

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-101
May 27, 2004

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

RECEIVED

Submit to appropriate District Office
AUG 29 2005

☐ 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 Property Code 33014	⁴ Property Name Clifford ADD Com.	⁵ API Number 30-015-33027
⁹ Proposed Pool 1 Wildcat C MISS		¹⁰ Proposed Pool 2

⁷ 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	35	19S	24E		1700'	South	1400'	East	Eddy

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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3651'
¹⁶ Multiple N	¹⁷ Proposed Depth 9350'	¹⁸ Formation Chester	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 270'		Distance from nearest fresh water well 1400'		Distance from nearest surface water 300'
Pit: Liner: Synthetic hick 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"/>				

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	9 5/8"	36#	1150'	1200sx	Surface
8 5/8"	7"	23# & 26#	9350'	1290sx	Surface

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

Yates Petroleum Corporation proposes to drill and test the Chester and Intermediate formations. Approximately 1150' of surface casing will be set and cement circulated to shut off grave and cavings. . If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production. H2S Contingency Plan attached.

MUD PROGRAM: 0-1150' FW Gel/LCM; 1150'-5400'-7400 Cut Brine; 7400'-TD Brine / Starch/KCL

BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily.

²³ 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 <input type="checkbox"/> , a general permit <input checked="" type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name: Cy Cowan		Approved by: <i>Jim W. Grem</i>	
Title: Regulatory Agent		Title: <i>District II Supervisor</i>	
E-mail Address:		Approval Date: AUG 30 2005 Expiration Date: AUG 30 2006	
Date: 9/03/2005	Phone: (505) 748-1471	Conditions of Approval Attached <input type="checkbox"/>	

Previously Approved

H2S Contingency Plan Attached

C-144 Attached

9.5

DISTRICT II

911 South First, Artesia, NM 88210

DISTRICT III

1830 Elie Avenue Rd., Aztec, NM 87419

DISTRICT IV

3040 South Pacheco, Santa Fe, NM 87505

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 96068	Pool Name Wildcat c/MISSISSIPPIAN
Property Code	Property Name CLIFFORD "ADD" COM.		Well Number 3
OGSD No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3651


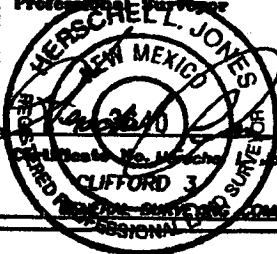
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	35	19S	24E		1700	SOUTH	1400	EAST	EDDY

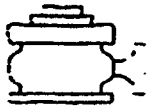
Bottom Hole Location If Different From Surface

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		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**

				OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy. Cowan Printed Name Regulatory Agent Title September 29, 2003 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. 8/26/2003 Date Surveyed Signature & Seal of Professional Surveyor  Herschell L. Jones License No. 3640 Clifford 3 Professional Surveyor Company	
NM-26864		7EE N.32°38'53.7" W.104°33'16.9"		1400'	
NM-51820				1700'	

