

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

DISTRICT II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to appropriate District Office

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

PO BOX 2088
Santa Fe, NM 87504-2088

State Lease - 6 Copies
Fee Lease - 5 Copies

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 8750

☐ 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- 025-30676
⁴ Property Code 25120	⁵ Property Name East Sand Springs State Unit	⁶ Well No. 6

⁷ Surface Location

UL or lot no. N	Section 18	Township 11S	Range 35E	Lot Idn	Feet from the 660	North/South Line South	Feet from the 1638.8 1638.8	East/West Line West	County Lea
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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
⁹ Proposed Pool 1 Sand Springs; Mississippian (Gas)						¹⁰ Proposed Pool 2			

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4144'
¹⁶ Multiple No	¹⁷ Proposed Depth 12486'	¹⁸ Formation Mississippian	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

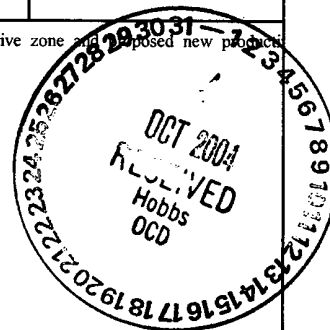
Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5#	425'-in place	400 sx	Circulate
11"	8 5/8"	32#	4204'-in place	1450 sx	Circulate
7 7/8"	5 1/2"	17# & 20#	0-12486'	3600 sx	TOC-4100'

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

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

See Attached Sheet

RE-Entry



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Clifton R. May</i>		OIL CONSERVATION DIVISION	
Printed name: Clifton R. May		Approved by: <i>Paul J. Raut</i>	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
Date: 10/01/04	Phone: (505) 748-4347	Approval Date: OCT 01 2004	Expiration Date: 10/1/05
		Conditions of Approval Attached <input type="checkbox"/>	

YATES PETROLEUM CORPORATION

East Sand Springs State Unit #6 Re-entry

660' FSL & 1838.8' FWL

Section 18-T11S-R35E

Lea County, New Mexico

Lease VO-4599

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Yates Petroleum Corporation as their Lagarto State Unit No. 1, which was plugged in 1989. Yates will use a pulling unit and a reverse unit to drill out the cement plugs using a 7 7/8" bit in the 8 5/8" casing. At that point a drilling rig will be moved in and the plugs in the 7 7/8" open hole will be drilled out to the original TD of 12,486'. Yates will run 5 1/2" production casing to TD and will be cemented with approximately 3600 sacks of cement to bring the cement top up to 4,100'+/-. The mud program to be used will be 9.2-9.5 ppg brine water with a 55-70 cp adjusted as needed for hole conditions. A 5000# BOPE will be installed on the 8 5/8" casing.

The well will be completed using a pulling unit in the Morrow, Atoka, or Abo formation intervals as indicated by the interpretation of open hole logs and mud log by Geology.



DISTRICT I

1626 N. French Dr., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Elia Braces Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

Revised March 17, 1989

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-30676	Pool Code 97125	Pool Name Sand Springs; Mississippian (Gas)
Property Code 25120	Property Name East Sand Springs State Unit	Well Number 6
OGRIID No. 25575	Operator Name Yates Petroleum Corporation	Elevation 4144' GR

Surface Location

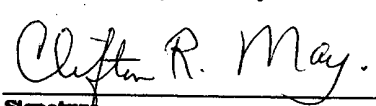
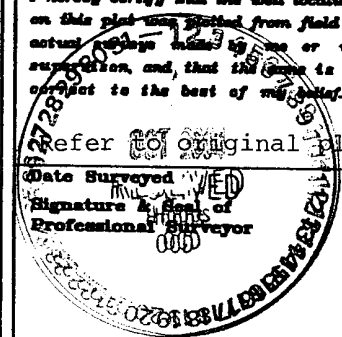
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	18	11S	35E		660	South	1838.8	West	Lea

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

	OPERATOR CERTIFICATION I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.  Signature Clifton R. May Printed Name Regulatory Agent Title 9/30/04 Date	
	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. Refer to original plat Date Surveyed Signature & Seal of Professional Surveyor 	
	Certificate No.	

