

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

¹ Operator Name and Address YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-025-21026
⁴ Property Code 19277	⁵ Property Name Maljamar APB State	⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat Mississippian		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. P	Section 34	Township 16S	Range 32E	Lot Idn	Feet from the 660'	North/South line South	Feet from the 660'	East/West line East	County Lea
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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
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Additional Well Information

¹¹ Work Type Code Deepening	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4287'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,100'	¹⁸ Formation Mississippian	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater: 200'+		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: Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <input type="checkbox"/>				

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#	642'-in place	425	0
11.0"	8.625"	32#	4499'-in place	1875	935'
8.75"	5.5"	17#	13,100'	1525	TOC 4000'

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 squeeze off the existing perforations and drill out the plug to approximately 6125' with a pulling unit. A drilling rig will then be moved in to clean out the well to the original TD of 12,100' and then deepen the TD to 13,100' to test the Mississippian/intermediate formations using a 7 7/8" bit. There are 642' of surface casing in place and cement circulated. Intermediate casing is in place at 4499' and cement top is 935'. If commercial, production casing will be ran and cemented, perforated, and stimulated as need to gain production. MUD PROGRAM: The mud program will be 9.6 to 10.0 SW Gel/Starch from surface to TD. No H2S is anticipated. BOPE PROGRAM: A 5000# BOPR will be installed on the 8.625" casing and tested daily for operational.

**Permit Expires 1 Year From Approval
Date Unless Drilling Underway**

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 ☐.

Printed name: Clifton R. May

Title: Regulatory Agent

E-mail Address: cliff@ypcnm.com

Date: February 20, 2006

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval:

MAR 01 2006

Expiration Date:

PETROLEUM ENGINEER

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88340

DISTRICT II
611 South First, Artesia, NM 88210

DISTRICT III
1600 El Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102

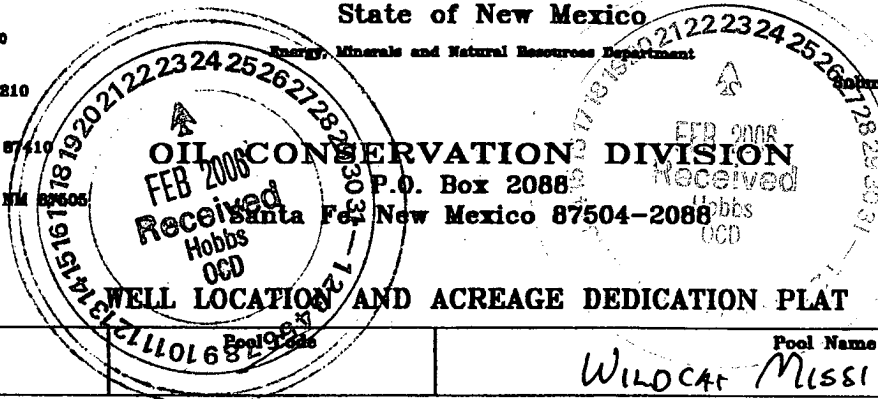
Revised March 17, 1999

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies



☐ AMENDED REPORT

API Number 30-025-21026		Pool Name WILDCAT MISSISSIPPIAN	
Property Code 19277	Property Name MALJAMAR APB STATE		Well Number #1
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 4287' GR.

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	34	16S	32E		660'	South	660	EAST	LEA

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

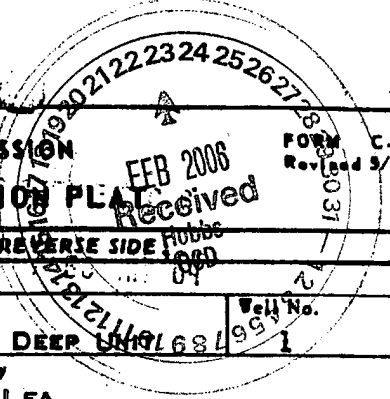
Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature CLIFTON R. MAY Printed Name REGULATORY AGENT Title FEBRUARY 20, 2006 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. Date Surveyed Signature & Seal of Professional Surveyor REFER TO ORIGINAL PLAT Certificate No.	

