State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Di∉/nct II

1301 W. Grand Avenue, Artesia, NM 88219 District III

1000 Rio Brazos Road, Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 8750

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

Submit to appropriate District Office

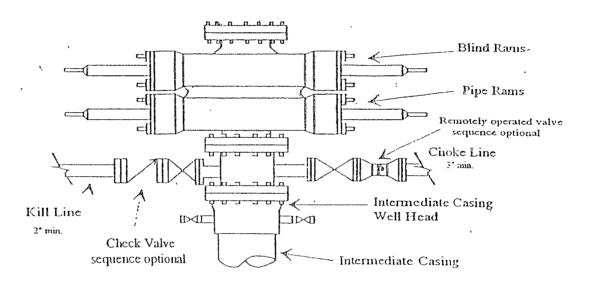
SEP 0 6 2007

☐ AMENDED REPORT

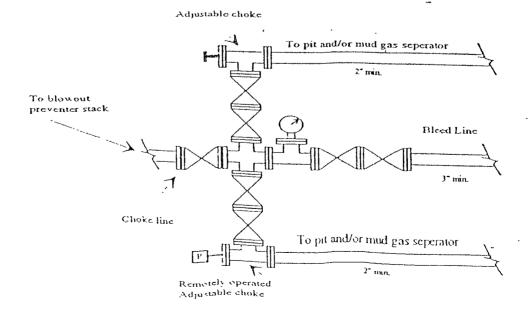
APPL	ICATI	ON FO	R PERMIT	TO DI	RILL, RE-	ENTER. I	DEEPEN	OCD-ARI PLUGBAG		R ADI	D A ZONE	
APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, Operator Name and Address									² OGRID Number			
Yates Petroleum Corporation 105 S. 4 th Street								025575 3 API Number				
Artesia, NM 88210							30-015-34929					
3 Prope			⁵ Property	Name ° Well No. er State Unit 1								
			ivianchesie									
	11	9 Proposed Pool 1		¹⁰ Proposed Pool 2								
	Wildcat Upper Penn ⁷ Surface Location											
UL or lot no	r lot no Section Township Range		Range			om the North/South line		Feet from the	East/Wes	East/West line Cou		
D	20 19S 23E						North	660	West		Eddy	
⁸ Proposed Bottom Hole Location If Different From Surface												
UL or lot no	UL or lot no Section Town		Range Lot 1		dn Feet fr	om the Nort	th/South line	uth line Feet from the		st line	County	
Additional Well Information												
					13 Cabl	le/Rotary 14 I		Lease Type Code	T	15 Ground Level Elevation		
A 16 x x x			G 17 P 1 P 1		N/A			S		4062'GR 20 Spud Date		
¹⁶ Multiple Y			¹⁷ Proposed Depth N/A		¹⁸ Formation Mississippian			¹⁹ Contractor N/A		ASAP		
Depth to Groundwater				Distance	e from nearest fre	sh water well	vell Distance from		n nearest surface water			
Pit: Liner. Synthetic mils thick Clay Pit Volume: bbls Drilling Method:												
Closed-Loop System Fresh Water Brine Diesel/Oil-based Gas/Air												
²¹ Proposed Casing and Cement Program												
Hole Size		Casing Size		Casing	g weight/foot	Setting	g Depth	Sacks of Cement		Estimated TOC		
					IN P	LACE					<u></u>	
							data on the pi	esent productive z	one and pro	oposed n	ew productive zone.	
	_	-	rogram, 1f any. Us									
Yates Petro	oleum Co	rporation	plans to recom	plete this	well as follow	vs: Set a flow te as needed	w through o	composite plug : duce after receiv	at +/-769	4'. Per	forate Cisco	
0150 -0100	(22), 0.	370 -037	0 (14) and 040	0 -0-10	(22). Simula	ite as needed	Whi plot	duce after recen	ing Dire	z appro	vai.	
²³ I hereby certify that the information given above is true and complete to the						OIL CONSERVATION DIVISION						
best of my knowledge and behef. I further certify that the drilling pit will be constructed according to NMQCD guidelines, a general permit, or						Approved by:						
an (attached) alternative OCD approved plan .												
Signature A. D. Shares Ta						BRYAN G. ARRANT						
Printed name: Tina Huerta							Title:					
Title: Regula	hance Sup	ervisor		Approval Date: SEP 1 1 2007 Expiration Date SEP 1 1 2008								
E-mail Address: tınah@ypcnm.com												
Date: September 4, 2007 Phone: 505-748-4168						Conditions of Approval Attached						

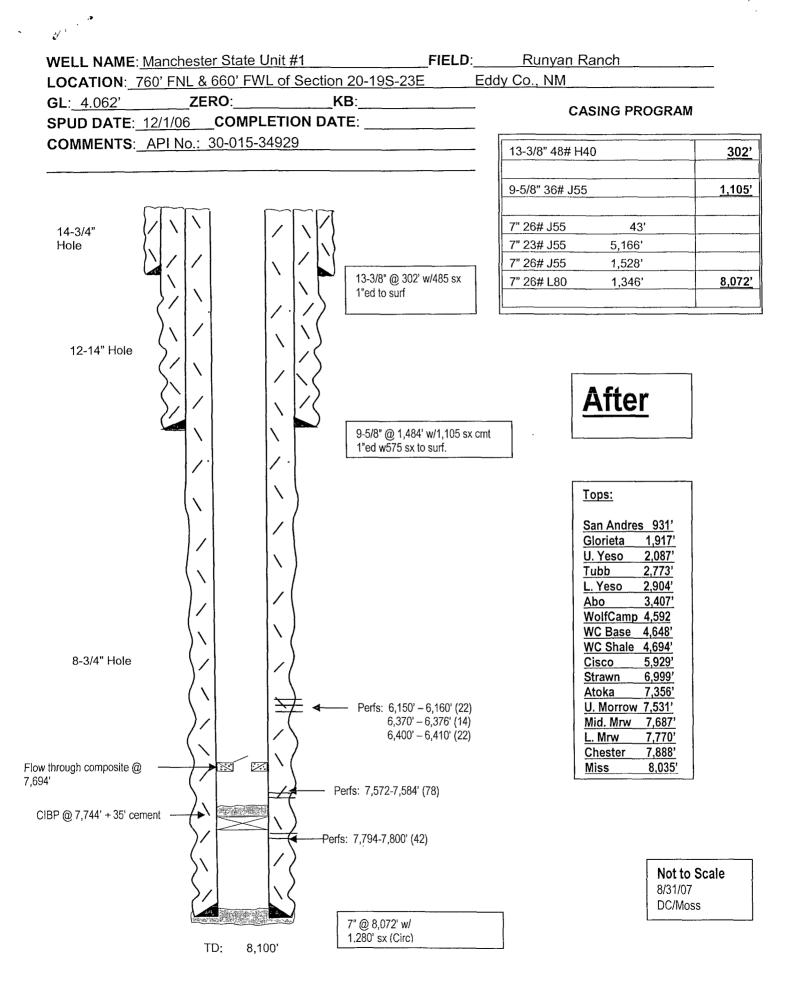
Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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







1936-1986



105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118

TELEPHONE (505) 748-1471

S P YATES CHAIRMAN EMERITUS

JOHN A. YATES CHAIRMAN OF THE BOARD

> PEYTON YATES PRESIDENT

FRANK YATES, JR. EXECUTIVE VICE PRESIDENT

JOHN A YATES, JR SENIOR VICE PRESIDENT

September 4, 2007

SFP 0 6 2007 **OCD-ARTESIA**

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

Re:

Manchester State Unit #1 Section 20-T19S-R23E 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 Cisco 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