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer ED, Azusa, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease LAGARTO STATE UNIT			Well No. 1		
Unit Letter N	Section 18	Township 11 South	Range 35 East	County NMPPM Lea				
Actual Postage Location of Well: 1838.8 feet from the West line and 660 feet from the South line								
Ground level Elev. 4144		Producing Formation				Pool		Dedicated Acreage: Acres
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.</p>								
						OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature _____ Printed Name _____ Position _____ Company _____ Date _____		
						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 Surveyed 9/8/89 Signature & Seal of Professional Surveyor _____		

Well Name: East Sand Springs No. 6 Field: _____

Location: 660' FSL & 1838.8' FWL Sec. 18-11S-35E Lea Co, NM

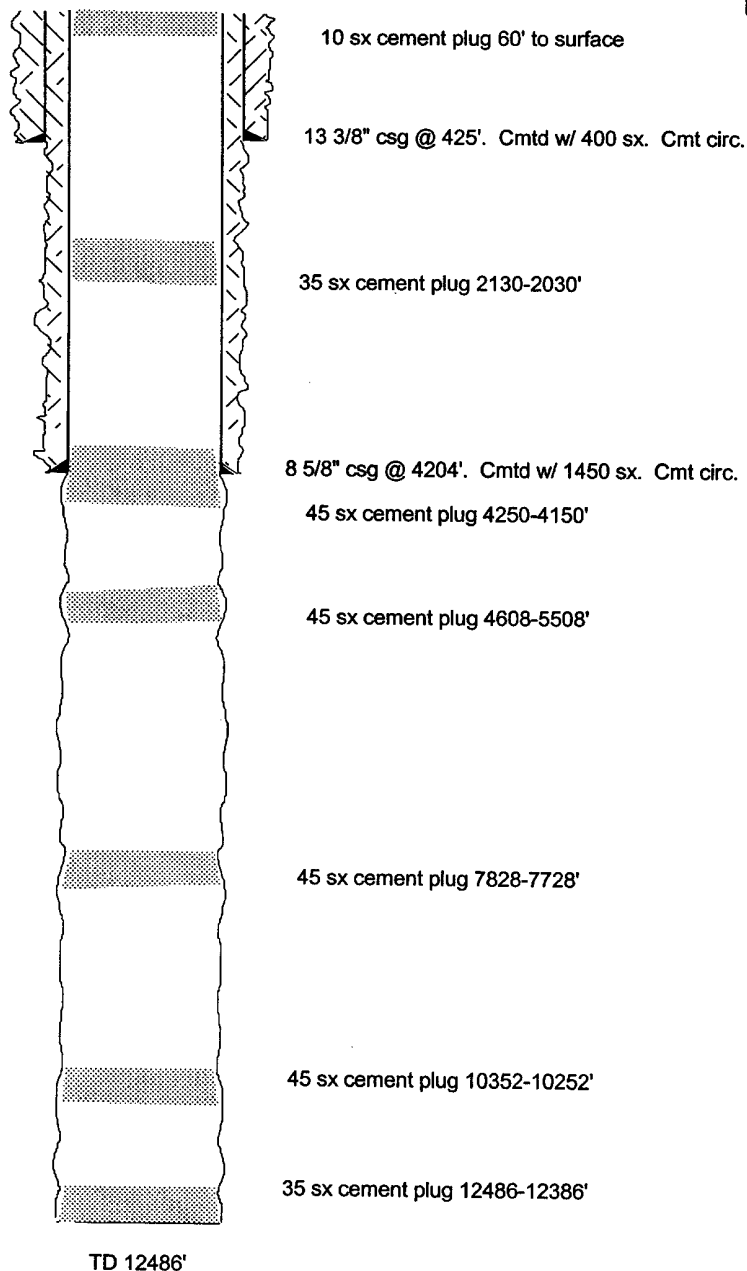
GL: 4144' Zero: _____ AGL: _____ KB: 4162'

Spud Date: _____ Completion Date: _____

Comments: This well drilled and abandoned by YPC.

