

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised March 17, 1999
Instructions on back
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

DISTRICT II
811 South First, Artesia, NM 88210

RECEIVED
OIL CONSERVATION DIVISION
PO BOX 2088 JAN 13 2004
Santa Fe, NM 87504-2088
OGD ARTESIA

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87501

☐ 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- 33173
⁴ Property Code	⁵ Property Name Kylie AYW	⁶ Well No. 1

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
K	13	23S	27E		1650'	South	1980'	West	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
⁹ Proposed Pool 1 Mississippian					¹⁰ Proposed Pool 2 Loving; Morrow, North				

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3094'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,850'	¹⁸ Formation Mississippian	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48# @ 40	2450'	500 sx	Surface
12 1/4"	9 5/8"	36#	2450'	1100 sx	Surface
8 3/4"	7"	26#	10500'	1650 sx	TOC-2000'
6 1/4"	4 1/2"	11.6#	12850'	400 sx	TOC-10000'

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 productivity. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 500' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.
MUD PROGRAM: 0-500' FWGel; 500'-2450' Brine; 2450'-9100' Cut Brine; 10300'-12850' Polymer.
BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Cy Cowan</i>		OIL CONSERVATION DIVISION Approved by: <i>Jim L. Brown</i> Title: <i>District Supervisor</i>	
Printed name: Cy Cowan		Title: _____	
Title: Regulatory Agent		Approval Date: JAN 14 2004 Expiration Date: JAN 14 2005	
Date: 01/09/04	Phone: (505) 748-1471	Conditions of Approval Attached <input type="checkbox"/>	

**Set Surface Casing above Salado.
Refer to offset logs.**

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

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102

Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name KYLIE AYV			Well Number 1
OGRID No. 025575		Operation Name YATES PETROLEUM CORPORATION			Elevation 3095

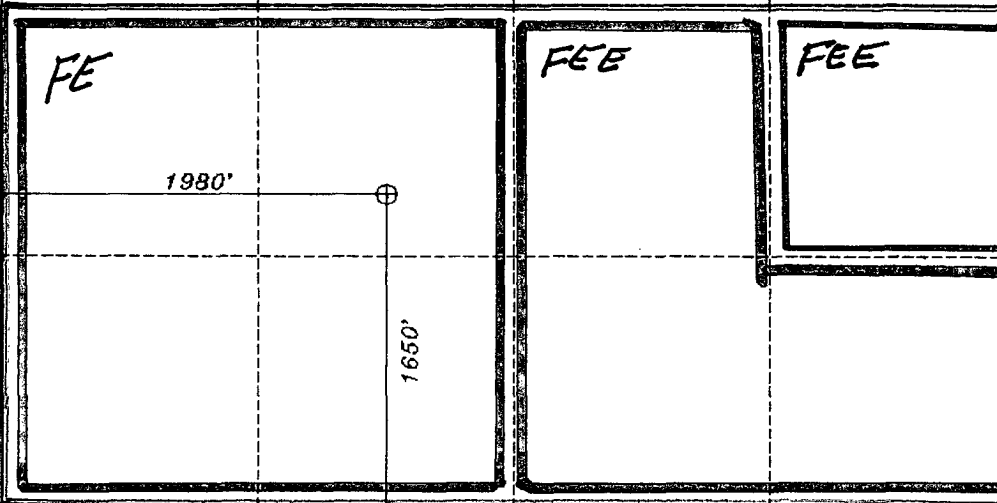
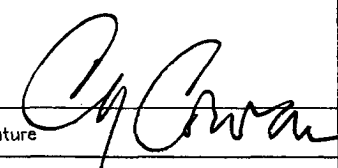
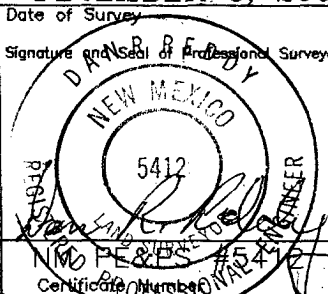
Surface Location

UL or Lot No. K	Section 13	Township 23-S	Range 27-E	Lat Idn.	Feet from the 1650	North/South line SOUTH	Feet from the 1980	East/West line WEST	County EDDY
---------------------------	----------------------	-------------------------	----------------------	----------	------------------------------	----------------------------------	------------------------------	-------------------------------	-----------------------

Bottom Hole Location If Different From Surface

UL or Lot No.	Section	Township	Range	Lat 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 INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

