District I 1625 N French Dr , Hobbs, NM 88240 District II

Date May 15, 2007

Phone 505-748-4168

1301 W Grand Avenue, Artesia, NM 88210 District III

1000 Rio Brazos Road, Aztec, NM 87410 District IV

State of New Mexico Energy Minerals and Natural Resources NOV 27 2007

Form C-101 May 27, 2004

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

OCD-ARTESIA

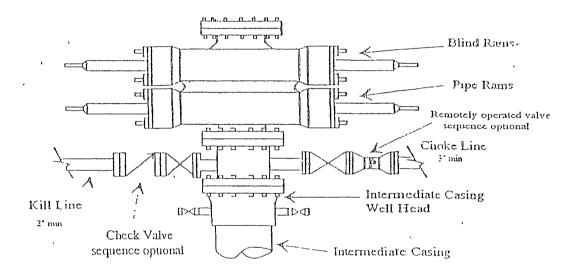
☐ AMENDED REPORT

1220 S St Fiancis Dr , Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number Yates Petroleum Corporation 105 S 4th Street Artesia, NM 88210 025575 API Number 30-015-26465 Property Name Well No Property Code 12789 State CO Com 5 9 Proposed Pool 1 10 Proposed Pool 2 Canyon, Wolfcamp ⁷ Surface Location Feet from the North/South line UL or lot no Section Township Range Lot Idn Feet from the East/West line County 24E 660 36 19S North 660 East Eddy Α ⁸ Proposed Bottom Hole Location If Different From Surface Feet from the North/South line UL or lot no Section Township Lot Idn Feet from the East/West line County Additional Well Information 13 Cable/Rotary 15 Ground Level Elevation Work Type Code ¹² Well Type Code 14 Lease Type Code Oil × N/A S 3578'GR 19 Contractor 20 Spud Date 16 Multiple 17 Proposed Depth 8 Formation ASAP Canyon N/A N/A Ν Depth to Groundwater Distance from nearest fresh water well Distance from nearest surface water Linei Synthetic mils thick Clay Pit Volume Drilling Method Fresh Water Brine Diesel/Oil-based Gas/Air Closed-Loop System Proposed Casing and Cement Program Casing weight/foot Setting Depth Sacks of Cement Estimated TOC Hole Size Casing Size 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 7620' with 35' cement on top Perforate Wolfcamp 5876'-5878' (6) and 5998'-6002' (10) Stimulate as needed. ²³ I hereby certify that the information given above is true and complete to the OIL CONSERVATION DIVISION best of my knowledge and belief I further certify that the drilling pit will be constructed according to NMOCD guidelines [], a general permit [], or Approved by an (attached) alternative OCD-approved plan **BRYAN G. ARRANT** Signature DISTRICT II GEOLOGIST Printed name Tina Huerta Title DEC 0 3 2007 Expuation IDEC 0 3 2008 Title Regulatory Compliance Supervisor Approval Date E-mail Address tinah@ypcnm.com

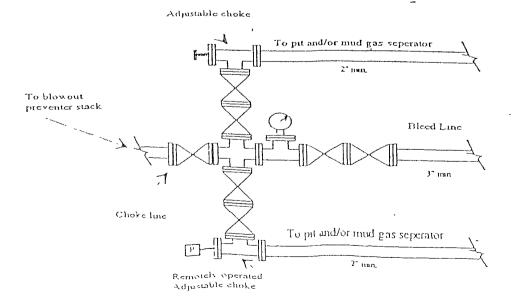
Conditions of Approval Attached

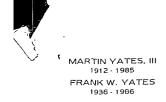
Yates Petroleum Corporation

Typical 3,000 psi Pressure System
Schematic



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







105 SOUTH FOURTH STREET ARTESIA, NEW MEXICO 88210-2118 TELEPHONE (505) 748-1471

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NOV 27 2007 OCD-ARTESIA

May 15, 2007

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

Re: State CO Com #5

Section 36-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 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

District 1 ,

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

320 40

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies

1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505					Santa Fe, N	M 87505	Orth,	VENTA PA		: Lease - 3 Cop ENDED REPO	
		W	ELL LO	OCATIO	N AND ACE	REAGE DEDIC	CATION PLA	<u>, 1</u> 2,			
1	r	1	² Pool Code	:	ACREAGE DEDICATION PLAT						
30-015-26465				8450			Canyon; Wolfcamp				
⁴ Property Code			⁵ Property Name								
12789			5								
OGRID No.			⁹ Elevation								
025575		Yates Petroleum Corporation								3578'GR	
	•	-			¹⁰ Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County	
A	36	19S	24E		660	North	660	Ea	st	Eddy	
	,•	A	11 B	ottom Ho	le Location I	f Different From	m Surface		-		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/W	est line	County	
Dedicated Acre	s 13 Joint o	r Infill 14 C	onsolidation	Code 15 Or	der 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.CO.F	17 OPERATOR CERTIFICATION If 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 pocation pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary podling agreement or a compulsory pooling order heretofore entered by the division May 15, 2007 Signature Date Tima Fluctta 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: