

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

MAY 15 2008
OCD-ARTESIA

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 -015-21643
⁴ Property Code 37171	⁵ Property Name Cigarillo SWD	⁶ Well No. 1
⁹ Proposed Pool 1 Devonian		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
G	36	23S	27E		1980	North	1980	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 E	¹² Well Type Code SWD	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3137'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,500'	¹⁸ Formation Devonian	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater 75'		Distance from nearest fresh water well: More than 1000'		Distance from nearest surface water: 1000' or more
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method				
Closed-Loop System <input type="checkbox"/> 10 ranking Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	68#	500'-in place	475	0
12 1/4"	9 5/8"	36#	0-2958'-in place	1000	Did not circulate
8 1/2"	5 1/2"	17 & 20#	0-13,500'	1650	0

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.

See Attached Sheet

NOTE: New Pit Rule
NMAC 19-15-17

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 ☐.

Printed name Cy Cowan

Title: Regulatory Agent

E-mail Address: cy@ypcnm.com

Date: February 20, 2008

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Ty

Approval Date:

Conditions of Approval Attached ☐

YATES PETROLEUM CORPORATION

Cigarillo SWD #1 Re-entry

1980' FNL & 1980' FWL

Section 36-T23S-R27E

Eddy County, New Mexico

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Coquina Oil Corporation as their HNG State #1, which was plugged in 12/6/75. Marbob Energy Corporation re-entered the well in 4/25/77 and then plugged the well 5/3/77. Yates will use a pulling unit and a reverse unit to drill out the cement plugs in the 9 5/8" casing to the top of the plug set at 2900'. Rig down the pulling unit and move off the well.

A drilling rig will be moved onto location and the remaining plugs will be drilled out to the original TD of 12,965'. The hole will be deepened to a TD of 13,500'. Appropriate open hole logs will be run as per Geology. Then, 5 1/2" casing will be run and cemented with 1650 sacks to bring the cement top to surface. Move off the drilling rig and the well will then be completed using a pulling unit. The well will be turned into a Devonian SWD well. The mud program will be 9.6 to 10.8 ppg increasing weigh as necessary. A 5,000 psi BOP will be used.