DUPLICATE

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT



FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

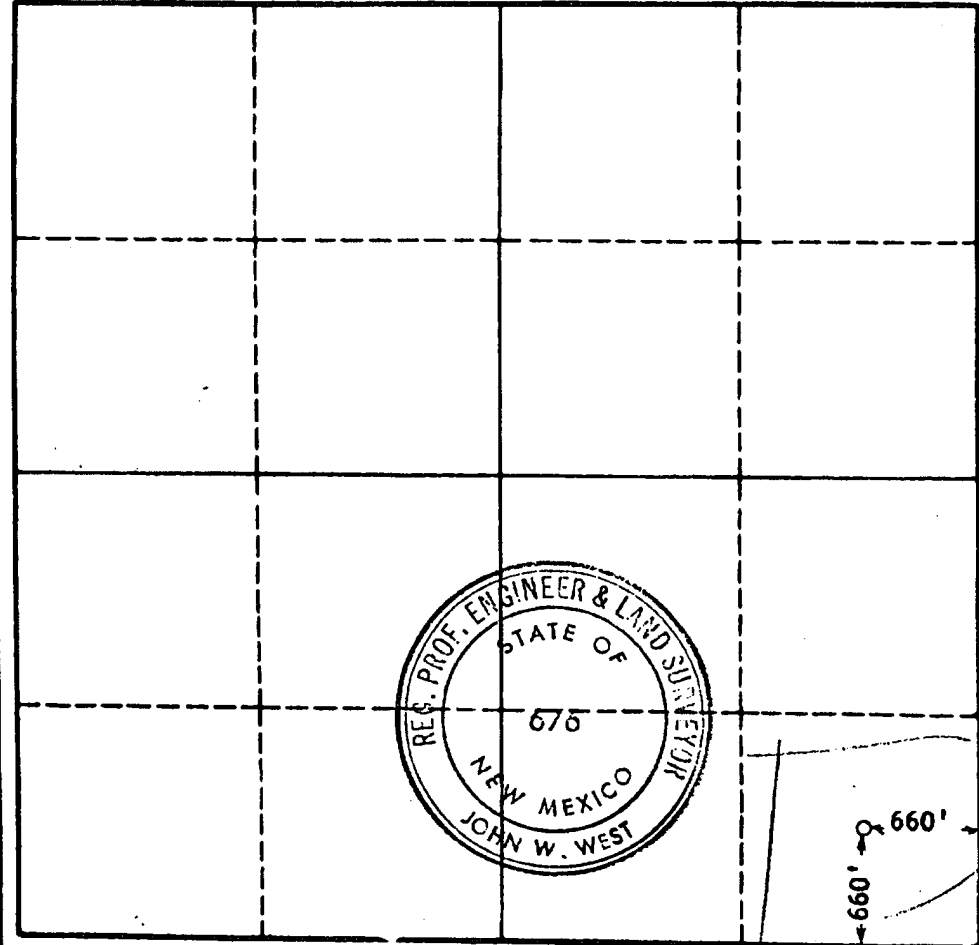
SECTION A

Operator GULF OIL CORP.		Lease MALIAMAR NORTH DEEP UNIT		
Unit Letter P	Section 34	Township 16 SOUTH	Range 32 EAST	County LEA
Actual Footage Location of Well: 660 feet from the SOUTH line and 660 feet from the EAST line				
Ground Level Elev.	Producing Formation Penn	Pool Wildcat	Dedicated Acreage: 40 Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES _____ NO **XX** ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1955 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES **XX** NO _____. If answer is "yes," Type of Consolidation **Unit**
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B



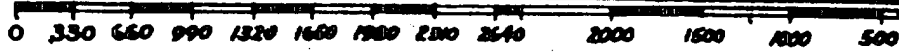
CERTIFICATION

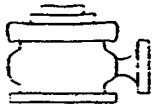
I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

ORIGINAL SIGNED BY G. D. BORLAND
Position Area Production Manager
Company Gulf Oil Corporation
Date November 19, 1964

