DISTRICT I

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico Energy, Minerals and Natural Resources Departmen

Form C

Revised March 17, 1999

Instructions on back Submit to appropriate District Office

> State Lease - 6 Copies Fee Lease - 5 Copies

OGRID Number

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OIL CONSERVATION OF IN PO BOX 2088 Santa Fe, NM 87504-2088

AMENDED REPORT

DISTRICT II 811 South First, Artesia, NM 88210

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

Property Code

a 335

2040 South Pacheco, Santa Re, NM 8750.	191314181	AMENDED REFOR
APPLICATION FOR PERMIT TO DRILL	, RE-ENTER, DEEPEN, PLUG	BACK, OR ADD A ZONE
Operator Name and Address	T T	CORID Number

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Property Name

API Number 005-Well No

Grynberg "LZ" State

Surface Location

UL or lot	no. Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
В	36	5S	24E		660'	North	1980'	East	Chaves

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South Line	Feet from the	East/West Line	County
⁹ Proposed Pool 1						¹⁰ Proposed Pool 2			
Wildcat Precambrian									

Work Type Code	Well Type Code	13 Cable/Rotary	14 Lease Type Code	13 Ground Level Elevation
N	G	R	s	3849'
¹⁶ Multiple	17 Proposed Depth	18 Formation	19 Contractor	²⁰ Spud Date
N	5210'	Basement-Granite	Not Determined	ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4	11 3/4	42#	900'	500 sx	Surface
11	8 5/8*	24#	1500'	250 sx	**
7 7/8	4 1/2	10.5#	5210'	500 sx	**

^{*8 5/8} will only be set if lost circ. Is encountered

Yates Petroleum Corporation proposes to drill and test the Basement-Granite and intermediate formations. Approximately 900' 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: 0-900' FWGel/Paper/LCM; 900-3590' Cut Brine/Brine; 3590-5210' Starch/Salt Gel BOPE PROGRAM: A 2000# BOPE will be installed on the 11 3/4" casing and tested daily.

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION
Signature: Lat Duc	Approved by: ORIGINAL SIGNED BY TIM W. SUM
Printed name: Pat Perez	Title: DISTRICT II SUPERVISOR
Title: Regulatory Agent	Approval DAAN 3 1 2001 Expiration Date: JAN 3 1 2002
Date: Phone:	Conditions of Approval
01/30/01 (505) 748-1471	Attached

^{**}Cement to cover all oil, gas and waterbearing zones.

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