

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

Well file

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 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575 ³ API Number 30-015-35838
⁴ Property Code	⁵ Property Name Gurkha BKG State Com.	
⁹ Proposed Pool 1 Salt Draw, Morrow		¹⁰ Proposed Pool 2 West

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	24S	27E		990'	South	660'	East	Eddy

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 N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3096'
¹⁶ Multiple N	¹⁷ Proposed Depth 13,100	¹⁸ Formation Morrow	¹⁹ Contractor Undes.	²⁰ Spud Date ASAP
Depth to Groundwater 19'		Distance from nearest fresh water well 1.6 miles		Distance from nearest surface water 1 mile
Pit: Liner: Synthetic XX 12_mils thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48#	650'	675	0
12.25	9.625	36#	2500'	980	0
8.75	7.0	23 & 26#	9300'	1150	2000
6.125	4.5	11.6#	13,100'	525	8800

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 proposes to drill and test the Morrow/intermediate formations. Approximately 650' of surface casing will be set/cemented. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-650' FWGel; 650-2500' Brine; 2500-9300' FW; 9300-10,000' Brine; 10,000-13,100' SaltGel/Starch/4-6% KCL.
BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily.
Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S anticipated from the surface to the Morrow formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

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 NM OCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature: 

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address:

Date: 6/25/2007

Phone: (505) 748-4372

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARANT
DISTRICT GEOLOGIST

Title:

Approval Date: **OCT 02 2007**

Expiration Date: **OCT 02 2008**

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96819	Pool Name Salt Draw, Morrow, West
Property Code 36766	Property Name GURKHA "BKG" STATE COM.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3096

Surface Location

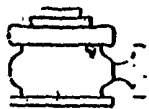
UL or lot No. P	Section 36	Township 24S	Range 27E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 660	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

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

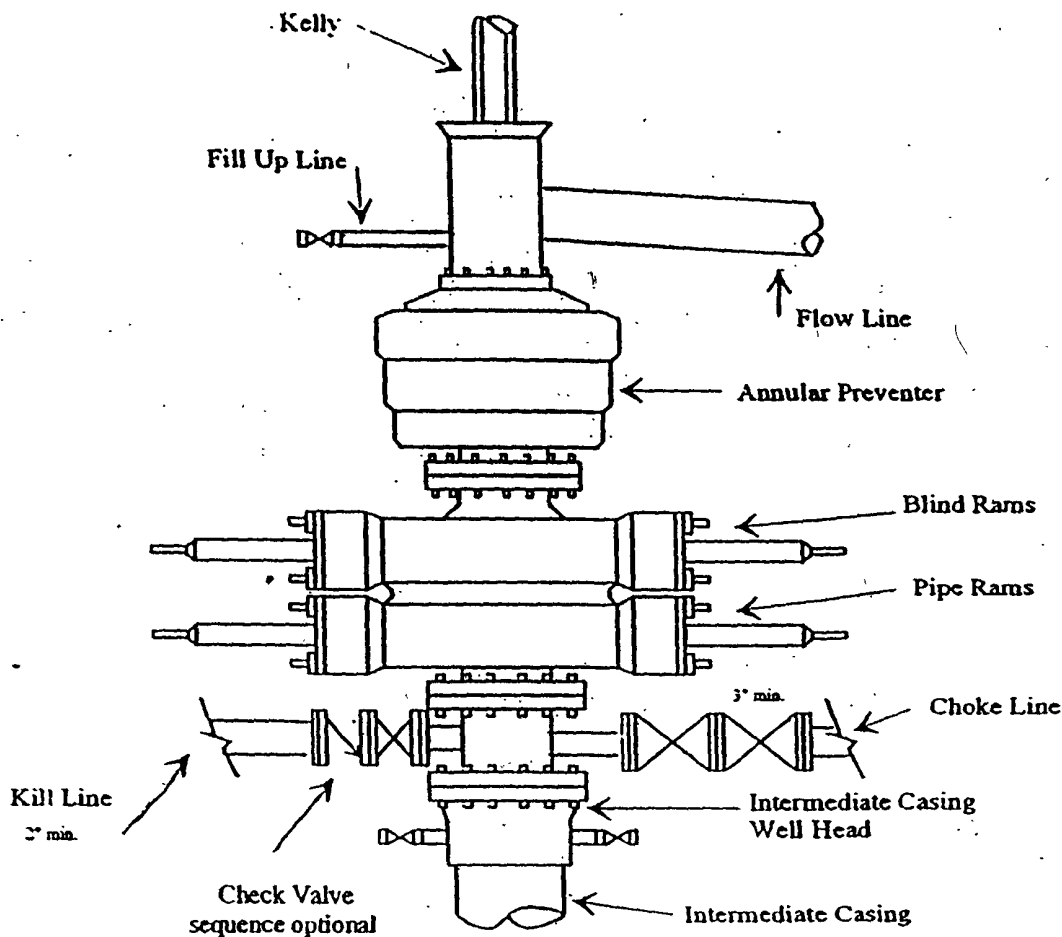
				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant 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.</p> <p><i>[Signature]</i> 6/25/07 Signature Date</p> <p>Cy Cowan, Regulatory Printed Name Agent</p>	
				<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>6/21/2007 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>[Seal of Herschel L. Jones, New Mexico Professional Surveyor No. 3648]</i></p> <p>Certificate No. Herschel L. Jones 3640</p>	



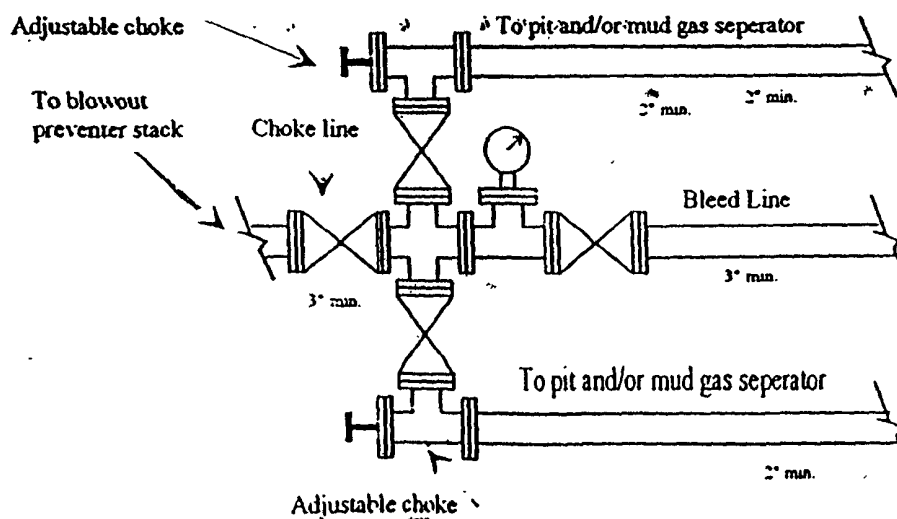
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



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



Permit Conditions of Approval

Operator: [REDACTED]

Well: I _____

API:

OCD Reviewer	Condition
BArrant	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15 2.50, and the Pit and Below-Grade Tank Guidelines
BArrant	As noted, operator is to drill surface hole with fresh water mud.
BArrant	Surface casing to be set above the Salado Please refer to offset geology for more information