

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-101
May 27, 2004

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

RECEIVED
Submit to appropriate District Office
FEB 14 2006
AMENDED REPORT
OCC-ARTESIA

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

¹ Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-015-33061
³ Property Code 32246	³ Property Name Cigar BCM State Com	⁶ Well No. 2
⁹ Proposed Pool 1 Loving: Atoka, Southeast		¹⁰ Proposed Pool 2 Wildcat Strawn
Proposed Pool 3 Wildcat Wolfcamp		Proposed Pool 4

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
P	36	23S	27E		660	South	660	East	Eddy

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

Additional Well Information

¹¹ Work Type Code PB	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3110'GR
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater >50' <100'		Distance from nearest fresh water well >1000'		Distance from nearest surface water >1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method:				
Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

²¹ Proposed Casing and Cement Program

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

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 workover this well and possibly plugback and recompleat as follows: Set a CIBP at 12,386'. Pull an ultra imaging log from 12,386' to 7900'. Discuss log result with the office and the possibility of using a block/suicide squeeze with the second set of perfs at 12,000' and 9900'. If no cement is present, perforate the 5-1/2" casing @ +/-12,000' with 4.42" holes. This squeeze will require 720 cu.ft. of cement. WOC 24 hrs before drilling out the retainer and running a CBL. The remainder of this procedure assumes that the squeeze operation was successful. Perforate Morrow 12,276'-12,280' (25) and 12,288'-12,298' (61). Stimulate as needed. Drill up CIBP at 12,386'. Set a composite plug at 12,226'. Perforate Morrow 12,156'-12,164' (49). Stimulate as needed. Swab test and evaluate, squeeze if excessively wet. Perforate Morrow 12,036'-12,048' (73) and 12,076'-12,086' (61). Stimulate as needed. Perforate Atoka 11,502'-11,508' (13), 11,570'-11,600' (61) and 11,704'-11,726' (45). Stimulate as needed. Consider producing. If not, set a CIBP at 11,452'. Perforate Strawn 11,292'-11,298' (37). Stimulate as needed. Consider producing. If not, set a CIBP at 11,242'. Perforate Wolfcamp 10,466'-10,480' (29) and 10,502'-10,514' (25). Stimulate as needed.

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 ☐.