WELL NAME: Cigar SWD #X I FIELD: _____

LOCATION: 1,980' FNL & 1,980' FEL of Section 36-23S-27E Eddy Co., NM

GL: 3,137' ZERO: _____ KB: _____

SPUD DATE: 10/8/75 COMPLETION DATE: _____

COMMENTS: API No.: 30-015-21643

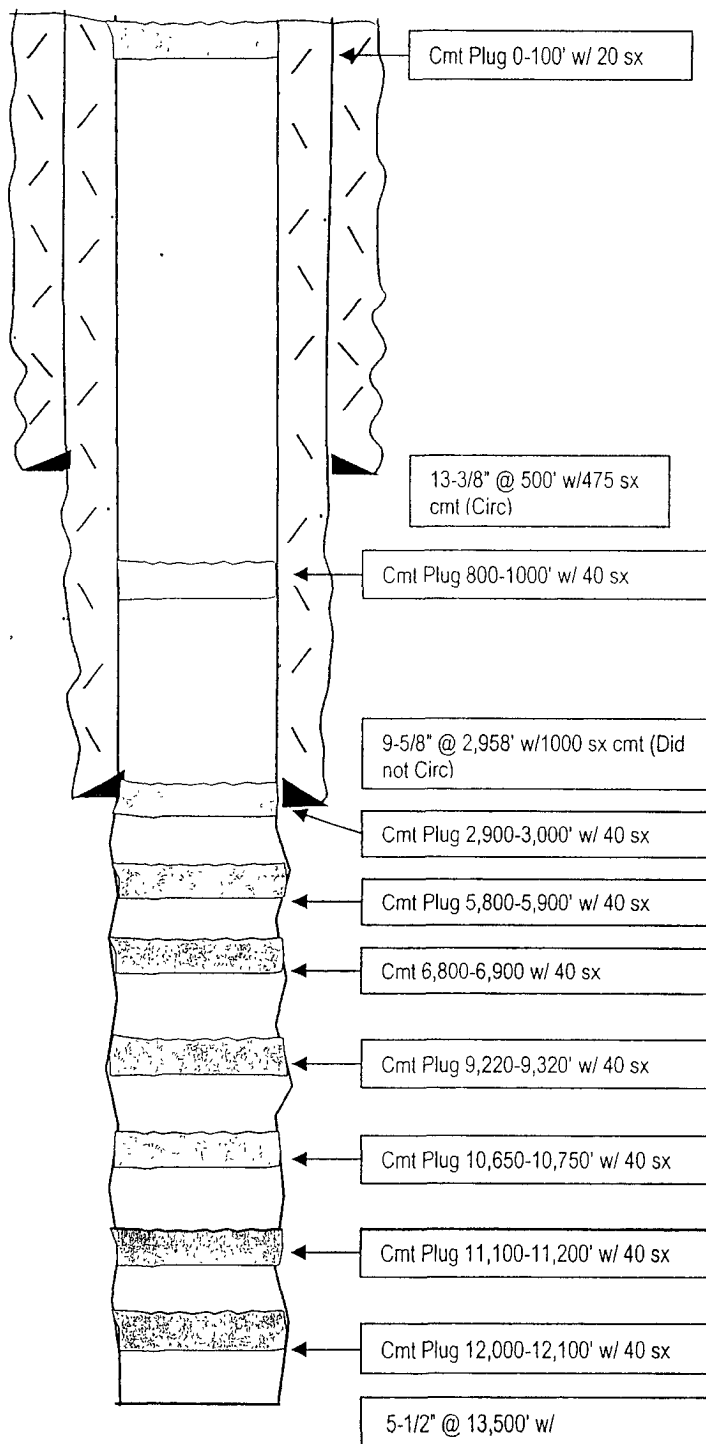
P&A'd 12/6/75 2nd P&A 5/3/77

State – Surface (Formerly HNG #1)

CASING PROGRAM

13-3/8" 68# K-55	500'
9-5/8" 36# K-55	2,958'
5-1/2" 20# P110 (?)	13,500'

17-1/2"
Hole



12-1/4" Hole

8-1/2" Hole

TD: 12,965'

Before

TOPS

DW Sand	2,350'
BS	5,915'
1 st BS Sd	6,930'
WC	9,270'
Strawn	10,950'
Atoka	11,235'
Morrow Ls	11,955'
Morrow Clas	12,099'

Not to Scale
1/4/08
DC/Hill

WELL NAME: Cigar SWD #X | FIELD:

LOCATION: 1,980' FNL & 1,980' FEL of Section 36-23S-27E Eddy Co., NM

GL: 3,137' ZERO: KB:

SPUD DATE: 10/8/75 COMPLETION DATE:

COMMENTS: API No.: 30-015-21643

P&A'd 12/6/75 2nd P&A 5/3/77

State – Surface (Formerly HNG #1)

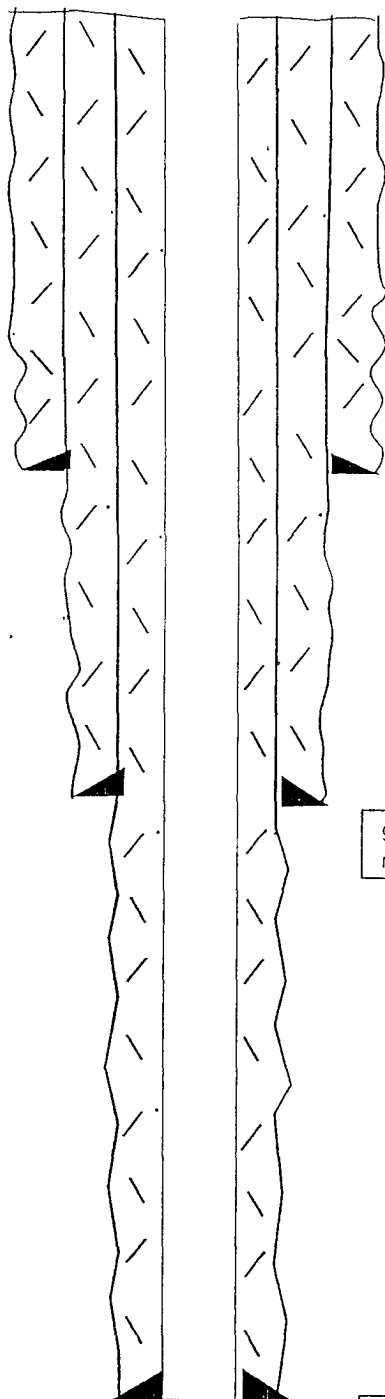
CASING PROGRAM

13-3/8" 68# K-55	500'
9-5/8" 36# K-55	2,958'
5-1/2" 17 & 20# J-55, L-80 P110	13,500'

