

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

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

Form C-101  
March 4, 2004

Submit to appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

# APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575 ✓
		API Number 30-025-37119
<sup>3</sup> Property Code 32067 ✓	<sup>5</sup> Property Name Lyles AZX Com.	<sup>6</sup> Well No. 1 ✓

## Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	15S	34E		1500	N	660	E	Lea

## 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
<sup>9</sup> Proposed Pool 1 Wildcat Mississippian ✓					<sup>10</sup> Proposed Pool 2				

## Drilling Pit Location and Other Information

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	15S	34E		1500	N	660	E	Lea
Depth to ground water 50' or more, but less than 100'				Distance from nearest fresh water well More than 1000'			Distance from nearest surface water 1000' or more		
<sup>11</sup> Work Type Code New Well		<sup>12</sup> Well Type Code Gas		<sup>13</sup> Cable/Rotary		<sup>14</sup> Lease Type Code Private		<sup>15</sup> Ground Level Elevation 4077	
<sup>16</sup> Multiple No		<sup>17</sup> Proposed Depth 13500		<sup>18</sup> Formation Mississippi Limestone		<sup>19</sup> Contractor Not Determined		<sup>20</sup> Spud Date	

## Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.375"	48#	400'	400	0
12.25"	9.625"	40#	6200'	1700	0
8.75"	5.5"	20#	13500"	1100	9200

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

YPC proposes to drill/test the Mississippian/intermediate formations. Approx. 400ft. of surface casing will be set/cemented. Intermediate casing will be set at 6200ft, and cement circulated to surface. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. MUD PROGRAM: 0-400 ft. FW Gel/Paper; 400-6200 ft. FW going to Brine; 6200-11600 ft. Cut Brine; 11600-TD Salt Gel/Starch/Drispac.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature:

*Debbie L. Caffall*

Printed name: Debbie L. Caffall

Title: Regulatory Technician

E-mail Address: debbiec@ypcn.com

Date: 2/13/05

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

*[Signature]*

Title:

PETROLEUM ENGINEER

Approval Date: MAR 09 2005

Expiration Date:

Conditions of Approval:

Attached ☐

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway

**1625 N. French Dr., Hobbs, NM 88240**

**State of New Mexico**  
**Energy, Minerals & Natural Resources Department**

Form C-102  
Revised August 15, 2000

**811 South First, Artesia, NM 88210**

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Submit to Appropriate District Office**  
**State Lease - 4 Copies**  
**Fee Lease - 3 Copies**

**1000 Rio Brazos Rd., Aztec, NM 87410**

### District IV

**1220 S. St. Francis Dr., Santa Fe, NM 87505**

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-025-37119		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Wildcat Mississippian ✓
<sup>4</sup> Property Code 32067	<sup>5</sup> Property Name Lyles AZX Com.		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation		<sup>9</sup> Elevation 4077'

## 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	15S	34E		1500	North	660	East	Lea

<sup>11</sup> Bottom Hole Location If Different From Surface

Bottom Hole Location is 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

<sup>12</sup> Dedicated Acres <b>320 E/2</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION					
<b>6</b>					<p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="font-size: 1.2em; margin-left: 100px;"><i>Clifton R. May</i></p> <hr/> <p>Signature</p> <p><b>Clifton R. May</b></p> <hr/> <p>Printed Name</p> <p><b>Regulatory Agent</b></p> <hr/> <p>Title</p> <p><b>02/13/2005</b></p> <hr/> <p>Date</p>
					<p style="text-align: right; padding-right: 20px;"><b>1500'</b></p> <p style="text-align: center;">↓</p> <p style="text-align: center;">○ ← <b>660'</b></p>
					<b>FEE</b>
					<p><b>18 SURVEYOR CERTIFICATION</b></p> <p>I hereby certify that the well location shown on this plan 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.</p> <p><b>REFER TO ORIGINAL PLAT</b></p> <hr/> <p>Date of Survey</p> <hr/> <p>Signature and Seal of Professional Surveyor:</p> <hr/>  <hr/> <p>Certificate Number</p>

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 and Natural Resources Department

Form C-102  
Revised March 17, 1999  
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	Pool Code	Pool Name Wildcat Mississippian
Property Code	Property Name LYLES "AZX" COM.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4077

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	33	15S	34E		1500	NORTH	660	EAST	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 320 E/2		Joint or Infill	Consolidation Code	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

	<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  <u>Clifton R. May</u> Clifton R. May Signature Regulatory Agent Printed Name  Title  Date	
	<b>SURVEYOR CERTIFICATION</b>  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.  3/10/2003 Date Surveyed  Signature & Seal of Professional Surveyor  Certificate No. Hargrave & Jones RLS 3640 LYLES 1 GENERAL SURVEYING COMPANY	

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

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 12, 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**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

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) 748-4347 e-mail address: debbiec@ypcnm.com

Address: 105 South Fourth Street, Artesia, New Mexico

Facility or well name: Lyles AZX Cor. #1 API #: 30025 37119 U/L or Qtr/Qtr H Sec 33 T 15S R 34E

County: Lea Latitude N32.9766 Longitude W103.5095 NAD: 1927 ☐ 1983 ☒ Surface Owner - Federal ☐ State ☐ Private ☒ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil

Clay ☐ Volume 24,000 bbl

**Below-grade tank**

Volume: \_\_\_\_\_ bbl Type of fluid: \_\_\_\_\_

Construction material: \_\_\_\_\_

Double-walled, with leak detection? Yes ☐ If not, explain why not. \_\_\_\_\_

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

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.)

Yes

(20 points)

No

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

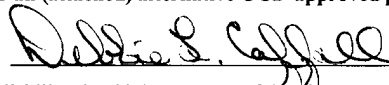
Ranking Score (Total Points)

10 Points

**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/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: February 13, 2005 Printed Name/Title Debbie L. Caffall / Regulatory Technician Signature 

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:

Date: \_\_\_\_\_

Print Name/Title

Signature

MAR 09 2005 PETROLEUM ENGINEER