

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

Submit to appropriate District Office

☐ AMENDED REPORT

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 Property Code 35122 | | ⁴ API Number 30-015-23599 | |
| ⁵ Property Name Humidor SWD | | ⁶ Well No. 3 | |
| ⁹ Proposed Pool 1 Black River; Morrow, South | | ¹⁰ Proposed Pool 2 Black River; Atoka, East | |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 14 | 24S | 27E | | 1980 | North | 960 | West | 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 E | ¹² Well Type Code G | ¹³ Cable/Rotary N/A | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3165' GR |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth N/A | ¹⁸ Formation Delaware | ¹⁹ Contractor N/A | ²⁰ Spud Date ASAP |
| Depth to Groundwater <50' | | 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 |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| | | | | | |
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| | | | | | |
| | | | | | |

IN PLACE

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 make changes from its original C-101 to re-enter this well as an SWD. Yates plans to complete this well as a Morrow or Atoka well as follows: PU 9-1/2" bit to drill surface plug. Clean out 9-1/2" hole to 4710', this is where we had previously cleaned out to. Drill down to the 7-5/8" casing stub at +/-4860'. TIH with a mill to dress off the 7-5/8" casing. Log well from the casing stub up the intermediate casing at +/-2400'. Run +/-4860' of 7-5/8" casing with a slip joint to splice 7-5/8" casing. Circulate casing bottoms up before cementing. Tie the production casing back into the 10-3/4" casing using 13#/gal Class "H" cement with additives. WOC 48 hrs. TIH with a 6-1/2" bit and drilling assembly to clean out the casing down to the splice. Drill out cement plugs in 7-5/8" casing down to the cement plug at 9555'. Drill down to the liner top at 9775'. Clean off the liner top. Clean out cement and CIBP's down to 12,810'. Circulate hole clean with treated water. TIH with 5" packer and RBP and 2-3/8" tubing to test the existing Morrow perforations 12,627'-12,810'. Stimulate as needed. Straddle Morrow 11,864'-12,578' and stimulate. Consider straddling Morrow 11,864'-12,810' and turning well to production. Straddle Atoka 11,352'-11,372' and stimulate. Straddle Atoka 11,220'-11,243' and stimulate. Consider straddling Atoka 11,220'-11,372' and turning well to production or commingling the Morrow and Atoka after commingling has been approved.

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: tina@ypcnm.com

Date: April 26, 2006

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

Title:

Approval Date:

APR 28 2006

Expiration Date:

APR 28 2007

Conditions of Approval Attached ☐

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Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|--|
| ¹ API Number 30-015-23599 | ² Pool Code 97352 | ³ Pool Name Black River; Morrow, South |
| ⁴ Property Code 35122 | ⁵ Property Name Humidor SWD | |
| ⁷ OGRID No. 025575 | ⁸ Operator Name Yates Petroleum Corporation | ⁶ Well Number 3 |
| | | ⁹ Elevation 3164'GR |

¹⁰ Surface Location

| | | | | | | | | | |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot no. E | Section 14 | Township 24S | Range 27E | Lot Idn | Feet from the 1980 | North/South line North | Feet from the 960 | East/West line West | County Eddy |
|--------------------|---------------|-----------------|--------------|---------|-----------------------|---------------------------|----------------------|------------------------|----------------|

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.

| | | | | |
|-------------------|--|--|--|--|
| ¹⁶ | <p style="text-align: center;">RECEIVED APR 28 2006 MUNICIPALITY</p> | | | ¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division. Signature _____ Date April 27, 2006 Tina Huerta Printed Name |
| | | | | 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. Date of Survey _____ Signature and Seal of Professional Surveyor: _____ Certificate Number _____ |

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|--|--|---|
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| ⁴ Property Code 35122 | ⁵ Property Name Humidor SWD | ⁶ Well Number 3 |
| ⁷ OGRID No. 025575 | ⁸ Operator Name Yates Petroleum Corporation | ⁹ Elevation 3164'GR |

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