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 54.5# J55	425'
8 5/8" 32# J55	4204'

CURRENT CONFIGURATION



SKETCH NOT TO SCALE

DATE: 9/30/04

Well Name: East Sand Springs No. 6 Field: _____

Location: 660' FSL & 1838.8' FWL Sec. 18-11S-35E Lea Co, NM

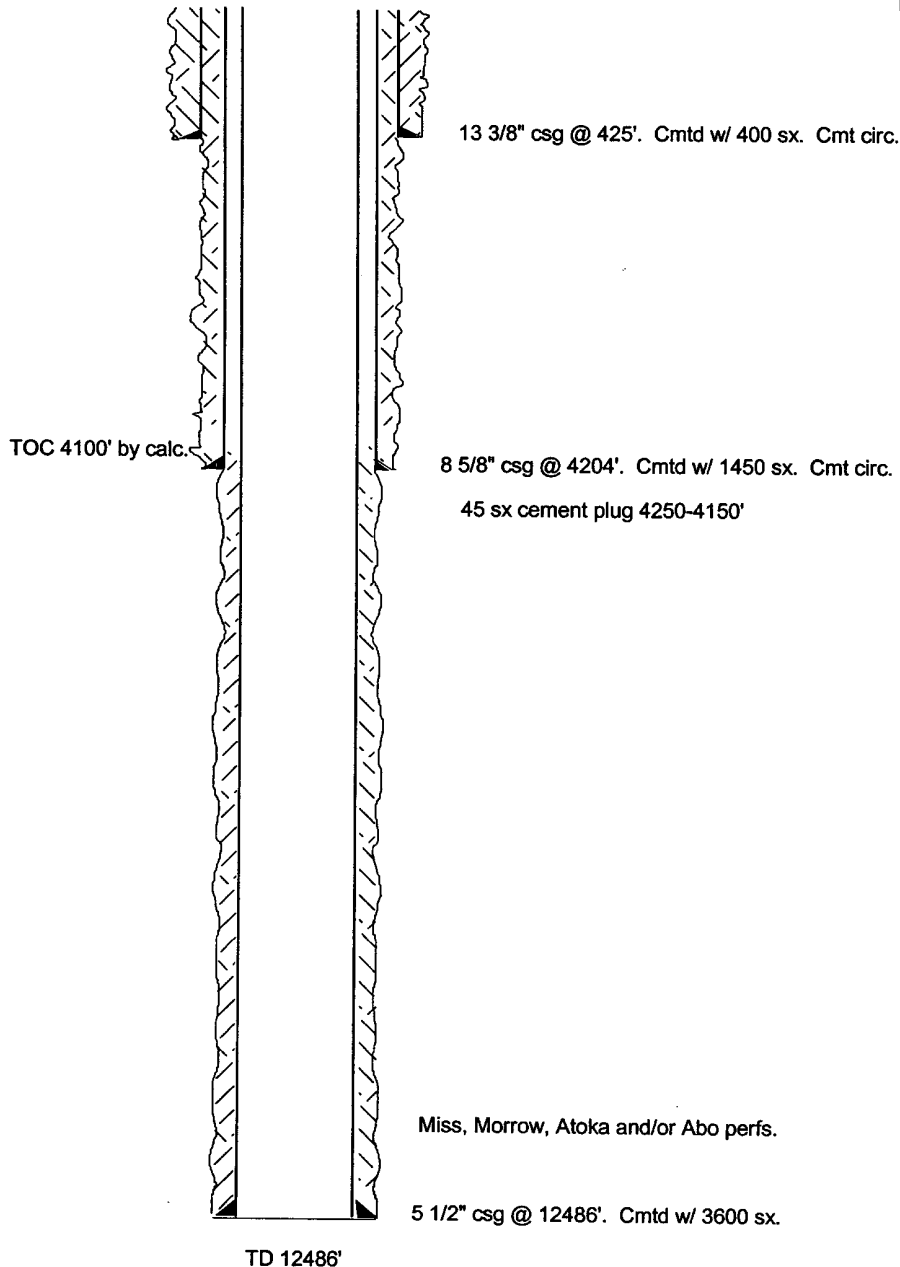
GL: 4144' Zero: _____ AGL: _____ KB: 4162'

