

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

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> API Number 30-025-33792
<sup>4</sup> Property Code 19431	<sup>5</sup> Property Name Field APK State Com.	<sup>6</sup> Well No. 002
<sup>9</sup> Proposed Pool 1 Shoe Bar Atoka North		<sup>10</sup> 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
H/Lot 8	2	16S	35E		2390	North	640	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 Deepen	<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 3984'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 12100	<sup>18</sup> Formation Atoka	<sup>19</sup> Contractor	<sup>20</sup> Spud Date ASAP
Depth to Groundwater 55'		Distance from nearest fresh water well More than 1000'		Distance from nearest surface water More than 1000'
<b>Pit:</b> Liner: Synthetic <input checked="" type="checkbox"/> 12 mils thick Clay <input type="checkbox"/> Pit Volume: 24,000 bbls Drilling Method: <input checked="" 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"/> Closed-Loop System <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
14.75	11.75	42	439'	325	0
11	8.625	32	4692'	1450	1770
7.875	5.5	17	11,800'	1450	1770
4.75	3.5	9.1	11,400-TD	100	11400

**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 plans to deepen this well from 11800' to 12100'. A reverse Unit will be used to drill out the shoe joint in the 5 1/2" casing and deepen the hole to a total depth of 12100' with a 4 3/4" bit. At this point, 3 1/2", 9.1" P110 liner will be run from 12100' back to 11700' and cemented with 100 sacks of cement. The well will be completed with a pulling unit in the Atoka at approximately 11950'. The Mud program will be 9.5 to 10.0 ppg brine water with viscosity of 55-70 cp. BOP PROGRAM: 5000#

<b>23</b> 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"/> .		<b>OIL CONSERVATION DIVISION</b>	
Printed name: Clifton R. May <i>Clifton R. May</i>		Approved by: <i>[Signature]</i>	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
E-mail Address: cliff@ypcnm.com		Approval Date: JAN 27 2006	
Date: 1/14/2006		Expiration Date:	
Phone: (505) 748-4347		Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED

C-144 Attached

Permit Expires 1 Year From Approval  
Date Unless Drilling Underway  
Deepen

# WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number <b>30-025-33792</b>	<sup>2</sup> Pool Code <b>96763</b>	<sup>3</sup> Pool Name <b>Shoe Bar Atoke North</b>
<sup>4</sup> Property Code <b>19431</b>	<sup>5</sup> Property Name <b>Field APK State Com.</b>	
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>3984'</b>

# <sup>10</sup> Surface Location

UL or lot no. <b>H</b>	Section <b>2</b>	Township <b>16S</b>	Range <b>35E</b>	Lot Idn <b>8</b>	Feet from the <b>2390</b>	North/South line <b>North</b>	Feet from the <b>640</b>	East/West line <b>East</b>	County <b>Lea</b>
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# <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
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<sup>12</sup> Dedicated Acres <b>320</b>	<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

Lot 4	Lot 3	Lot 2	Lot 1	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <b>Clifton R. May</b> Signature <b>Clifton R. May</b> Printed Name <b>Regulatory Agent</b> Title <b>02/16/2004</b> Date  <sup>18</sup> 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number
Lot 5	Lot 6	Lot 7	Lot 8 2390' 640' VA-604	
Lot 12	Lot 11	Lot 10	Lot 9	
Section 2				

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State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
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Santa Fe, NM 87505

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 xx 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 4<sup>th</sup> Street, Artesia, NM 88210  
Facility or well name: Field APK State Com. #2 API #: 30-025-33792 U/L or Qtr/Qtr H/Lot 8 Sec 2 T 16S R 35E  
County: Lea Latitude Longitude NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

<b>Pit Type:</b> 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 12 mil Clay <input type="checkbox"/> Volume bbl	<b>Below-grade tank</b> 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)		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: January 27, 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: FEB 01 2005

Date:

Printed Name/Title PETROLEUM ENGINEER

Signature *Paul E. Hays*