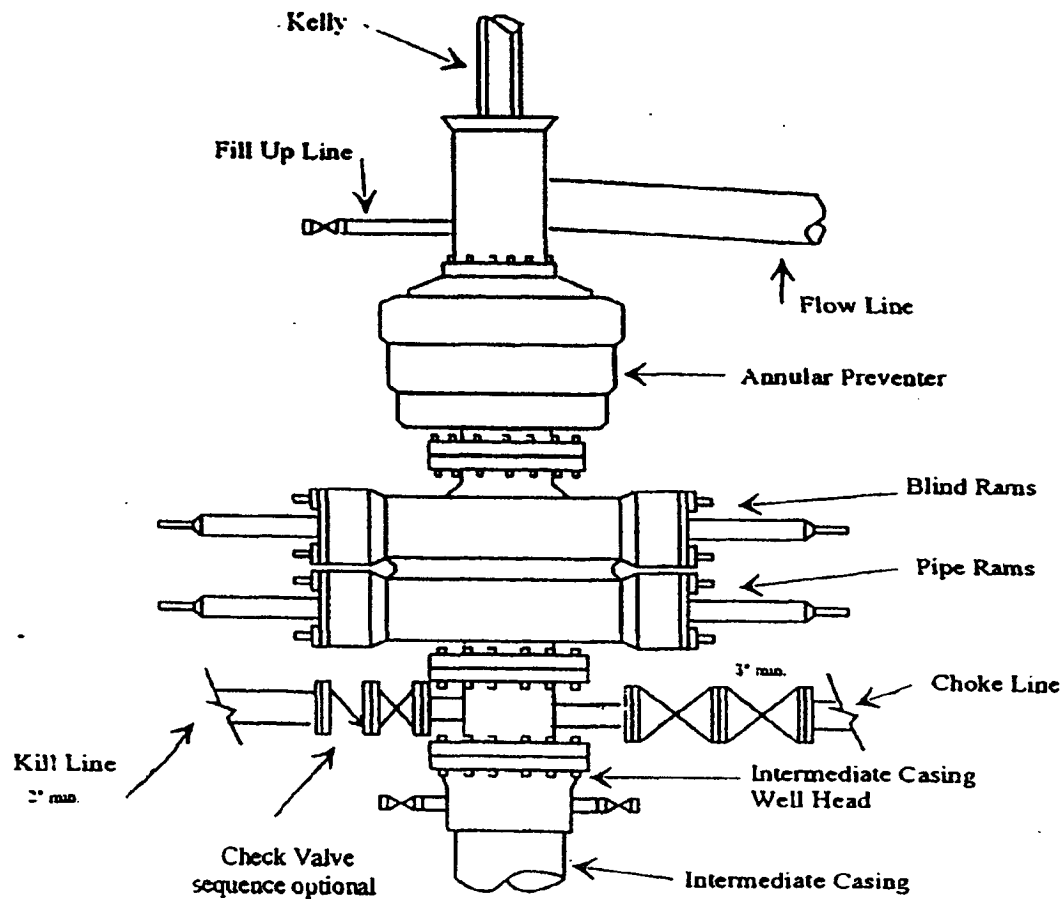
0 330' 000' 000' 1000' 1000' 2310' 2310' 1000' 1000' 000' 000' 330' 0'



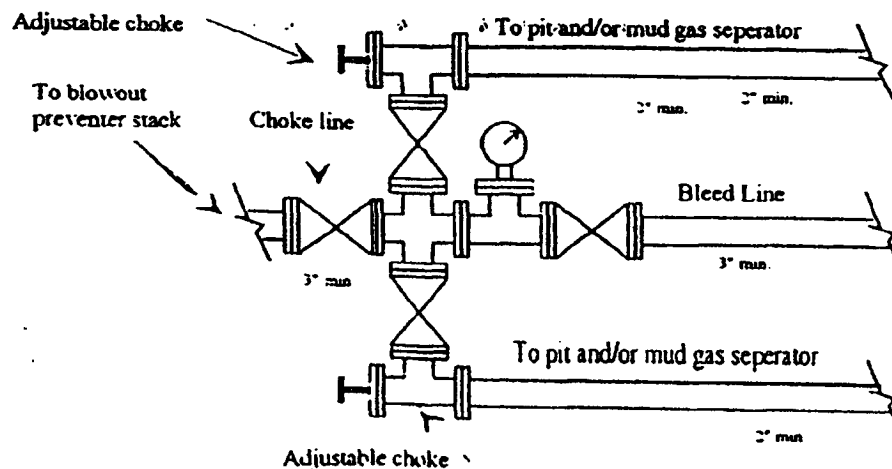
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

