

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

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575 API Number 30.025.37169
Property Code 32038	Property Name Chicalotes BCH Com.	Well No. 001

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
H	1	15S	34E		1980	North	990	East	Lea

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

Grassland, Mississippian, NE (Gas)	10 Proposed Pool 2
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Drilling Pit Location and Other Information

UL or lot no. H	Section 1	Township 15S	Range 34E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 990	East/West line East	County Lea
Depth to ground water 58'				Distance from nearest fresh water well 1600'		Distance from nearest surface water 1600'			
11 Work Type Code N		12 Well Type Code G		13 Cable/Rotary Rotary		14 Lease Type Code Private		15 Ground Level Elevation 4057'	
16 Multiple No		17 Proposed Depth 14000'		18 Formation Mississippi Limestone		19 Contractor		20 Spud Date ASAP	

21 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	14000	1000	9300

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 Mississippian/Intermediate formations. Approximately 400' of surface casing will be set/cemented. Intermediate casing will be set @ 6200', cement circ. to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

Mud Program: 0-400' FW/Gel/Paper; 400'-6200' FW going to Brine; 6200'-12300' Cut Brine; 12300'-TD Salt Gel/Starch.

BOPE Program: A 5000# BOPE will be installed.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H₂s anticipated from the surface to the Mississippi Limestone formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

A drilling pit has been/will be constructed under Yates Petroleum Corporation general plan approved by the OCD.

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 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@ypcnm.com

Date: February 5, 2005

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title:

Approval Date: APR 01 2005 Expiration Date:

Conditions of Approval:

Attached ☐

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

C144 attached

DISTRICT I
2825 N. French Dr., Suite, NM 88400

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
3040 South Pacheco, Santa Fe, NM 87505

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

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 30-025-37169	Pool Code 97337	Pool Name Grassland, Mississippian, NE (Gas)
Property Code 32038	Property Name CHICALOTES "BCH" COM.	Well Number 1
OCRD No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4057

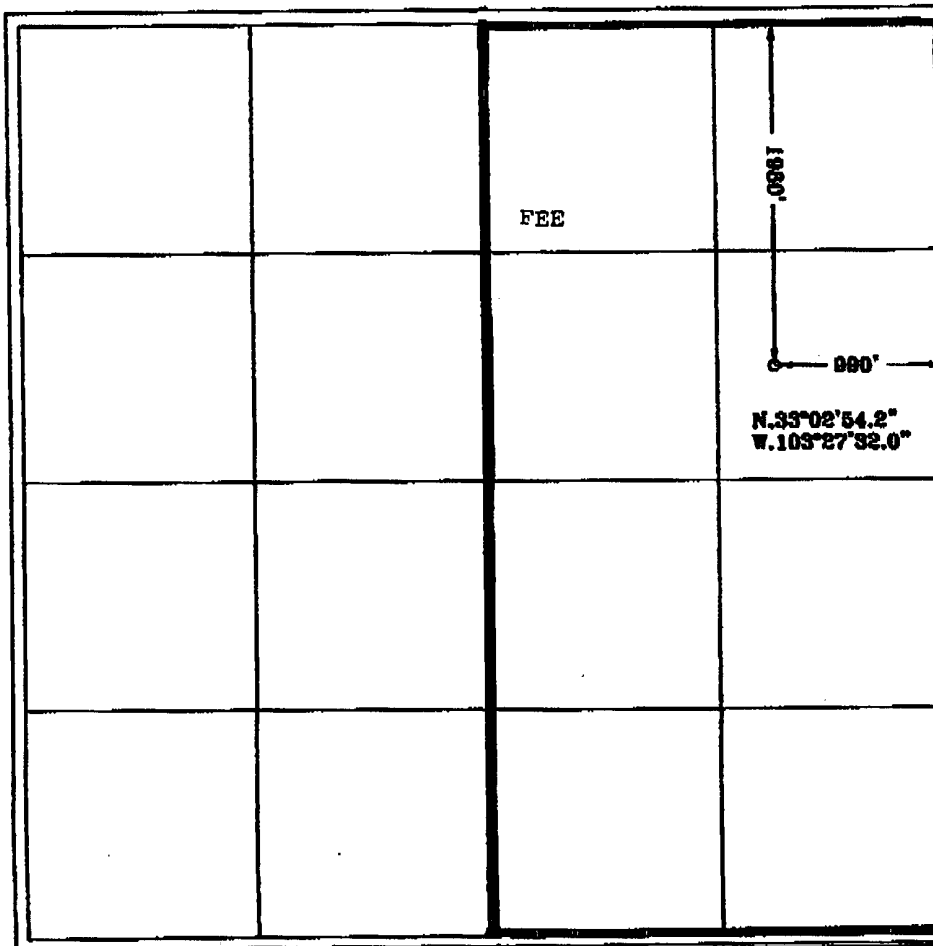
Surface Location

UT. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	1	15S	34E		1980	NORTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

