

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

RECEIVED

AUG 25 2005

Form C-101  
May 27, 2004

Submit to appropriate District Office  
000-ARTESIA ☐ AMENDED REPORT

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

Operator Name and Address Yates Petroleum Corporation 105 South 4 <sup>th</sup> Street Artesia, New Mexico 882210		OGRID Number 025575
Property Code 26800	Property Name Hard As Nails AMD State Com	API Number 30 - 005 - 62553
Proposed Pool 1 Undes. For Ranch; Wolfcamp		Proposed Pool 2

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	27	9S	26E		1980	South	1980'	East	Chaves

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

Additional Well Information

Work Type Code E	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3802.2'
Multiple N	Proposed Depth 6530'	Formation Wolfcamp	Contractor Not Determined	Spud Date ASAP
Depth to Groundwater Less than 100 feet		Distance from nearest fresh water well More than 1000 feet		Distance from nearest surface water More than 1000 feet
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 20,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	42#	978'	475	In Place
7 7/8"	5 1/2"	24#	6530'	As necessary	3200'

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.

See Attached Page #2.-Re-entry  
C-144 Attached

Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Wolfcamp formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118

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 NMOC guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Printed name: Debbie L. Caffall

Title: Regulatory Technician/Land Department

E-mail Address: debbiec@ypcnm.com

Date: 08/11/2005-8/22/2005

Phone: (505) 748-4364

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

PREVIOUSLY APPROVED

**YATES PETROLEUM CORPORATION**

**Re-entry Procedure**

**Hard as Nails AMD State #3**

**Drilling Prognosis**

**Page 2**

This well was originally drilled by Yates Petroleum Corporation as the Hard as Nails State Unit #1 on November 18, 1987. Yates Petroleum Corporation proposes to re-enter this well with a drilling rig and drill out plugs in the 8 5/8" casing and in the 7 7/8" open hole to 5100'. The well will be deepened to 6200' in the Ordovician Formation. A new suite of open hole logs will be run then a string of 5 1/2" casing will be run to TD and cemented back to 3,000'+-. The well will then be completed with a pulling unit. The formation to be tested will be the Wolfcamp Formation.

MUD PROGRAM: 0-5100' Brine; 5100'-6200' Salt Gel/Starch. Wt 9.3-10.2.  
Vis 32-40. <10cc.

BOPE PROGRAM: 2000 # BOPE will be nipples up on 8 5/8 in casing.

## District II

511 South First, Artesia, NM 88210

## District III

1000 Rio Brazos Rd., Artec, NM 87410

## District IV

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

Geology, Minerals &amp; Natural Resources Department.

Revised August 15, 2000

## 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

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code 76750	<sup>3</sup> Pool Name Undes. Foot Ranch Wolfcamp	
<sup>4</sup> Property Code	<sup>5</sup> Property Name Hard As Nails AMD State Com.			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation			<sup>9</sup> Elevation 3808.2'

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	27	9S	26E		1980	South	1980	East	Chaves

<sup>11</sup> 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>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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

16			<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Robert Asher</b> Printed Name <b>Regulatory Agent</b> Title <b>9/14/2004</b> Date
			<b>18 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. <b>REFER TO ORIGINAL PLAT</b> Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-12  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