Spud Date: _____ Completion Date: _____

Comments: This well drilled and abandoned by YPC.

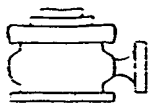
Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 54.5# J55	425'
8 5/8" 32# J55	4204'
5 1/2" 17# J55, L80 & HCP110	12486'

PROPOSED CONFIGURATION



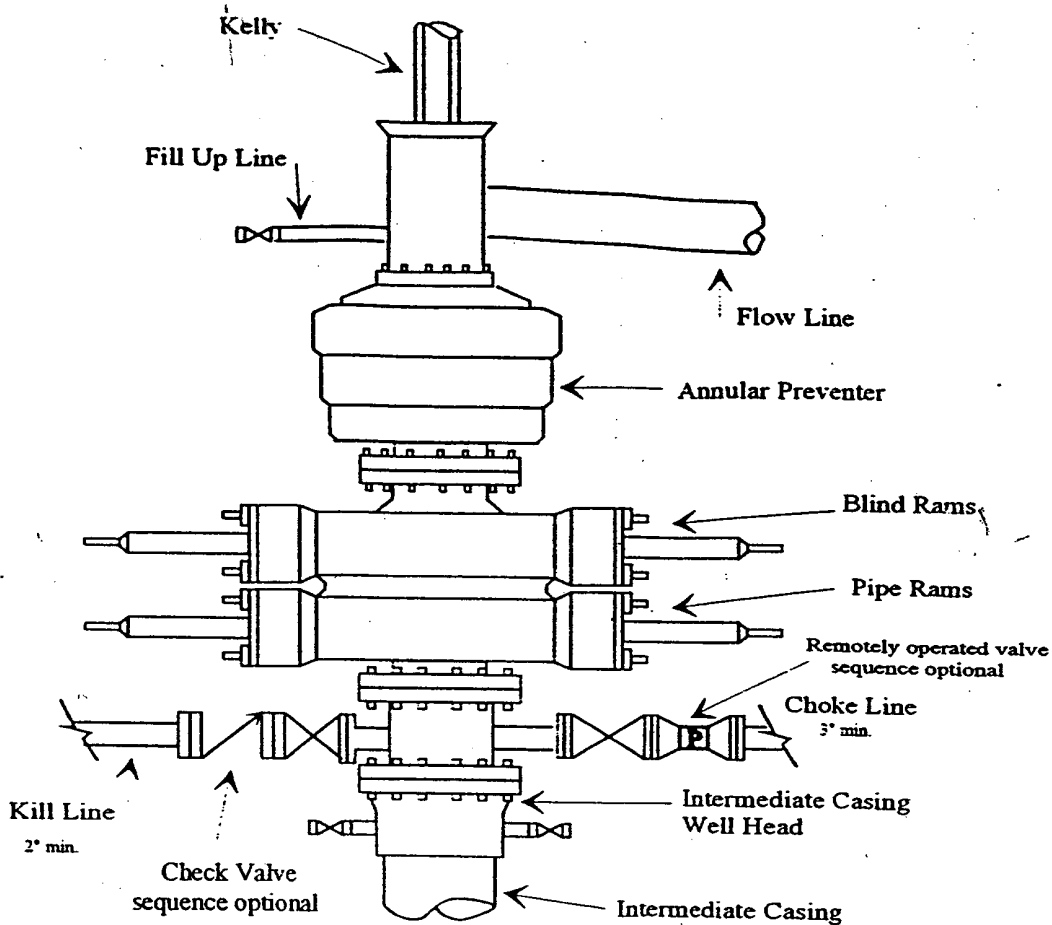
SKETCH NOT TO SCALE

DATE: 9/30/04

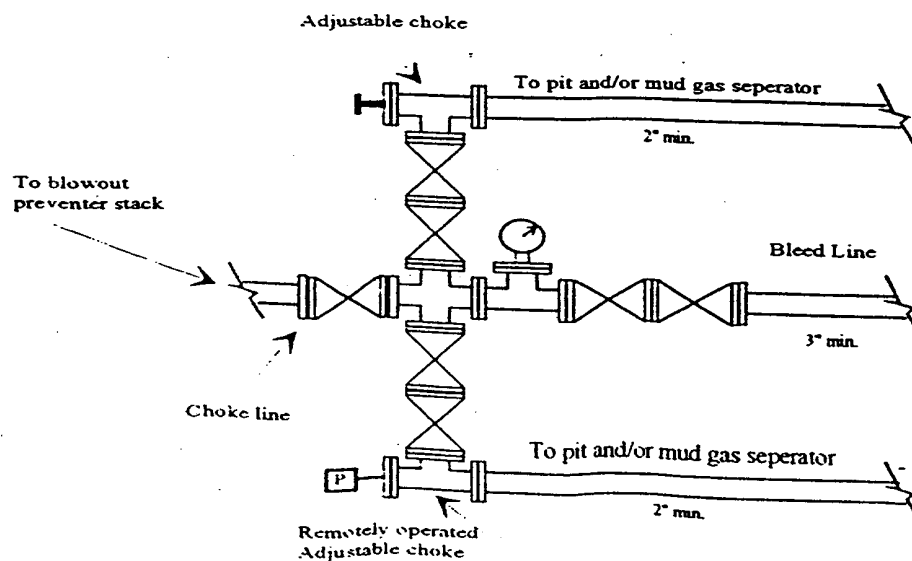


Yates Petroleum Corporation
Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

BOP-4



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



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

Form C-144
March 4, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: YATES PETROLEUM CORPORATION Telephone: 505-748-4342 e-mail address: debbiec@ypcnm.com
Address: 105 SOUTH FOURTH STREET, ARTESIA, NM 88210
Facility or well name: E. SAND SPRINGS ST. UT #6 API #: 30-025-30676 B/L or Qtr/Qtr N Sec 18 T 11S R 3E
County: LEA Latitude _____ Longitude _____ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit	Below-grade tank						
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume <u>24,000</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____						