UT. or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 328.63 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



OPERATOR CERTIFICATION

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

Debbie L. Caffall
Signature
Debbie L. Caffall

Printed Name
Regulatory Technician

Title
February 05, 2005

Date

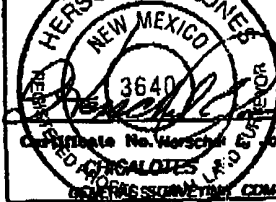
SURVEYOR CERTIFICATION

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.

3/03/2003

Date Surveyed

Signature of Registered Professional Surveyor



3640
Debbie L. Caffall
CHICALOTES LEASING COMPANY

0 330° 600° 990° 1650° 1980° 2310° 2640° 2970° 3300° 3630° 3960° 4290° 4620° 4950° 5280° 5610° 5940° 6270° 6600°

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Form C-144
March 12, 2004

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@yopenm.com

Address: 105 South 4th Street, Artesia, NM 88210

Facility or well name: Chicalotes BCH Com. #1 API #: 30,025,37169 U/L or Qtr/Qtr H Sec 1 T 15S R 34E

County: Lea Latitude N33.0484 Longitude W103.4589 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)
	<u>50 feet or more, but less than 100 feet</u>	<u>(10 points)</u>
	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)
	<u>No</u>	<u>(0 points)</u>
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)
	<u>1000 feet or more</u>	<u>(0 points)</u>
Ranking Score (Total Points)		<u>10 Points</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: February 05, 2005

Printed Name/Title Debbie L. Caffall/Regulatory Technician Signature Debbie L. Caffall

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.

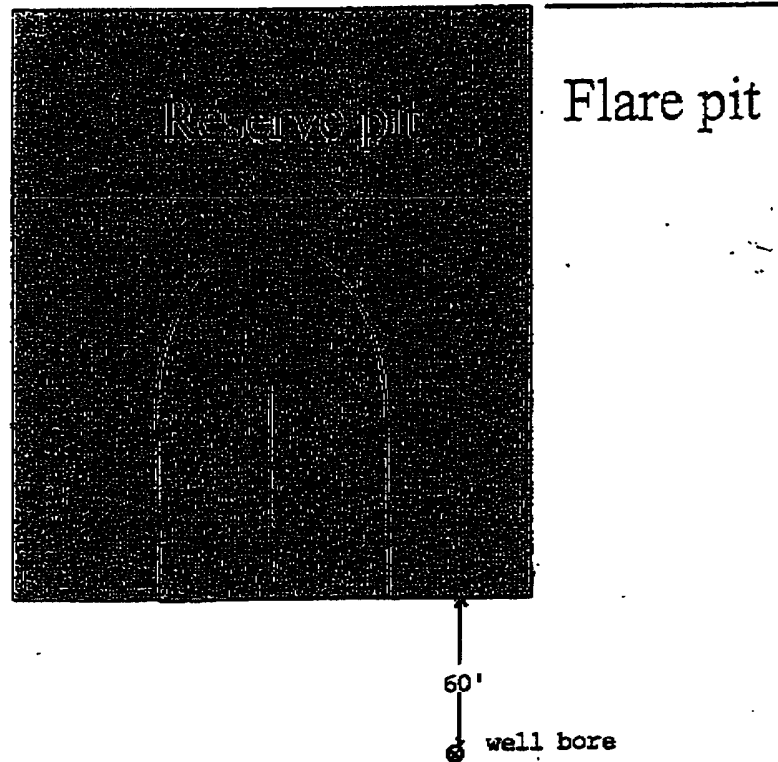
Approval:

Date: APR 01 2005

Printed Name/Title CHRIS WILLIAMS - DIST. S. Signature Chris Williams

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.



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