17-1/2"
Hole

12-1/4" Hole

? " Hole



13-3/8" @ 500' w/475 sx
cmt (Circ)

9-5/8" @ 2,958' w/1000 sx cmt (Did
not Circ)

5-1/2" @ 13,500' w/

TD: 13,500'

After

TOPS

DW Sand	2,350'
BS	5,915'
1 st BS Sd	6,930'
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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	² Pool Code	³ Pool Name Wildcat Devonian
⁴ Property Code	⁵ Property Name Cigarillo SWD	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3137

¹⁰ Surface Location

UL or lot no G	Section 36	Township 23S	Range 27E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 1980	East/West line East	County Eddy
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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
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¹² Dedicated Acres 0	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	¹⁷ OPERATOR CERTIFICATION <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> <div style="display: flex; justify-content: space-between;"> <div> </div> <div>February 20, 2008</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Signature</div> <div>Date</div> </div> <div>Cy Cowan</div> <div>Printed Name</div>	
	¹⁸ SURVEYOR CERTIFICATION <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> Refer to Original Plat Date of Survey Signature and Seal of Professional Surveyor	
	Refer to Original Plat Certificate Number	

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-107
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

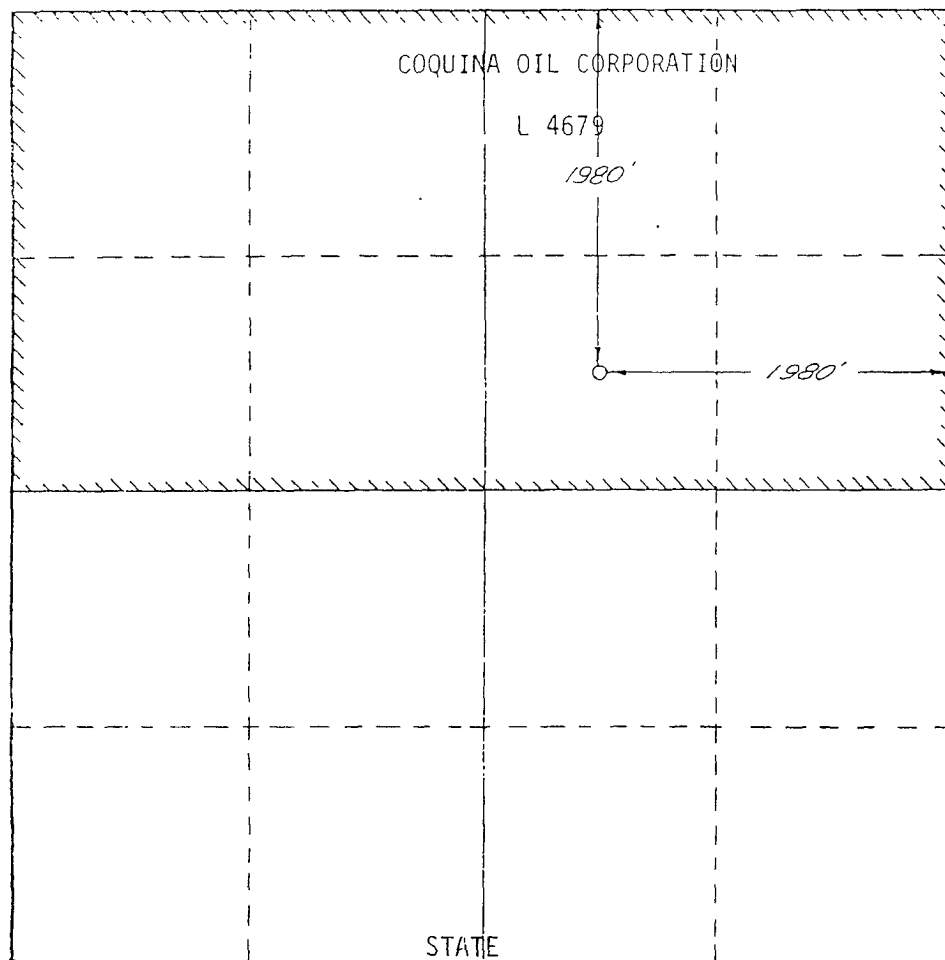
COQUINA OIL CORPORATION			HNG State		Well No. 1
Unit Section	Section	Traverse	Range	County	
G	36	23-S	27-E	EDDY	
Actual Footage Location of Well:					
1980	feet from the	North	line and	1980	feet from the East line
3137'		Morrow		Undesignated	320' -

- 1 Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- 2 If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
- 3 If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated (Use reverse side of this form if necessary) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief

J. T. Berry

Name

J. T. Berry

Position

Superintendent

Company

Coquina Oil Corporation

Date

September 30, 1975

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 knowledge and belief.

