

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

RECEIVED

JUL 28 2004

OCD-ARTESIA

Form C-101
March 4, 2004

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**

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
Property Code 34164		API Number 30 - 015-33538
Property Name Independence BEL State Com		Well No. 1

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	36	20S	28E		660'	North	1980'	West	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
Proposed Pool 1 Chester					Proposed Pool 2 Burren Flat; Measure 72280				

Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	20S	28E		660'	North	1980'	West	Eddy
Depth to ground water 0			Distance from nearest fresh water well 0			Distance from nearest surface water 11			
Work Type Code N		Well Type Code G		Cable/Rotary R		Lease Type Code S		Ground Level Elevation 3221'	
Multiple N		Proposed Depth 11950'		Formation Chester		Contractor Not Determined		Spud Date ASAP	

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#	600'	650 sx	Surface
12 1/4"	9 5/8"	36#	3100'	1200 sx	Surface
8 3/4"	5 1/2"	17#	11950'	3150 sx	TOC-2600'

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 600' 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: 0-600' FW/Paper; 600'-3100' FW/LCM; 3100-9050 Cut Brine; 9050'-10100' Cut Brine/Starch; 10100-TD Salt Gel/Starch/1/8"spac.
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 X or an (attached) alternative OCD-approved plan ☐.

Signature:

Cy Cowan

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address: debbiec@ypcn.com

Date: 7-28-04

Phone: (505) 748-4372

Approved by:

OIL CONSERVATION DIVISION

TIM W. GUM
DISTRICT II SUPERVISOR

Title:

Approval Date: AUG 05 2004

Expiration Date: AUG 05 2005

Conditions of Approval:

Attached ☐

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

1000 N. French St., Hobbs, NM 88240

STATE OF NEW MEXICO

Energy, Minerals and Natural Resources Department

FORM 5-100

Revised March 17, 1999

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT II

911 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Grande Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

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 INDEPENDENCE "BEI" STATE COM.	Well Number 1
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3221

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	36	20S	28E		660	NORTH	1980	WEST	EDDY

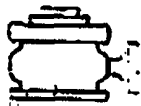
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill	Consolidation Code	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

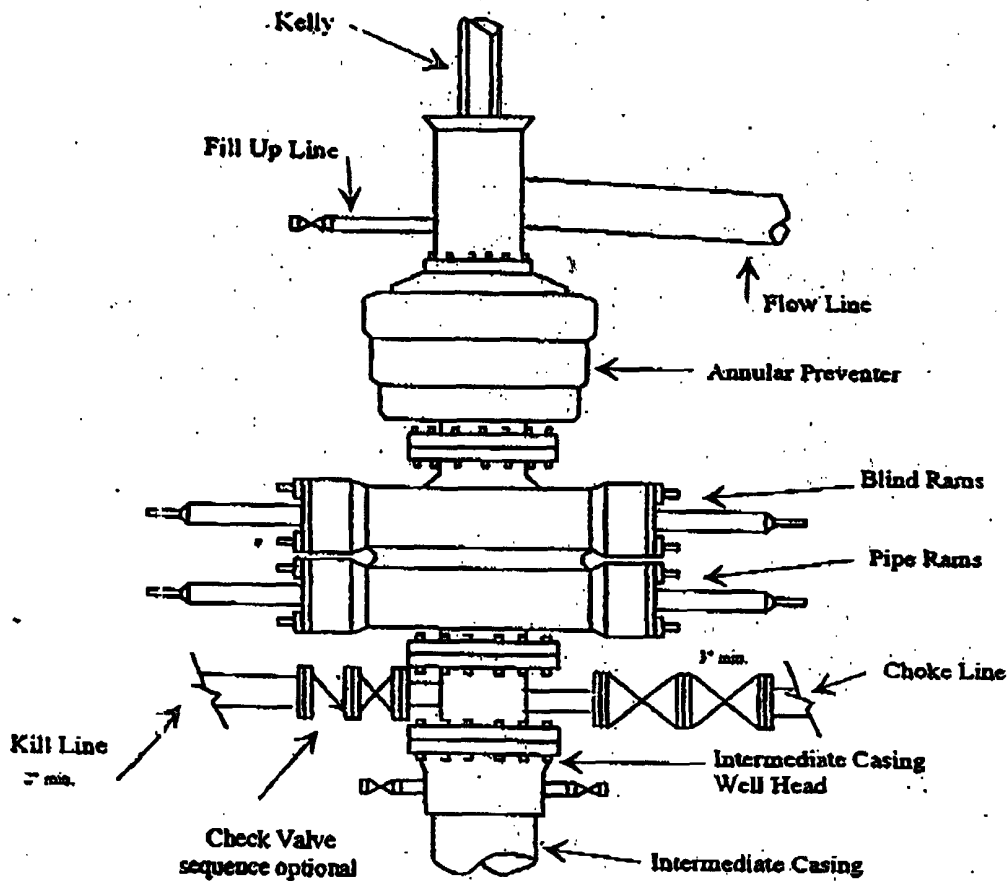
UB-559 1980	N. 32° 32' 07.6" W. 104° 08' 00.7"			OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Regulatory Agent Title Date July 27, 2004
UO-5190	N. 558524.5 E. 561729.2 (NAD 27)			
				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. Date Surveyed 5/27/2004 Signature of Surveyor  Date 5/27/2004 Signature of Jones Jones RLS 3640 YATES PETROLEUM CORPORATION

0 530' 000' 980' 1610' 1980' 2310' 2310' 1980' 1650' 980' 000' 330' 0'

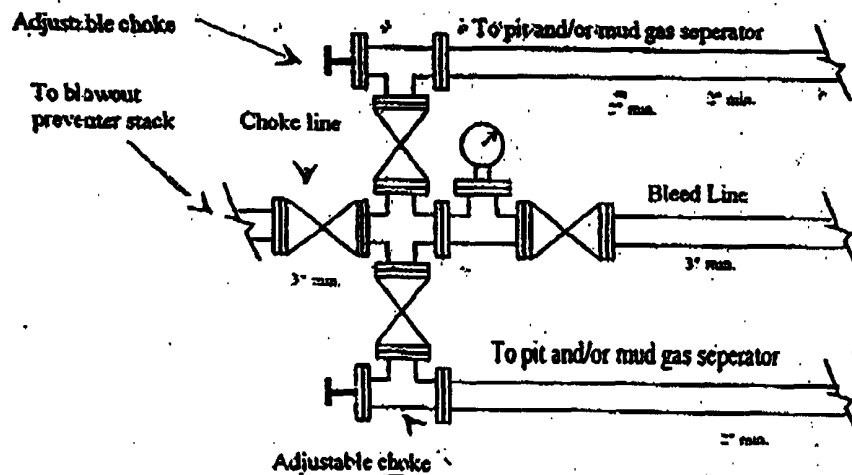


Yates Petroleum Corporation
Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

BOP-3



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



MARTIN YATES, III
1912 - 1988
FRANK W. YATES
1936 - 1988



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

July 27, 2004

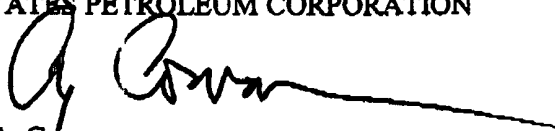
To: Bryan Arant
From: Cy Cowan

Re: Yates Petroleum Corporation
Independence BEI State Com. #1
H2S Contingency Plan

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

Thank you,

YATES PETROLEUM CORPORATION



Cy Cowan
Regulatory Agent