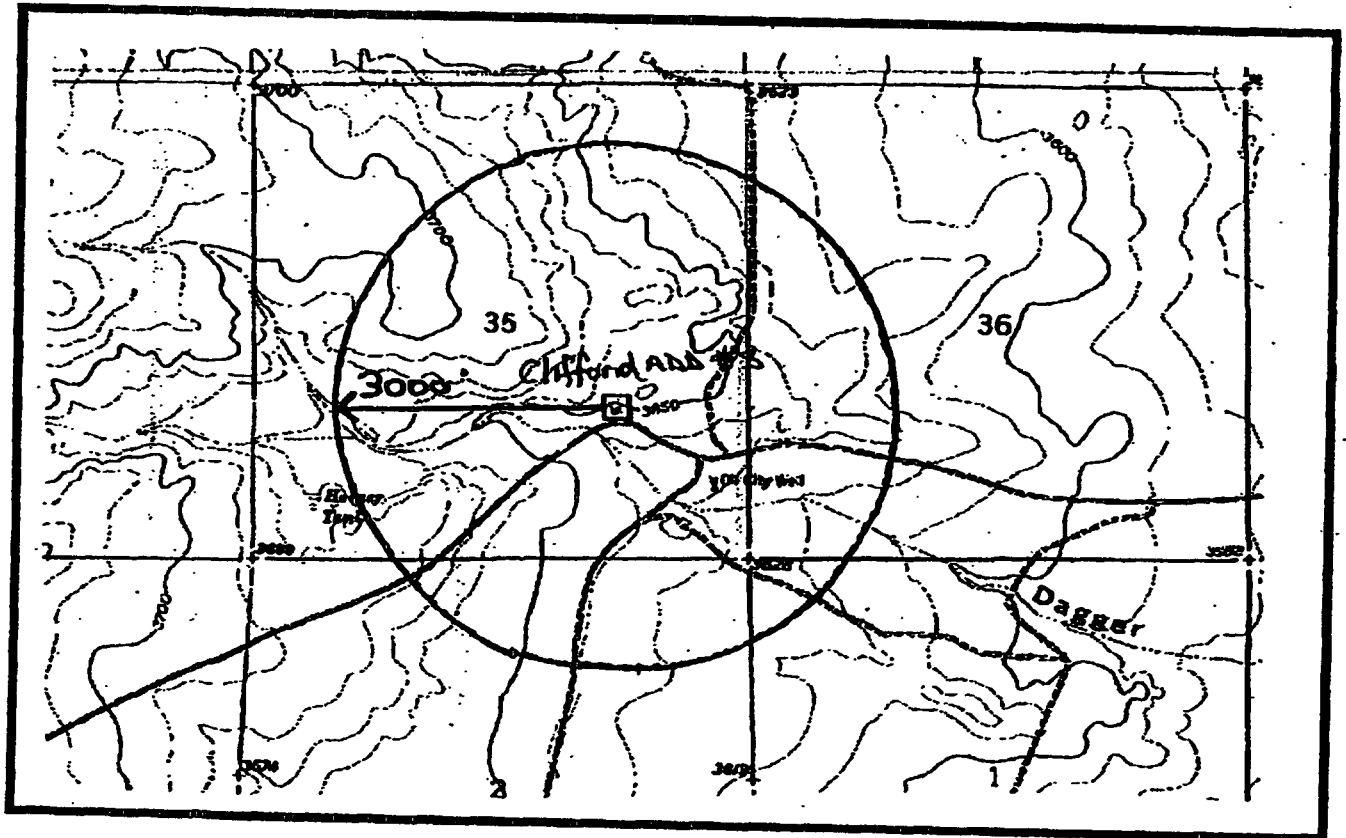
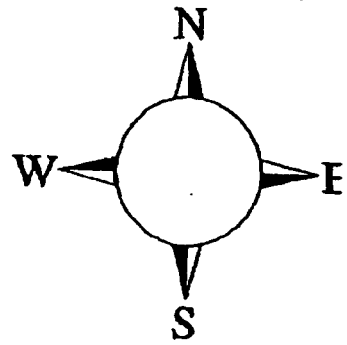
For

**Clifford ADD Com. # 3
1700' FSL, 1400' FEL
Sec-35, T-19S, R-24E
Eddy County NM**



Clifford ADD Com. #3 Location

This is an open drilling site. H₂S monitoring equipment and emergency response equipment will be used within 500' of zones known to contain H₂S, including warning signs, wind indicators and H₂S monitor.



Yates Petroleum Corporation Phone Numbers

YPC Office	(505) 748-1471
Pinson McWhorter/Operations Manager	(505) 748-4189
Darrel Atkins/Production Manager	(505) 748-4204
Ron Beasley/Prod Superintendent	(505) 748-4210
Al Springer/Drilling	(505) 748-4225
Paul Hanes/Prod. Foreman/Roswell	(505) 624-2805
Jim Krogman/Drilling Superintendent	(505) 748-4215
Artesia Answering Service	(505) 748-4302
(During non-office hours)	

Agency Call List

Eddy County (505)

Artesia

State Police	746-2703
City Police	746-2703
Sheriff's Office	746-9888
Ambulance	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD	748-1283

Carlsbad

State Police	885-3137
City Police	885-2111
Sheriff's Office	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee)	887-3798
US Bureau of Land Management	887-6544

New Mexico Emergency Response Commission (Santa Fe) ..	(505) 476-9600
24 HR	(505) 827-9126
National Emergency Response Center (Washington, DC) ...	(800) 424-8802

Other

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control	(915) 699-0139 or (915) 563-3356
Halliburton	(505) 746-2757
B. J. Services	(505) 746-3569
Flight For Life -4000 24th St, Lubbock, TX	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM	(505) 842-4949

H2S Emergency Contingency Plan For Field Operation

Alert and account for all personnel on location.