I hereby certify that the well location shown on the plat in SECTION B 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 NOV. 17, 1964
Registered Professional Engineer and/or Land Surveyor, JOHN W. WEST
Certificate No. N.M. - P.E. & L.S. NO. 676

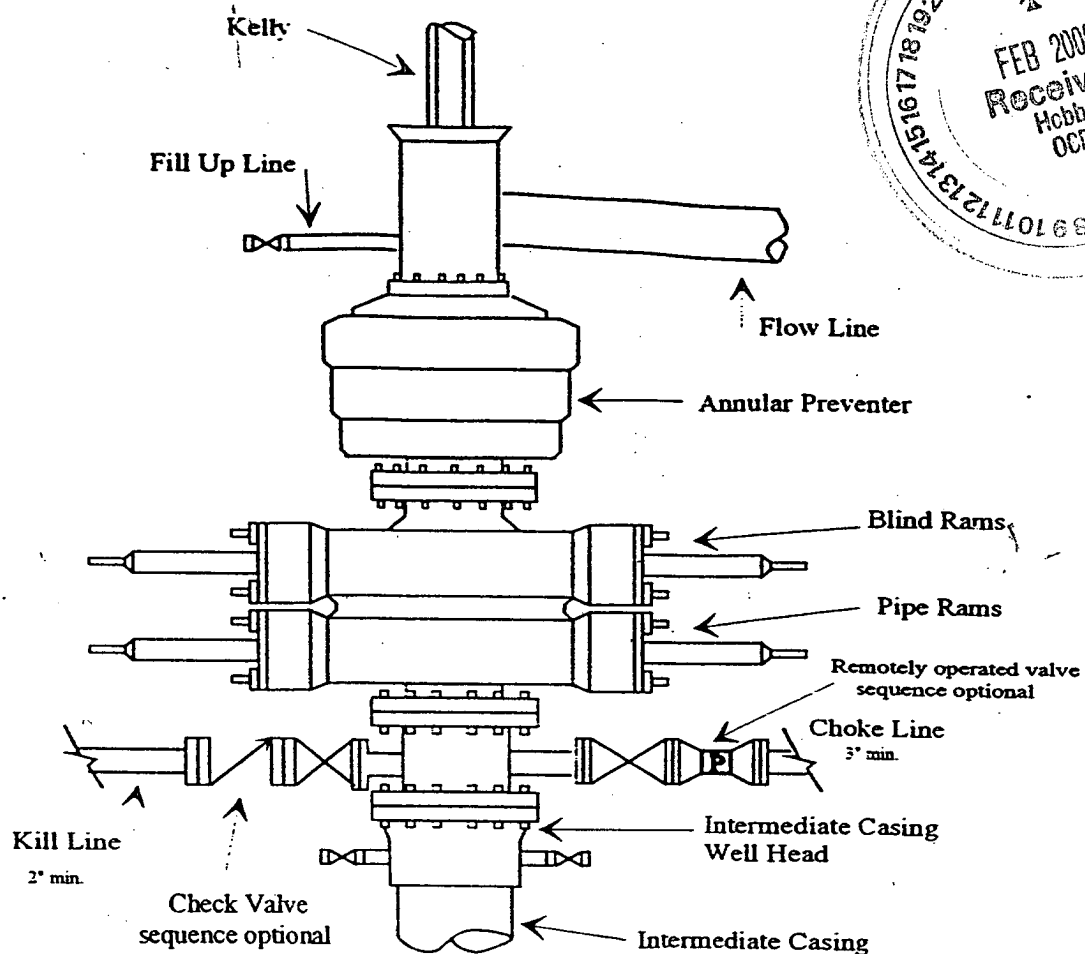
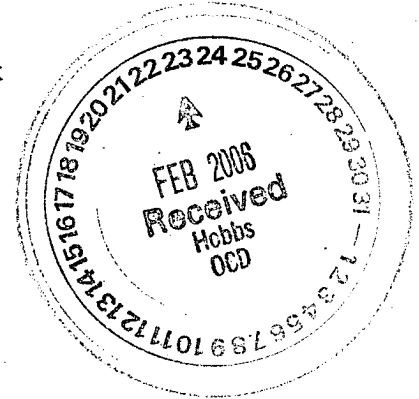