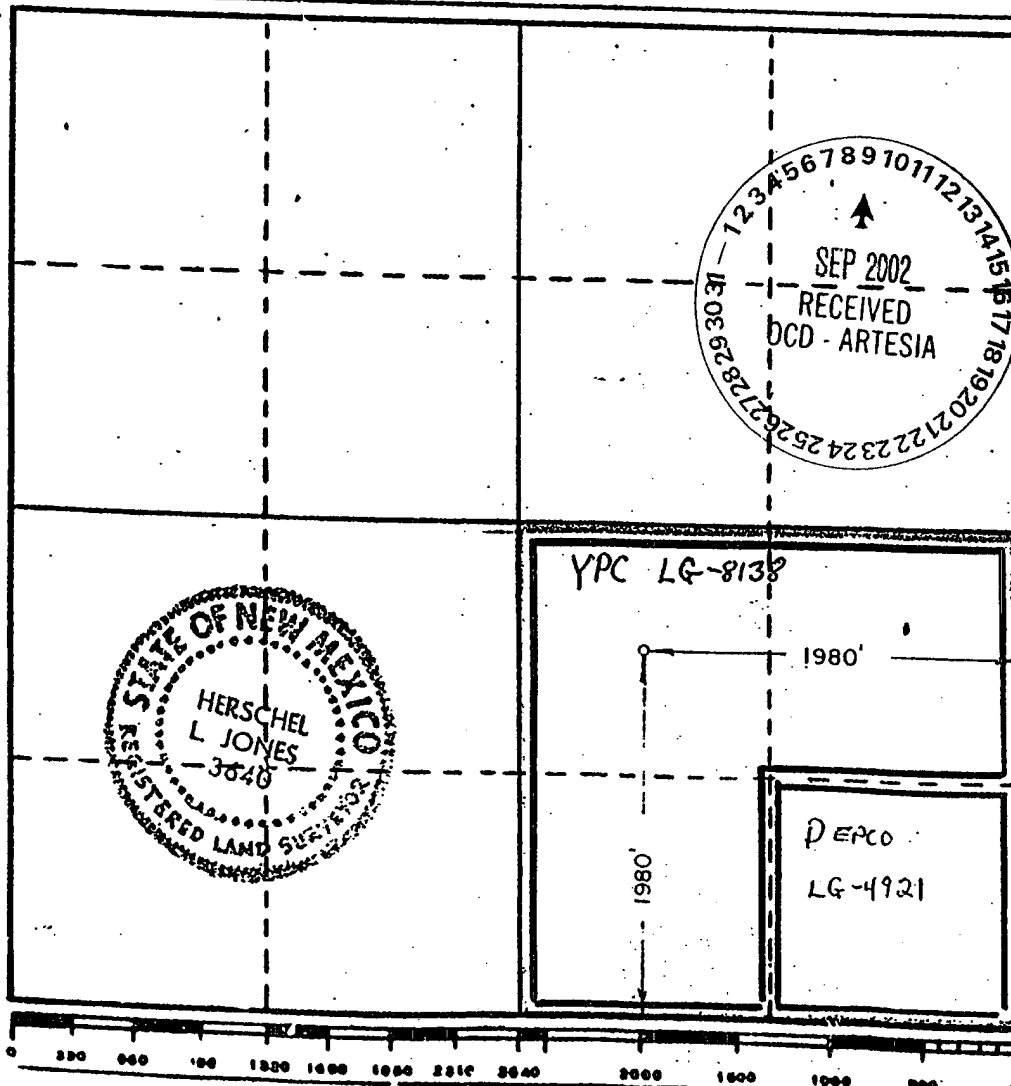
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>HARD AS NAILS STATE UNIT</b>		Well No. <b>1</b>
Unit Letter <b>J</b>	Section <b>27</b>	Township <b>9 South</b>	Range <b>26 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> <span>1980 feet from the South line and</span> <span>1980 feet from the East line</span> </div>					
Ground Level Elev. <b>3803.2</b>	Producing Formation <b>Abo</b>	Permit <b>PEROS SLOPE Abo</b>		Dedicated Acreage <b>160</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
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).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes    ☐ No    If answer is "yes," type of consolidation **IS TO BE COMMUNITIZED**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Clifton R. May*  
Name

Clifton R. May

Position

Regulatory Agent

Company

Yates Petroleum Corporation

Date

October 14, 1987

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

10/12/87

Registered Professional Engineer and/or Land Surveyor

*Herschel L. Jones*  
Certificate No. **3640**

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Form C-144  
March 12, 2004

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

105 South Fourth Street, Artesia, NM 88210

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

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

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: debbiec@ypcnm.com  
Address: 104 South 4<sup>th</sup> Street, Artesia, New Mexico 88210  
Facility or well name: Hard As Nails AMD State Com. #3 API #: 30-005-63599 U/L or Qtr/Qtr NWSE Sec 27 T 9S R 26E  
County: Chaves Latitude \_\_\_\_\_ Longitude \_\_\_\_\_ NAD: 1927 ☐ 1983 ☐ 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 _____ 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.)	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) <u>10</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/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 10/20/2004

Printed Name/Title Robert Asher/Regulatory Agent

Signature [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: OCT 21 2004

Printed Name/Title [Signature]

Signature [Signature]