- Move away from the source of the H2S and get out of the affected area. Move upwind from the well bore. Avoid inhalation of H2S.
- Don proper personal breathing equipment – 30 min. SCBA.
- Assist any personnel in distress using the 'buddy system'
- Alert other affected personnel on location.
- Proceed to pre-designated meeting area.
- Account for all personnel on location.

Take action to control the release of the H2S. Eliminate all possible sources of ignition.

Do not re-enter the affected area without appropriate breathing equipment.

- Take all appropriate measures to shut in the H2S gas source.
- Put out all open flames in the affected area and shut down all motors.
- Notify Supervisors.

The YPC Supervisor that will assess the situation and assign duties to various persons to bring the situation under control. Notifications of local law enforcement agencies, residents, and emergency vehicles will be assigned by the YPC Office.

Any press inquiries are to be referred to the YPC main office at 105 S Fourth Street, Artesia NM 88210. No statement to the Public or Media will be made by anyone other than management or a spokesperson authorized by management.

If The Above Actions Cannot Be Safely Accomplished:

Alert The Public That May Be Immediately Affected.

- Down wind residences.
- Highway or street traffic that may be affected.

Contact The Appropriate Government Agency(s) (911, Sheriff, Railroad Commissions, City Police Etc.).

- State police – if on or near a state road
- Sheriff's dept. – if on or near a county road
(Requests help to evacuate the public if necessary and to help maintain roadblocks)

- Make any necessary recommendations, wind direction, affected area, etc.
- Start evacuation procedures where appropriate.
- Proceed with best plan (at the time) to regain control of the leak.
- Maintain tight security and safety procedures.

Rescue & First Aid For Victims Of Hydrogen Sulfide Poisoning

Do not panic!

Remain calm and think!

Don (put on) breathing apparatus.

Remove victim to fresh air as quickly as possible (i.e. Upwind from source or crosswind to achieve upwind). Do not run downwind.

Provide artificial respiration and/or CPR as necessary. (Use proper technique of turning your head after each breath to avoid inhaling exhaled H₂S). If victim's clothing is contaminated with fluid that contains H₂S then strip them to the waist.

Provide for prompt medical attention.

Notify the medical personnel beforehand that the victim has been poisoned by H₂S.

In addition to basic First Aid, everyone on location should have a good working knowledge of CPR.

Physical Effects of Hydrogen Sulfide

Concentrations		Physical Effects
0.001%	10 ppm	obvious, and unpleasant odor- safe for 8 hours exposure
0.005%	50 ppm	cause some flu-like symptoms and can cause pneumonia
0.01%	100 ppm	kills sense of smell in 3-15 minutes – may sting eyes and throat.
0.02% flu-	200 ppm	kills sense of smell rapidly, severely stings eyes and throat, severe like symptoms 4 or more hours may cause lung damage and/or death.
0.06%	600 ppm	unconscious quickly, death will result if not rescued promptly.

* at 15.00 psia and 60 deg F.

CAUTION:

Hydrogen Sulfide is a colorless, transparent gas and is flammable. It is heavier than air and may accumulate in low places.

Public Evacuation Plan

1. When the YPC supervisor determines the H₂S or other emergency cannot be limited to the well location and the public will be involved, he will activate the evacuation plan.
 2. The supervisor will notify local government agencies that a hazardous condition exists and evacuation needs to be implemented.
 3. A safety person who has been trained in the use of H₂S detection equipment and self-contained breathing apparatus shall monitor H₂S concentrations, heat exposure, wind directions, and area of exposure. He/she will delineate the outer perimeter of the hazardous gas area. Extension to the evacuation area shall be determined from the information gathered.
 4. Law enforcement shall be called to aid in setting up and maintaining roadblocks. They will also aid in evacuation of the public if necessary, but they shall not be asked to enter the hazardous zone.
 5. Constant communications shall be maintained between company personnel and law enforcement safe for re-entry.
 6. After the discharge of gas has been controlled, the safety person will determine when the area is safe for re-entry.
- All atmospheric monitoring equipment shall have a minimum capability of reading H₂S, oxygen, and flammability values.