District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210 Month - Year

District III
1000 Rio Brazos Road, Aztec, NM 874

FEB 2 1 2007

OCD - ARTESIA. NR.

State of New Mexico

Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Submit to appropriate District Office

Oil Conservation Division 1220 South St. Francis Dr.

| District IV 1220 S. St. Fi | rancis Dr., S | Santa Fe, NM | \ | - THE . | , | Fe, NM 87 | | | | L AM | IENDED REPORT |
|---|------------------------------|---|--------------------------------------|-----------|---|---------------------------------|--------------|---|----------------------------|----------------|-----------------------------|
| APPL | ICATI | | | | | ENTER, I | EEPEN | N, PLUGBA | CK, C | R AD | D A ZONE |
| | | | Operator Name | | | | | | | D Number | |
| | • | • | Yates Petroleum | • | | | | | | 5575 Number | |
| | | | 105 South For Artesia, New Me | | | 30-005-63905 | | | | 905 | |
| Property Code Property 26888 Property AW. | | | | | Name & State | | | | ° Wel 2 | l No. | |
| Foor | For Ranch: Pre-Permian 16730 | | | | | ¹⁰ Proposed Pool 2 | | | | | |
| • | | , , , , , , , , , , , , , , , , , , , | | | ⁷ Surface | Location | | | | | |
| UL or lot no. | Section 8 | Township 10S | Range 26E | Lot I | idn Feet fro | I | South line | Feet from the 1980' | | est line | County Chaves |
| | | | | sed Botte | om Hole Locat | | | | | | Silavos |
| UL or lot no. | Section | Township | Range | Lot 1 | | | /South line | Feet from the | East/W | est line | County |
| | | 1 | | | lditional We | | | | | I | |
| | Type Code N | | ¹² Well Type Cod G | le | ¹³ Cable F | • | 14 | Lease Type Code S | | 15 Grou | nd Level Elevation 3807' |
| | (ultiple N | | 17 Proposed Dept 6160' | th | ¹⁸ Fort Base | mation ment | N | 19 Contractor ot Determined | | 2 | O Spud Date ASAP |
| Depth to Grou | indwater 50' but less | than 1000' | | Distance | e from nearest fres More than 200'/r | | I | Distance from nearest surface water more than 1000' | | | |
| | | tic XX 12_mil | ls thick Clay [| Pit Vo | olume: bbls | | | | | | |
| Close | ed-Loop Sys | stem 🔲 | | | | | | | Diesel/Oil- | based 🔲 | Gas/Air |
| | | | 21 | Propos | sed Casing a | nd Cemen | t Prograi | m | | | |
| Hole S | ize | Casii | ng Size | Casing | g weight/foot | Setting | Depth | Sacks of C | ement | | Estimated TOC |
| 12.2 | 2.5 | 8. | 3.625 | | 24# | 110 | 0, | 750 s | SX | | Surface |
| 7.87 | ' 5 | 5 | 5.5 | | 15.5# | 616 | 60' | 500 sx | | | ** |
| | | | | | | | | | | | |
| | | ļ | | | | | | | | | |
| *Cement t | | <u> </u> | l, gas & | | earing zones | CK give the d | oto on the n | resent productive | zone and s | aronosed r | navy productive |
| | | | | | | | ata on the p | resent productive | zone anu j | oroposeu i | iew productive |
| Yates Petroleum Corporation proposes to drill and test the Basement and intermediate formations. Approximately 1100' 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: 0-1100' FW Gel/Paper/LCM; 1100'-4270' Brine; 4270'-6160' Starch/Salt Gel. BOPE PROGRAM: a 2000# BOPE will be installed on the 8 5/8" casing and tested daily for operational. 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 Basement formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118. | | | | | | | | | emented, will und from the | | |
| | | | given above is t | | | OIL CONSERVATION DIVISION | | | | | ON |
| | | | ther certify tha guidelines [], a | | | Approved by | | | | | |
| 1 | alternativ | e OCD-appro | oved plan []. | | | | | BRYAN G | ARR | ANT | |
| Signature: Printed name | : Debbie I | . Caffall | -or Hans | 1 | | Title: | | DISTRICT | | | GIST |
| Title: Regula | | | | | | Approval D | ~ 0 f = | 2007 | Expiration | Date F E | B 2 7 2008 |
| E-mail Addre | | | | | | | EB # (| 2007 | | | |
| Date: 2/16/0 | | | Phone: (505) | 748-4376 | | Conditions of Approval Attached | | | | | |

District I

1625 №. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

Energy, Mineral and Paral Resources Department
OIL CON ERVATION DIVISION
1220 Soite t. Francis Dr.
Santa e, NM 87505