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	<table border="1"><tr><td>Less than 50 feet</td><td>(20 points)</td></tr><tr><td>50 feet or more, but less than 100 feet</td><td>(10 points)</td></tr><tr><td>100 feet or more</td><td>(0 points)</td></tr></table>	Less than 50 feet	(20 points)	50 feet or more, but less than 100 feet	(10 points)	100 feet or more	(0 points)
Less than 50 feet	(20 points)						
50 feet or more, but less than 100 feet	(10 points)						
100 feet or more	(0 points)						
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	<table border="1"><tr><td>Yes</td><td>(20 points)</td></tr><tr><td>No <input checked="" type="checkbox"/></td><td>(0 points)</td></tr></table>	Yes	(20 points)	No <input checked="" type="checkbox"/>	(0 points)		
Yes	(20 points)						
No <input checked="" type="checkbox"/>	(0 points)						
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	<table border="1"><tr><td>Less than 200 feet</td><td>(20 points)</td></tr><tr><td>200 feet or more, but less than 1000 feet</td><td>(10 points)</td></tr><tr><td>1000 feet or more</td><td>(0 points)</td></tr></table>	Less than 200 feet	(20 points)	200 feet or more, but less than 1000 feet	(10 points)	1000 feet or more	(0 points)
Less than 200 feet	(20 points)						
200 feet or more, but less than 1000 feet	(10 points)						
1000 feet or more	(0 points)						
Ranking Score (Total Points) <u>20</u>							