Signature: Tina Huerta

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tinah@ypcnm.com

Date: February 10, 2006

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

Jim W. Green
District II Supervisor

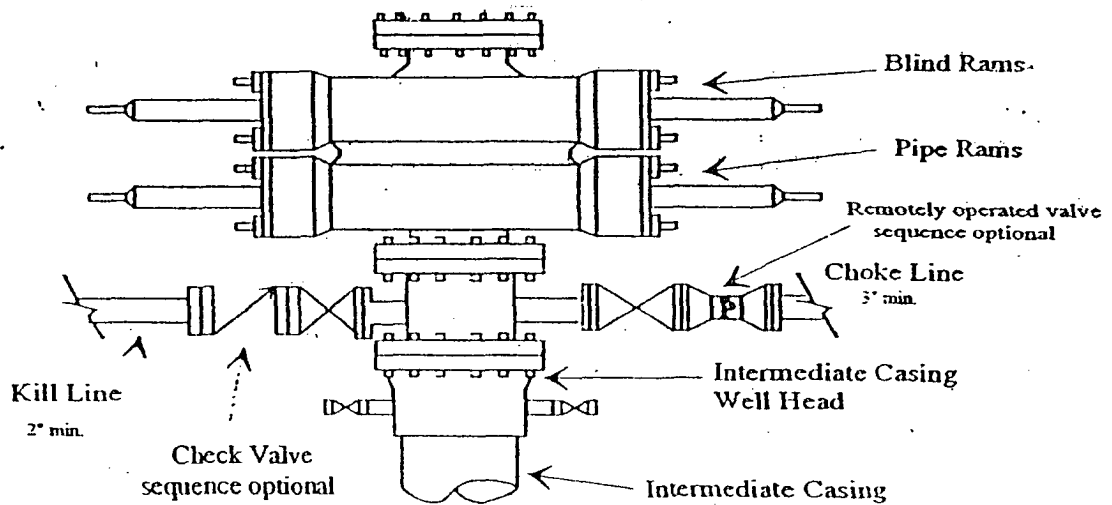
Approval Date: FEB 16 2006

Expiration Date: FEB 16 2007

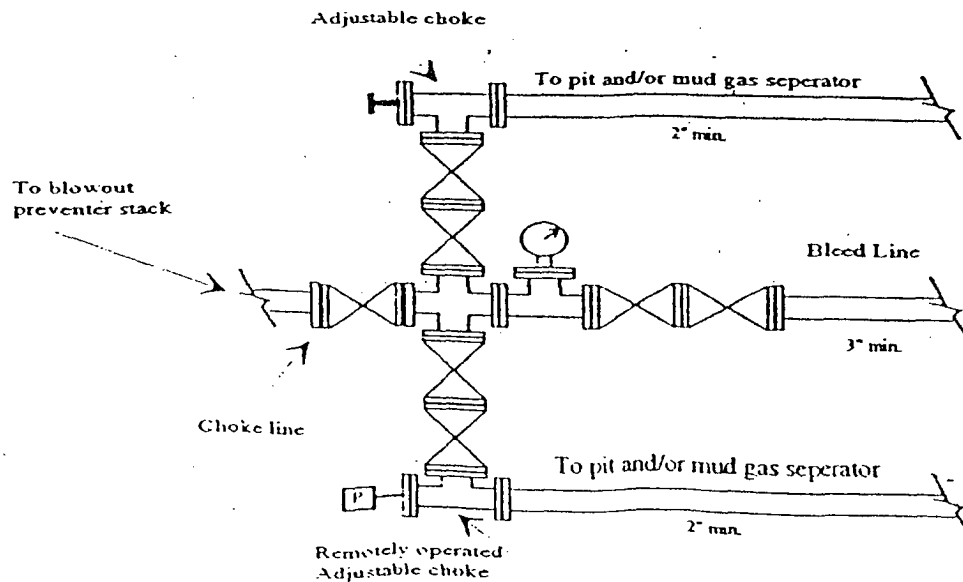
Conditions of Approval Attached ☐

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

February 10, 2006

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

RECEIVED

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OCD-ARTESIA

Re: Cigar BCM State Com #2
Section 36-T23S-R27E
Eddy 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 Atoka 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

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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 June 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33061	² Pool Code 80705	³ Pool Name Loving; Atoka, Southeast
⁴ Property Code 32246	⁵ Property Name Cigar BCM State Com	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3110'GR

¹⁰ Surface Location

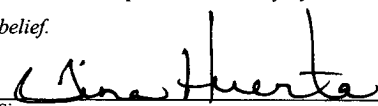

UL or lot no. P	Section 36	Township 23S	Range 27E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line East	County Eddy
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16	RECEIVED FEB 14 2006 OCD-ARTESIA	VA-1833	¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Tina Huerta Printed Name Regulatory Compliance Supervisor Title and E-mail Address February 10, 2006 Date
		VA-1884	¹⁸ 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:  Certificate Number

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Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33061		² Pool Code	³ Pool Name Wildcat Wolfcamp	
⁴ Property Code 32246	⁵ Property Name Cigar BCM State Com			⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3110'GR

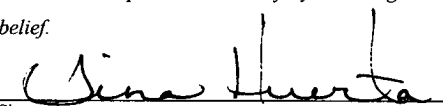

¹⁰ Surface Location

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RECEIVED FEB 14 2006 OCD-ARTESIA		VA-1884			

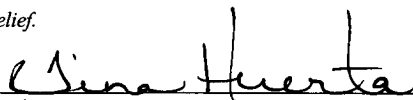
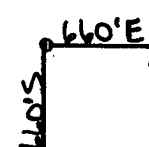
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⁴ Property Code 32246		⁵ Property Name Cigar BCM State Com			⁶ Well Number 2
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3110'GR

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