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1 A | • | | Pool Code | | oer Ranch; | Pool Nan | ne , | | | |
|--------------------------------|--|---------------|--------------------------|-----------|------------------------|------------------|---------------|----------------|-----------------------|--|
| ⁴ Property C | | | ⁶ Well Number | | | | | | | |
| | | | | | 2 | | | | | |
| ⁷ OGRID No. | | | | | ⁹ Elevation | | | | | |
| 025575 | | | | YATI | | 3807 | | | | |
| 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 | |
| О | 8 | 10S | 26E | | 990 | SOUTH | 1980 | EAST CHAVES | | |
| L., | 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 | East/West line County | |
| | | | | | | | | | | |
| 12 Dedicated Acres | 13 Joint o | r Infill 14 (| Consolidation | Code 15 O | rder No. | | | | | |
| 320 E/ | 2 | | | | | | | | | |

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 | The same of the sa | The second secon | ¹⁷ OPERATOR CERTIFICATION |
|----------|--|--|---|
| | 5 | | I hereby certify that the information contained herein is true and complete |
| | i. i | | 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 |
| | | , and the second se | 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. |
| | | : | 2/16/2007 |
| | • | | Signature Date |
| | | 3 | Signature Date |
| | 2 | | Debbie L. Caffall |
| | | .(| Printed Name |
| | 4 | | P. 1. A |
| | ē. | , and a second second | Regulatory Agent Title |
| | | 3 | |
| | | | 18SURVEYOR CERTIFICATION |
| | | 1 | I hereby certify that the well location shown on this |
| | | 3 | |
| | | | plat was plotted from field notes of actual surveys |
| | | 5 | made by me or under my supervision, and that the |
| | VO-5650 | | same is true and correct to the best of my belief. |
| | • | | |
| | | | Date of Survey |
| | · '} | | · · |
| | | 1980' | Signature and Seal of Professional Surveyor: |
| | \$ 9 | 3 | REFER TO ORIGINAL PLAT |
| | | 1 | |
| | , ab | | |
| | 9 | | |
| | | G. | G. C. A. N. J. |
| | | | Certificate Number |
| <u> </u> | A company of the second | r grandinini di gradini ili di G | |

DISTRICT I If N. Franch Dr., Hobbs, NM 80240 DISTRICT II 811 Seath First, Artesia, NM 88216 DISTRICT III . 1000 Rio Brazos Bd., Artec, NM 87410

DISTRICT IV 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

erey, Minerals and Mainral Mesources Department.

Form C-102 Submit to Appropriate District Office
State Lease - 4 Copies
For Lease - 3 Copies Revised March 17, 1999

OIL CONSERVATION DIVISION P.O. Box 2088

Santa Fe, New Mexico 87504-2088

RECEIVED OCD - ARTESIA - PENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| API Number | Pool Code | Pool Manney Labor |
|---------------|-----------------------------|-------------------|
| | Wildcat | Precambrian |
| Property Code | Property Name | Well Number |
| | HOOK "AWX" STATE | 2 |
| OCRID No. | Operator Name | Elevation |
| 025575 | YATES PETROLEUM CORPORATION | 3807 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot ldn | Feet from the | North/South line | Fast from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0 | 8 | 105 | 26E | | 990 | SOUTH | 1980 | EAST | CHAVES |

Bottom Hole Location If Different From Surface

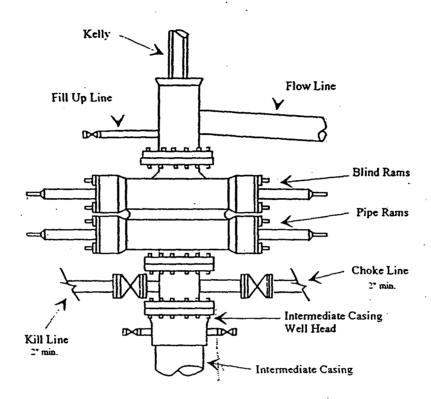
| UL or lot No. | Section 1 | Township | Runge | Lot lân | Feet from the | North/South line | Foot from the | East/Vest line | County |
|-----------------|-----------|------------|---------------|---------|---------------|------------------|---------------|----------------|--------|
| Dedicated Acres | Joint or | Infill Con | psolidation C | ode Ore | ler No. | | <u> </u> | | |
| 320.00 | | - [| | Į | | | | | |

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED

| OR A NON-SIAN | DARD UNIT HAS BEEN | AFFROVED DI III | P DIAISION |
|---------------|--------------------|-----------------|--|
| | \uparrow | | OPERATOR CERTIFICATION I hereby certify the the dysemation contained hereby is true and complete to the left of manhacitates and belief. |
| | ,861 | | Signature |
| | | | Pat Perez Printed Name |
| | • | 1980' | Regulatory Agent THIS 3-30-01 |
| | Hook"AWK" st. # | F(| Date |
| | | | SURVEYOR CERTIFICATION |
| | V-565 | 50 | I hereby carify that the well location shown on this plot was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my belief. |
| | | | 1/12/2001 Date Surveyed |
| | ,066 | - 1980° | Signature & Seal of Professional Survey of Sur |
| | | | MOOK 2 C/S M-1 CHIEFON SUBVEYING COMPANY OFESSIONAL |

Yates Petroleum Corporation

Typical 2,000 psi Pressure System
Schematic
Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimun features

