

## District I

125 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

Submit to appropriate District Office

☐ 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 Forth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 25575
<sup>3</sup> Property Code 32254		<sup>4</sup> API Number 30-025-37315
<sup>5</sup> Property Name Straits State Unit		<sup>6</sup> Well No. 002
<sup>9</sup> Proposed Pool 1 Sand Springs; Mississippian (GAS) 97125		<sup>10</sup> Proposed Pool 2

<sup>7</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
A		10S	34E		660	North	660	East	Lea

<sup>8</sup> 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

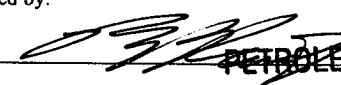
<sup>11</sup> Work Type Code New Well	<sup>12</sup> Well Type Code Gas	<sup>13</sup> Cable/Rotary Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 4227
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 12750	<sup>18</sup> Formation Mississippi Limestone	<sup>19</sup> Contractor Unknown	<sup>20</sup> Spud Date ASAP
Depth to Groundwater Less than 50'		Distance from nearest fresh water well More than 1000'		Distance from nearest surface water More than 1000'
Pit: Liner: Synthetic <input checked="" type="checkbox"/> 12. mils thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input checked="" type="checkbox"/> Gas/Air <input type="checkbox"/>				

<sup>21</sup> 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	4150	1400	0
8.75	7	26	12750	1650	3650

<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.

Yates Petroleum Corporation proposes to drill/test the Mississippian/Intermediate formations. Approx. 400ft. of surface casing will be set/cemented. Intermediate casing will be set @ 4150 ft., cement circulated to surface. If commercial, production casing will be run/cemented, perforate/stimulate as needed for production. MUD PROGRAM: 0-400' FW/Spud Mud; 400' - 2070' FW; 2070' - 4150' Red Bed Mud/Oil; 4150' - 7750' Cut Brine; 7750' - 9250' S Gel/Oil; 9250' - 11675' S Gel/Starch; 11675' - TD SW/Starch/4%KCL. BOPE PROGRAM: A 5000# BOPE will be used. The State Engineers Web Site has been accessed for the captioned well. Information obtained from this site determines the Site Ranking for this well is 20 points. With this ranking score excavation and removal of drilling materials will take place at pit closure. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Mississippian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

<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 <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: Clifton R. May		Approved by: 	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
E-mail Address: cliff@ypcnm.com		Approval Date: JUN 28 2005	
Date: 03/18/2005		Expiration Date:	
Phone: (505) 748-4347		Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED Permit Expires 1 Year From Approval Date Unless Drilling Underway

DISTRICT I  
1825 N. French Dr., Hobbs, NM 88240

DISTRICT II  
811 South First, Artesia, NM 88210

DISTRICT III  
1009 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

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 27125	Pool Name Sanct Springs, Mississippian (Gas)
Property Code 32254	Property Name STRAIT STATE UNIT	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4227

### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	32	10S	34E		660	NORTH	660	EAST	LEA

### Bottom Hole Location If Different From Surface

UL or lot No. 320 E/2	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.						

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

		VO-5301	660' N.33°24'32.1" W.103°28'48.6"

### OPERATOR CERTIFICATION

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

*Clifton R. May*  
Signature  
Clifton R. May  
Printed Name  
Regulatory Agent  
Title  
March 18/2005  
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.

4/12/2003  
Date Surveyed  
Signature & Seal of Professional Surveyor  
*Herschell L. Jones*  
Herschell L. Jones RLS 3640  
Strait 2  
GENERAL SURVEYING COMPANY  
PROFESSIONAL

0 330° 660° 990° 1650° 1980° 2310° 2640° 2970° 3300° 0°