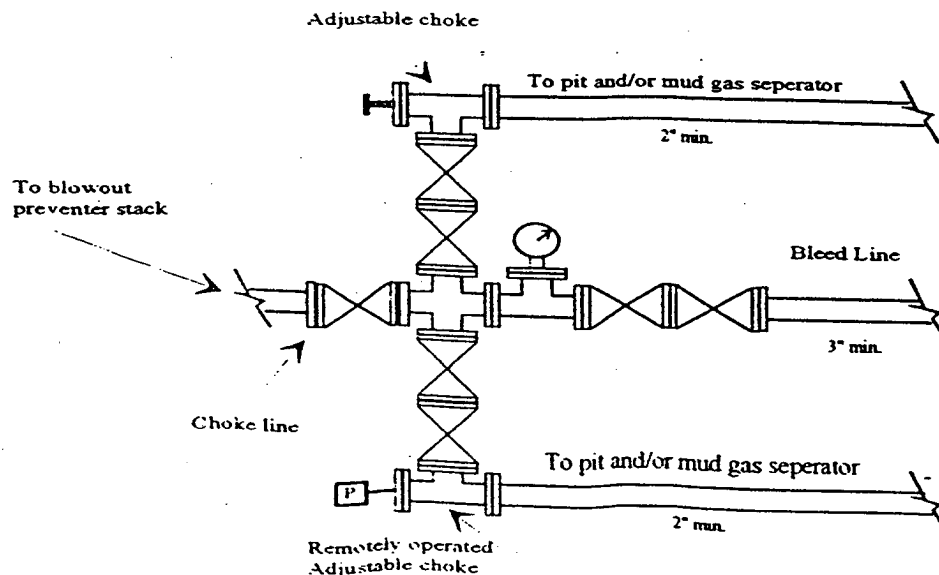
Yates Petroleum Corporation

BOP-4

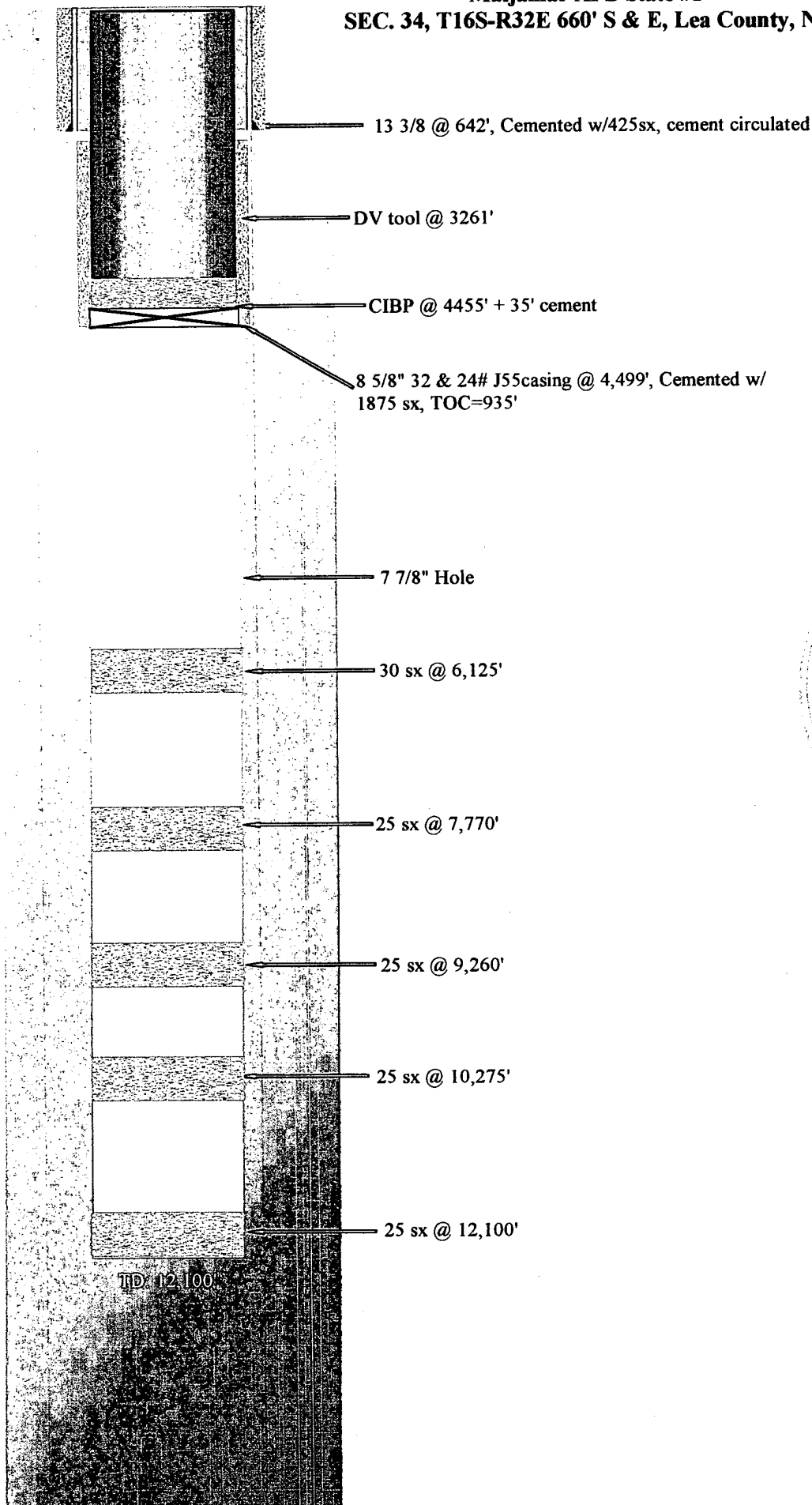
Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features



