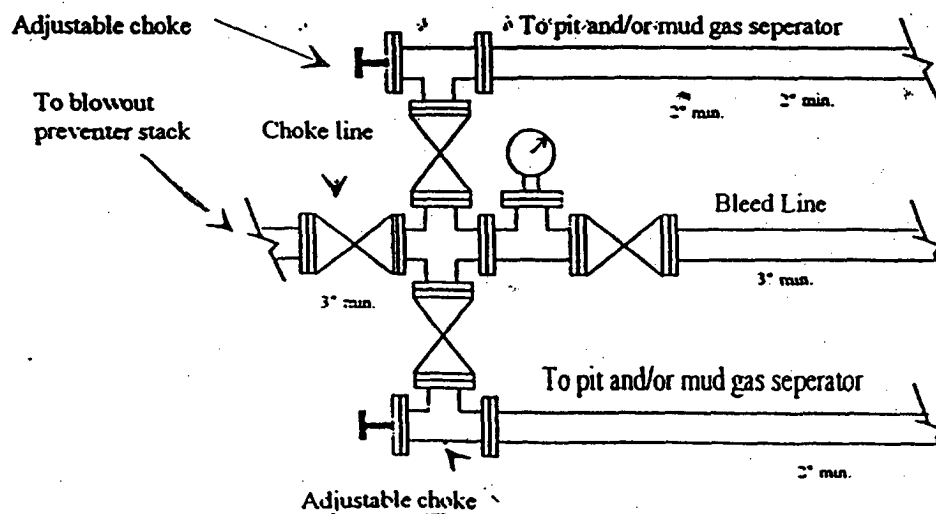
Yates Petroleum Corporation

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



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8040 South Pacheco, Santa Fe, NM 87506

State of New Mexico

Geology, Minerals and Natural Resources Department

WF
Revised March 17, 1999
Instruction on back
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Fee Lease - 5 Copies

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 Chester
Property Code	Property Name	Well Number
	CLARENCE "BCU"	6
OGRIID No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3325

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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Cy Cowan Printed Name Regulatory Agent Title June 16, 2005 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. 5/18/2005 Date Surveyed Signature & Seal of Professional Surveyor Certificate No. Herschel L. Jones RLS 3640 CLARENCE GENERAL SURVEYING COMPANY REGIONAL	

0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 3630' 3960' 4290' 4620' 4950' 5280' 5610' 5940' 6270' 6600'