If this is a pit closure:

- (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks.
- (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility _____
- (3) Attach a general description of remedial action taken including remediation start date and end date.
- (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results.
- (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been constructed or closed according to NMOCD guidelines.

Date: 9/30/04

Printed Name/Title: CLIFTON R. MAY, REGULATORY AGENT Signature: Clifton R. May

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

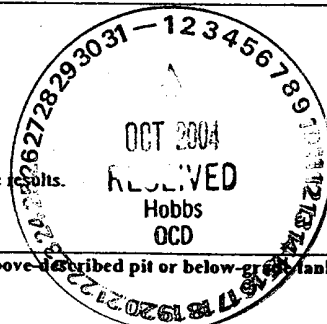
Approval: OCT 01 2004

Date: _____

Printed Name/Title: _____

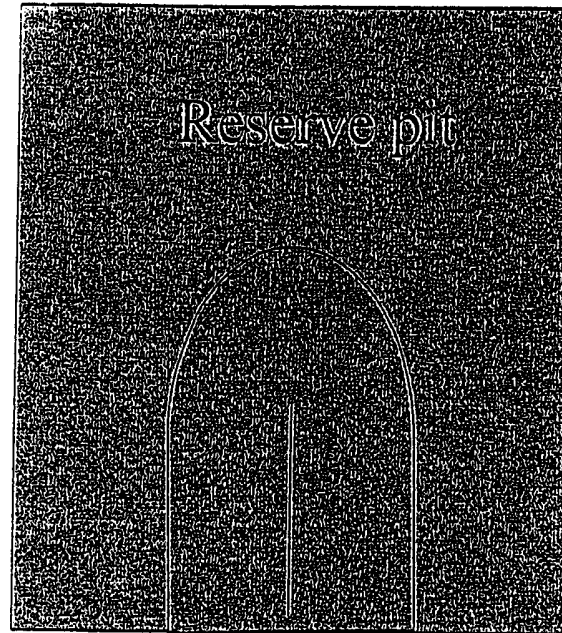
PAUL F. KAUTZ
PAUL F. KAUTZ

Signature: Paul F. Kautz



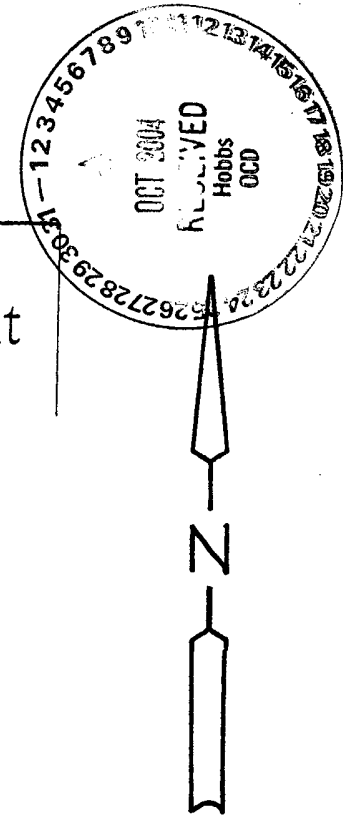
YATES PETROLEUM CORPORATION
General Plan was approved 4/15/04

The reserve pit will be to the North.
The Southeast corner of the pit will
be approximately 60' North of the well
bore. The pit will be a 150' X 150'
and 6' deep with a capacity of 24,000
bbls.



Flare pit

60'
well bore



Standard reserve pit. All Reserve pits are double
Horse shoe size varies with depth of well