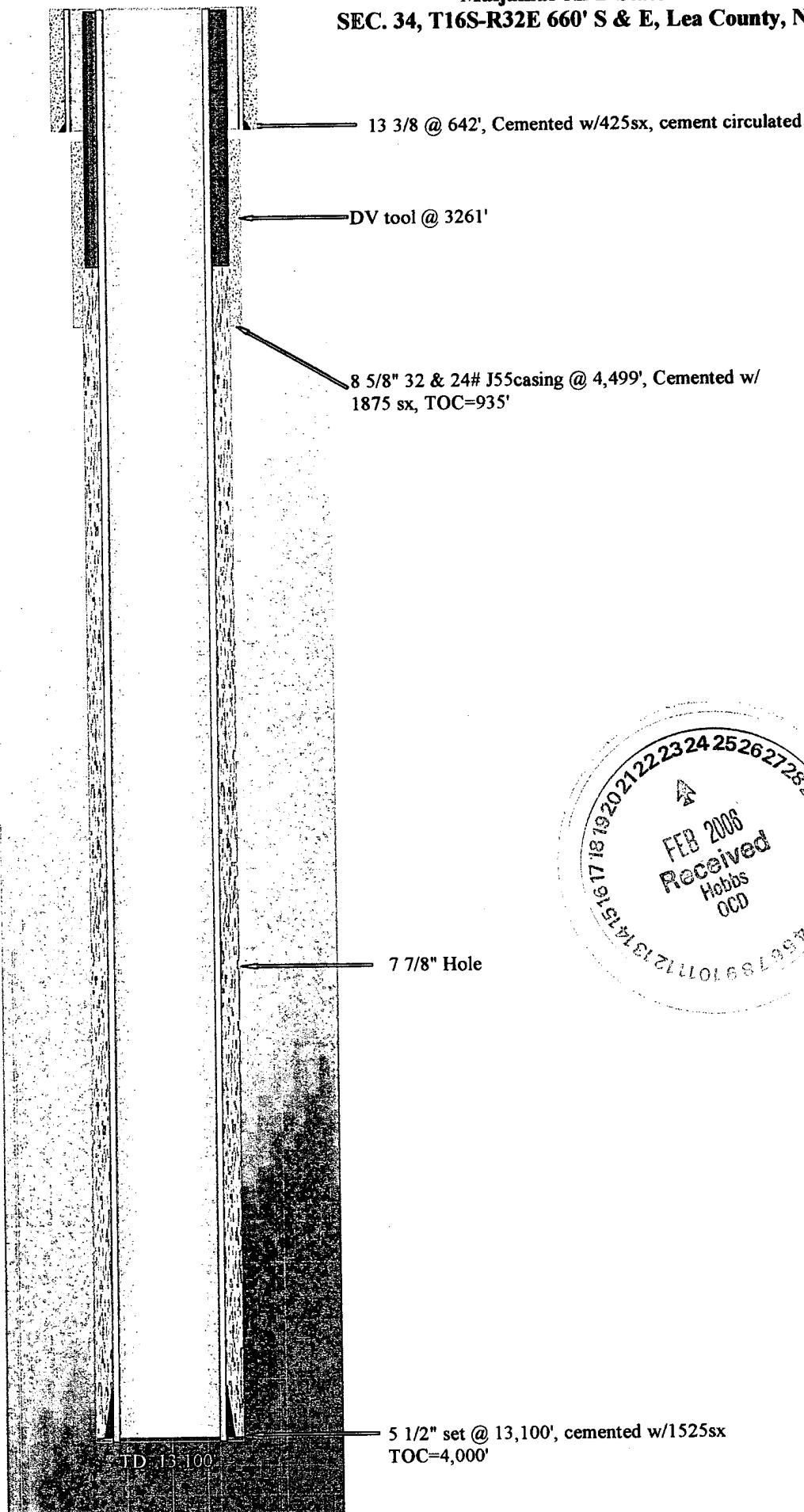
"WELLBORE BEFORE RE-ENTRY" YATES PETROLEUM CORPORATION
Maljamar APB State #1
SEC. 34, T16S-R32E 660' S & E, Lea County, NM



