State of New Mexi DISTRICT I Form C-101 1625 N. French Dr., Hobbs, NM 88240 Energy, Minerals and Natural Res Revised March 17, 1999 Instructions on back DISTRICT II mit to appropriate District Office 811 South First, Artesia, NM 88210 OIL CONSERVATION DIE State Lease - 6 Copies Fee Lease - 5 Copies PO BOX 208 DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 8750 DISTRICT IV AMENDED REPORT 2040 South Pacheco, Santa Re, NM 8750: APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPE GBACK, OR ADD A ZONE Operator Name and Address OGRID Number Yates Petroleum Corporation 025575 105 South Fourth Street API Number 005 Artesia, New Mexico 88210 4 Property Code Property Name Well No. Cottonwood Ranch "MK State 7 **Surface Location** North/South Line UL or lot no. Section Township Range Feet from the Feet from the East/West Line County 1980' South 660' 36 68 25E West Chaves **Proposed Bottom Hole Location If Different From Surface** Feet from the North/South Line Feet from the East/West Line UL or lot no Section Township Lot Idn County 9 Proposed Pool 1 10 Proposed Pool 2 Wildcat Basement Ground Level Elevation Well Type Code Cable/Rotary Work Type Code Lease Type Code 3711' S G R Ν Formation Contractor Spud Date Proposed Depth Multiple 5250 Basement Not Determined ASAP Ν <sup>21</sup> Proposed Casing and Cement Program Casing weight/feet Setting Depth Sacks of Cement Estimated TOC Hole Size Casing Size 42# 900' 550 sx 14 3/4" 11 3/4" Surface 1500' 250 sx 11" 8 5/8" 24# 5 1/2" 5250' 500 sx 7 7/8" 15.5# \*8 5/8 will only be set if lost circ. is encountered. \*\* Cement to cover all oil, gas and waterbearing zones. <sup>22</sup> 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. Yates Petroleum Corporation proposes to drill and test the Basement 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.

I hereby certify that ne information given above is true and complete to the best of OIL CONSERVATION DIVIS my knowledge and ORIGINAL SIGNED Approved by: Signature: DISTRICT II SUPERVISO Pat Perez Title: Printed name: 21111 Expiration Date: Regulatory Agent Approval Date Title: Phone: Date: Conditions of Approval NOTIFY OCD SPUD & TIME TO WITNESS Attached 09/28/01 (505) 748-1471 **CEMENTING OF 11 3/4" CASING STRING** 

MUD PROGRAM: 0-900' FWGel/Paper/LCM; 900-3580' Cut Brine/Brine; 3580'-5250' Starch/Salt Gel.

BOPE PROGRAM: A 2000# BOPE will be installed on the 11 3/4" casing and tested daily.