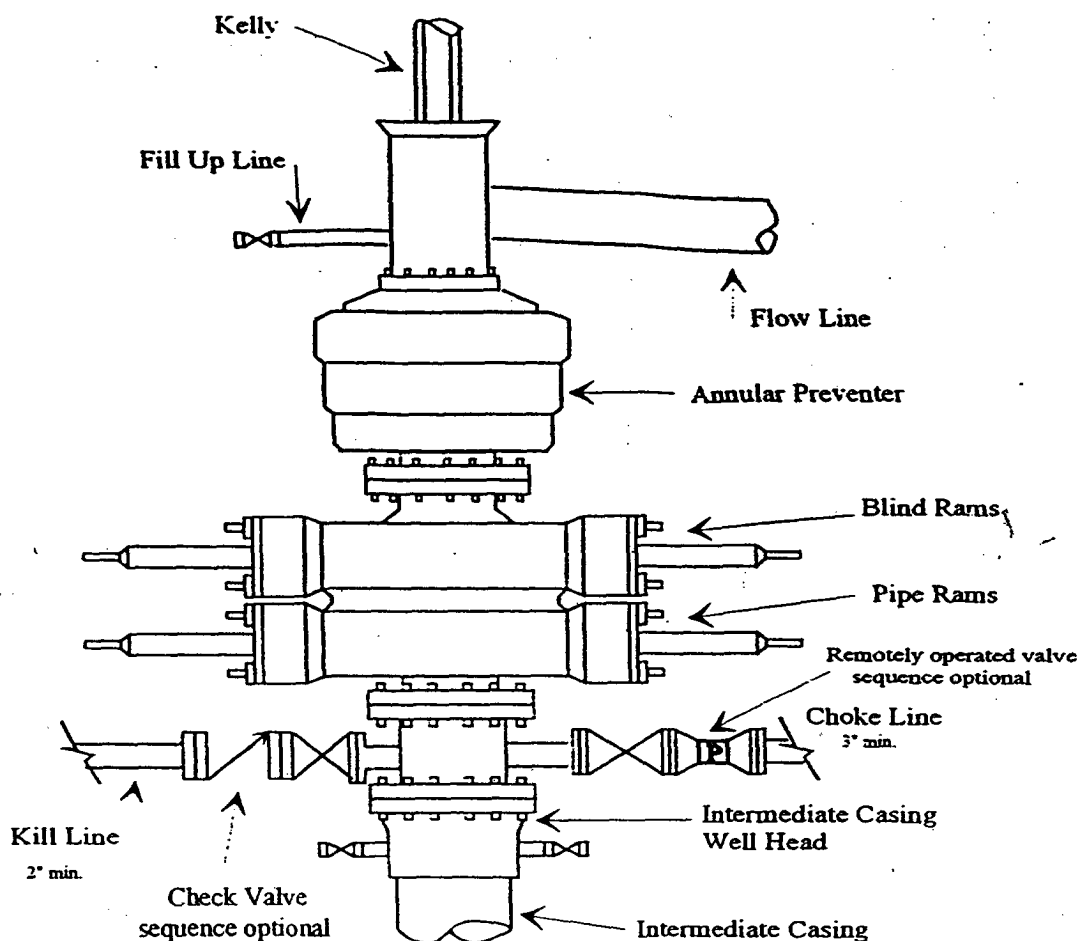
			OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.	
			Signature 	
			Printed Name Cy Cowan	
			Title Regulatory Agent	
			Date January 9, 2004	
			SURVEYOR CERTIFICATION I HEREBY CERTIFY THAT THE WELL LOCATION SHOWN ON THIS 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 KNOWLEDGE AND BELIEF.	
			Date of Survey DECEMBER 8, 2003	
			Signature and Seal of Professional Surveyor 	



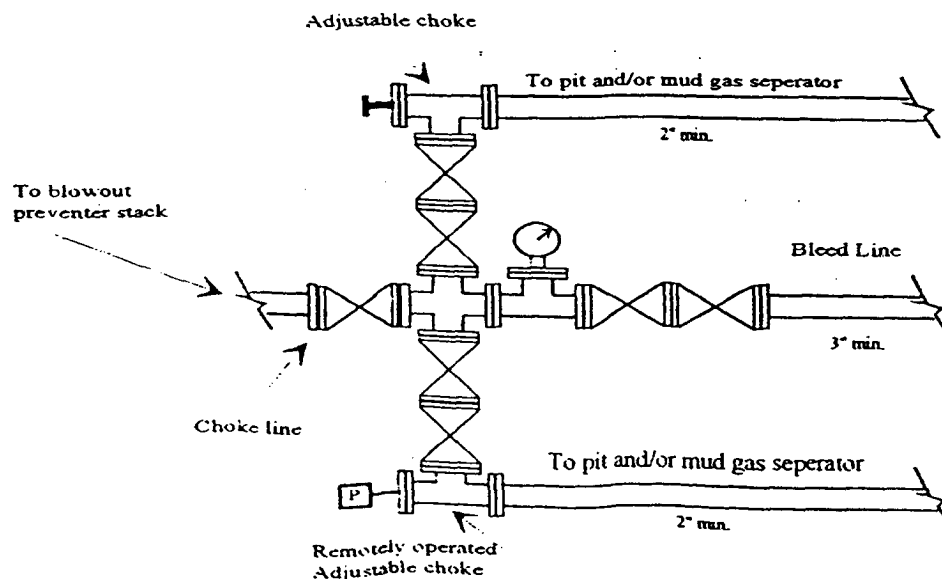
Yates Petroleum Corporation

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



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



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

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 9, 2004

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

Re: Kylie AYV #1
2293' FSL and 1980' FWL
Section 13, T23S-R27E
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 Mississippian Formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

Thank you,

YATES PETROLEUM CORPORATION

A handwritten signature in cursive script, appearing to read 'Debbie L. Caffall'.
Debbie L. Caffall
Regulatory Technician