Sketch not to scale

"WELLBORE AFTER RE-ENTRY"

YATES PETROLEUM CORPORATION
Maljamar APB State #1
SEC. 34, T16S-R32E 660' S & E, Lea County, NM



Sketch not to scale

 The sender of this message has requested a read receipt. [Click here to send a receipt.](#)

Mull, Donna, EMNRD

From: Phillips, Dorothy, EMNRD
To: Mull, Donna, EMNRD
Cc:
Subject: RE: Financial Assurance Requirement
Attachments:

Sent: Wed 3/1/2006 9:08 AM

Donna, Paladin has 9 Inactive wells and it owns 61 wells and they are allowed to have only 2 inactive wells - I am asking Gail about this one also.

Pogo has 719 wells and are allowed 7 wells and they have 15 inactive and are purchasing 23 inactive from Arch but they do not appear on Jane's list. I have asked Gail about Pogo to see if she has contacted them. The system has been updated so that whenever an operator tries to do an operator change if they are out of compliance with Rule 40 a Warning appears that they are out of compliance and to contact me. I refer them either to Gail or Daniel. They let me know when to proceed with the operator change. However, Pogo submitted the name change before this was in place. Will let you know what Gail says. All the rest are okay.

From: Mull, Donna, EMNRD
Sent: Wednesday, March 01, 2006 7:42 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Dorothy, These Operators have Intent to drill in District 1 for approval:

Trilogy Operating Inc. (21602)
Range Operating New Mexico Inc. (227588)
Marbob Energy Corp. (14049)
Paladin Energy Corp. (164070)
Energen Resources Corp (162928)
Marathon Oil Co. (14021)
BTA Oil Producers (3002)
Northstar Operating Co. (152527)
EverQuest Energy Corp (212929)
Yates Petroleum Corp (35575)
Arch Petroleum Inc, (962)
Chevron USA Inc (4323)
Pogo Producing Co. (17891)

Please check if the Financial Assurance Requirements are OK for these operators to drill. Thanks Donna