

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

MAR 13 2009

Form C-101
June 16, 2008

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**

Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-015-37004
³ Property Code 12801	⁵ Property Name Stonewall EP State	⁶ Well No. 9
⁹ Proposed Pool 1 Burton Flat; Morrow (Pro Gas)		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. I	Section 19	Township 20S	Range 28E	Lot Idn I	Feet from the 1980'	North/South line South	Feet from the 660'	East/West line East	County Eddy
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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
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3269'
¹⁶ Multiple N	¹⁷ Proposed Depth 11,500'	¹⁸ Formation Morrow	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48#	600'	650 sx	0
12.25	9.625	36#	2600'	1025 sx	0
8.75	5.5	17#	11500	3600 sx	2100

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 600' of surface casing will be set and cement circulated. Intermediate casing will be set at 2600', cement circulated to surface. If commercial, production casing will be ran can cemented, perforated and stimulated as need to gain production.

MUD PROGRAM: 0-600' FW Paper; 600'-2600' FW/LCM; 2600'-10300' Cut Brine; 10300'-11500' Salt Gel/Starch/ 4-6%KCL

BOPE PROGRAM: a 5000# BOPE will be installed on the 9.625" casing and tested daily for operational..

Sources at YPC have relayed information to me that they believe there will not be enough H2S found 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.

Signature:

Cy Cowan
Cy Cowan

Printed name:

Regulatory Agent

Title:

E-mail Address:

cy@yatespetroleum.com

Date:

March 12, 2009

Phone:

(575) 748-4372

OIL CONSERVATION DIVISION

Approved by:

Jacquie Beaver
Geologist

Title:

Approval Date:

3/18/09

Expiration Date:

3/18/2011

Conditions of Approval Attached ☐

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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

30-015-37004 WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-37001		² Pool Code 73280	³ Pool Name Burton Flat, Morrow (Pro Gas)
⁴ Property Code 12801	⁵ Property Name Stonewall EP State		⁶ Well Number 9
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 3269'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
I	19	20S	28E		1980'	South	660'	East	Eddy

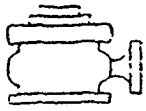
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 320 S2	¹³ Joint or Infill	¹⁴ Consolidation Code		¹⁵ 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.

¹⁶					¹⁷ OPERATOR CERTIFICATION 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 undivided 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>[Signature]</i> 1/16/08 Signature Date for - Cy Cowan, Regulatory Agent Printed Name				
				K-5115					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 REFER TO ORIGINAL PLAT Certificate Number

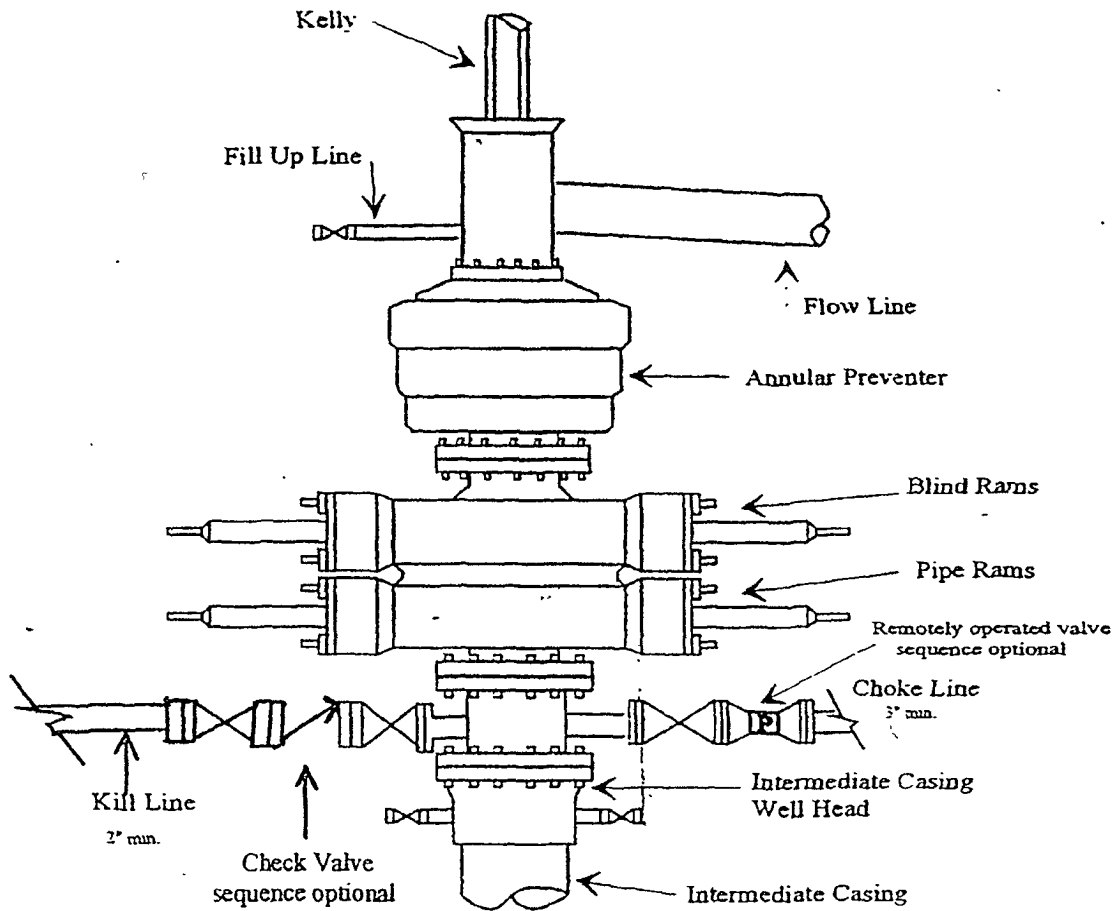
GOVERNORS OF THE UNITED STATES



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

