

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

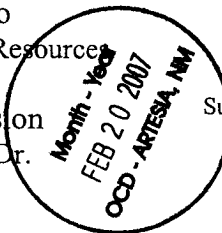
State of New Mexico
Energy Minerals and Natural Resources

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 API Number 30-015-23540
⁴ Property Code 12175	⁵ Property Name Davis NC Com	⁶ Well No. 1
⁹ Proposed Pool 1 Penasco Draw; Permo Penn		¹⁰ Proposed Pool 2

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
I	11	19S	24E		1980	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 P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3602' GR
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Mississippian	¹⁹ Contractor N/A	²⁰ Spud Date ASAP
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input checked="" 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
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 plugback and recomplete this well as follows: Set a 7" CIBP at 8654' with 35' cement on top. Perforate Cisco 6506'-6509' (10), 6514'-6518' (10), 6525'-6529' (10), 6532'-6537' (12), 6558'-6562' (10) and 6566'-6576' (22) for a total of 74 holes. 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 16, 2007

Phone: 505-748-4168

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT
DISTRICT II GEOLOGIST

Title:

Approval Date: **FEB 26 2007**

Expiration Date: **FEB 26 2008**

Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240

District II

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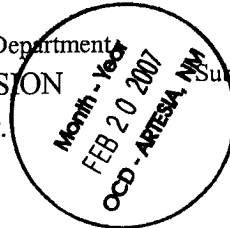
District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

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

State of New Mexico
 Energy, 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 30-015-23540		² Pool Code 82775		³ Pool Name Penasco Draw; Permo Penn	
⁴ Property Code 12175		⁵ Property Name Davis NC Com			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3602'GR

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
I	11	19S	24E		1980	South	660	East	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

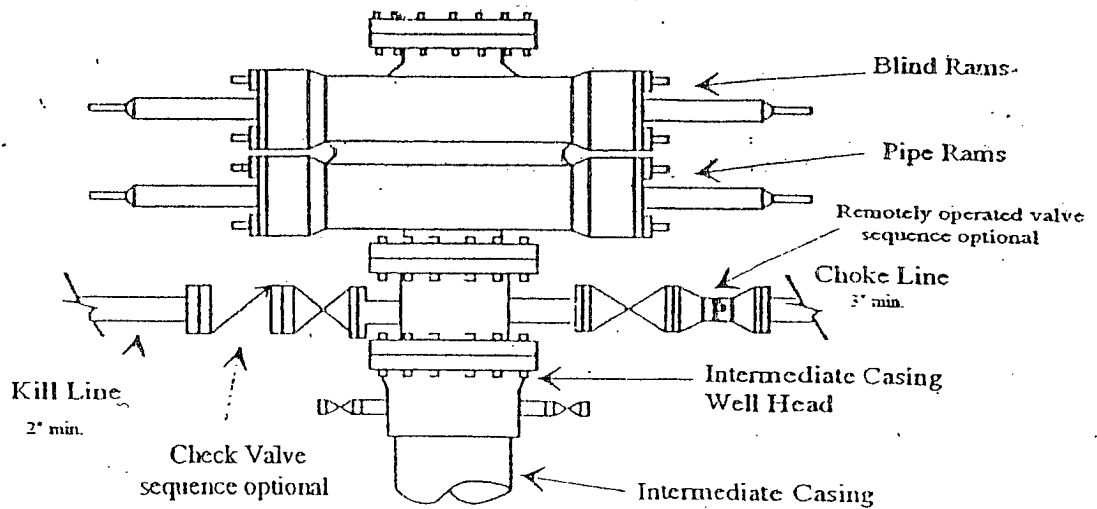
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

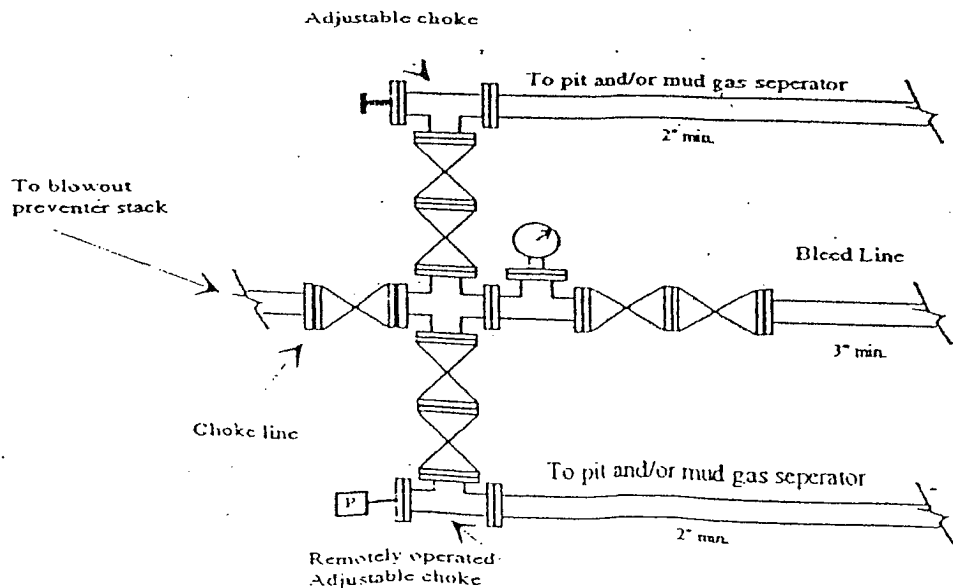
16				<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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.</i></p> <p><i>Tina Huerta</i> February 16, 2007 Signature Date</p> <p>Tina Huerta Printed Name</p>	
				<p>¹⁸ SURVEYOR CERTIFICATION</p> <p><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></p> <p>Date of Survey Signature and Seal of Professional Surveyor:</p>	
				<p>Certificate Number</p>	
				<p>660'E</p> <p>1980'S</p>	

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



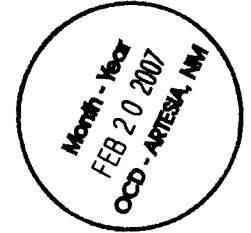
MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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 16, 2007



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

Re: Davis NC Com #1
Section 11-T19S-R24E
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 Upper Penn formation to even meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script that reads 'Tina Huerta'.

Tina Huerta
Regulatory Compliance Supervisor