August 11, 1975

Date Surveyed

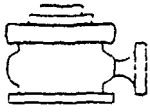
Richard B. Duniven

Registered Professional Engineer and/or Land Surveyor

Richard B. Duniven

Certificate No.

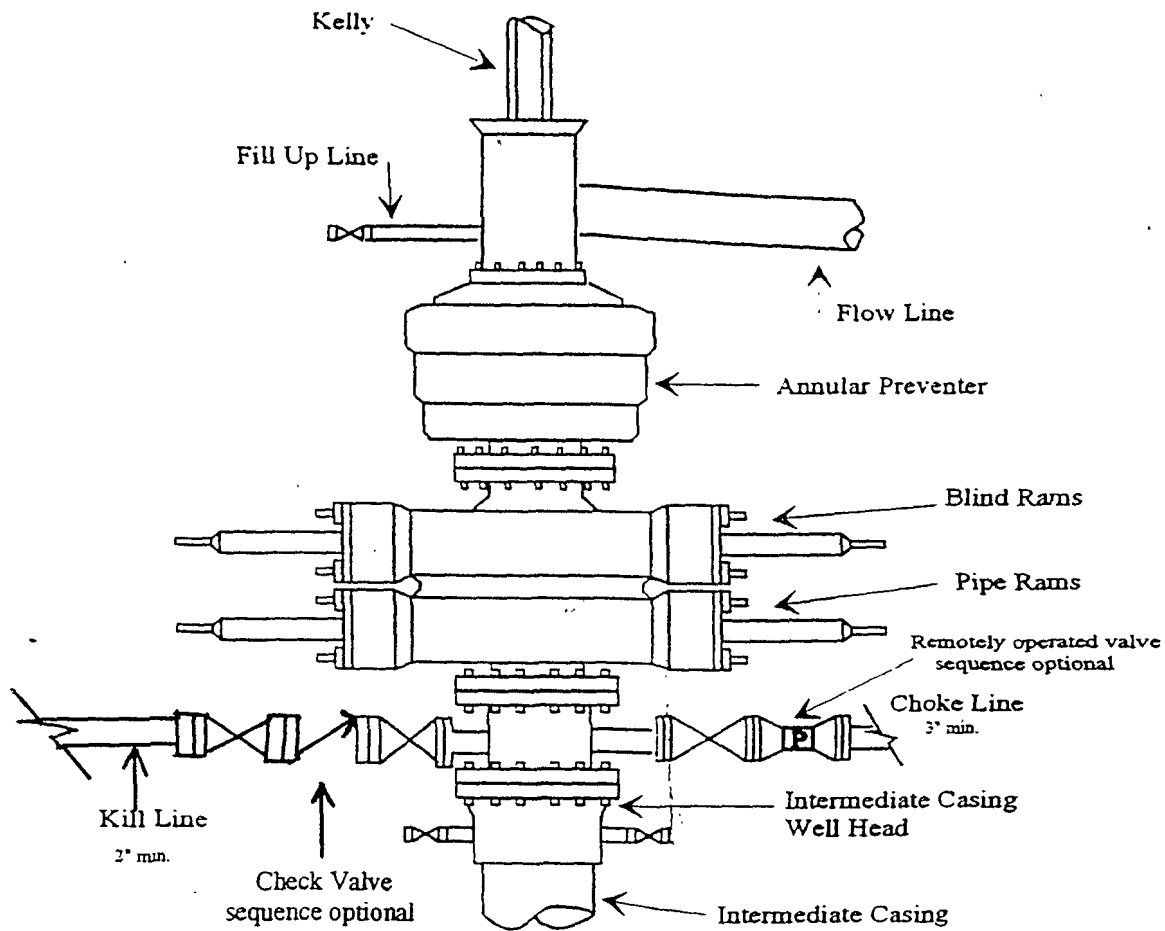
4882



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

