

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 30-025-02661 ✓
⁴ Property Code 35276	⁵ Property Name Pitney State Unit ✓	⁶ Well No. 7 ✓
⁹ Proposed Pool 1 Wildcat Mississippian ✓		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
N	26	12S	35E		660	South	1980	West	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

Additional Well Information

¹¹ Work Type Code E ✓	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4051 KB
¹⁶ Multiple No	¹⁷ Proposed Depth 13563'	¹⁸ Formation Mississippian	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater: 25'		Distance from nearest fresh water well: over 1000'		Distance from nearest surface water: over 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 type="checkbox"/> Gas/Air <input type="checkbox"/>				

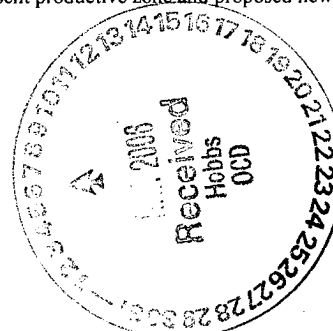
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
18"	13.375"	44.5#	314'-in place	350	0
12.25"	9.625"	36#	4421'-in place	2600	0
8.75"	5.5"	17#	13563'	1100	TOC 9000'

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.

See attached drilling plan

Permit Expires 1 Year From Approval
 Date Unless Drilling Underway
 Re-Entry



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 <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 <i>Clifton R. May</i>		Approved by: <i>[Signature]</i>	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
E-mail Address: cliff@ypcnm.com		Approval Date: MAR 07 2006	
Date: March 2, 2006		Expiration Date:	
Phone: (505) 748-4347		Conditions of Approval Attached <input checked="" type="checkbox"/>	

NOTE: Water information from the USGS Map.

YATES PETROLEUM CORPORATION

Pitney State Unit #7 Re-entry

660' FSL & 1980' FWL

Section 26-T12S-R35E

Lea County, New Mexico

Lease VA-2422

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Skelley Oil Company as their West Tatum Unit #1 drilled to a depth of 13563', which was plugged on November 19, 1956. Yates will use a pulling unit and a reverse unit to drill out the cement plugs in the 9 5/8" casing to a depth of about 4450'. Circulate hole clean and trip out of hole and rig down pulling unit.

A drilling rig will be moved onto location and the remaining cement plugs will be drilled out to at least a TD of 13300'. New open hole logs will be run. Then, 5 1/2" casing will be run and cemented to an approximately top of 9000' with 11000 sacks. The well will be completed with a pulling unit in the zone intervals as indicated by the interpretation of the open hole logs by Geology. The mud program will be 9.2 to 9.8 ppg brine water with viscosity of 35-40 cp. A 5,000 psi BOP will be used.

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State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe. NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-02661	² Pool Code ✓	³ Pool Name Wildcat Mississippian
⁴ Property Code	⁵ Property Name Pitney State Unit	⁶ Well Number 7
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4051'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	26	12S	35E		660	South	1980	West	Lea

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title March 2, 2006 Date
	¹⁸ 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 of Survey Signature and Seal of Professional Surveyor: See Original Plat

NEW MEXICO
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date 8-14-56

Operator Skelly Oil Co. Lease West Tatum Unit

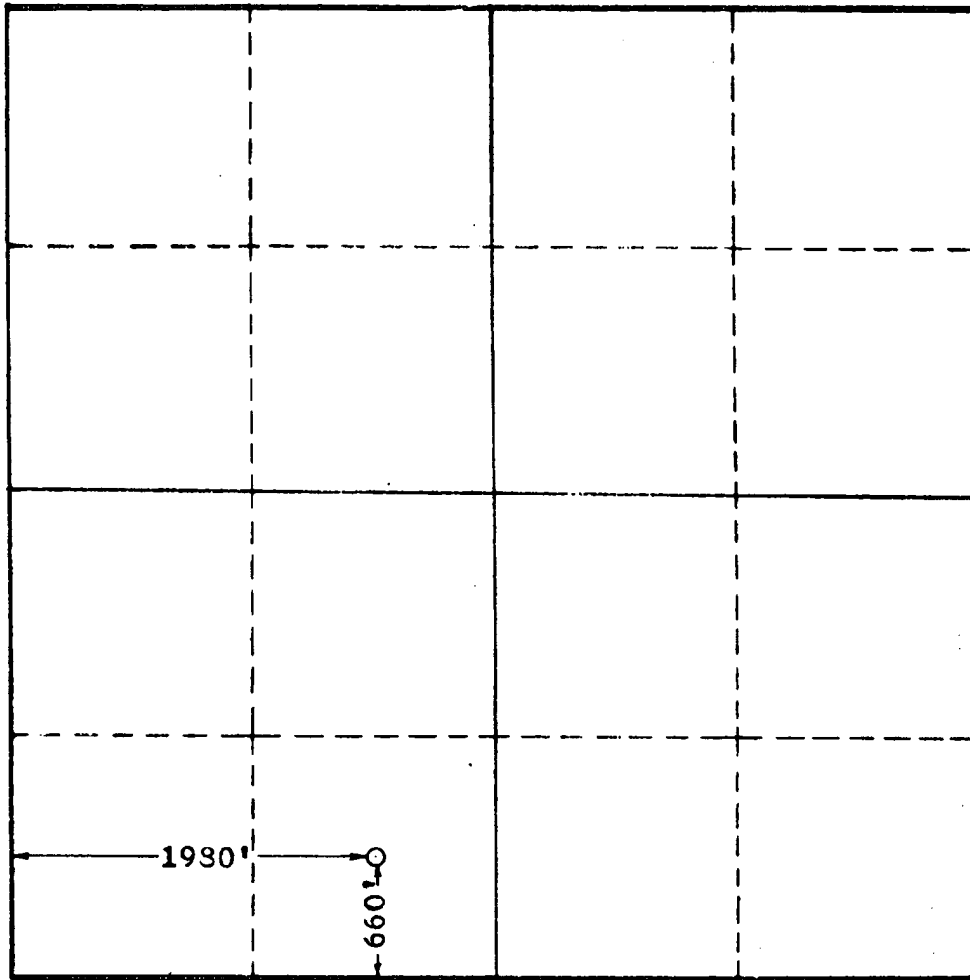
Well No. 1 Section 26 Township 12 South Range 35 East NMPM

Located 1980' Feet From West Line, 660' Feet From South Line,

Lea County, New Mexico. G. L. Elevation _____

Name of Producing Formation _____ Pool _____ Dedicated Acreage _____

(Note: All distances must be from outer boundaries of Section)



1. Is this Well a Dual Comp. ? Yes ___ No ___.

2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes ___ No ___.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Name _____
Position _____
Representing _____
Address _____

Date Surveyed 8-14-56
John W. West
Registered Professional Engineer and/or
Land Surveyor

Well Name: Pitney State Unit #7 Field: _____

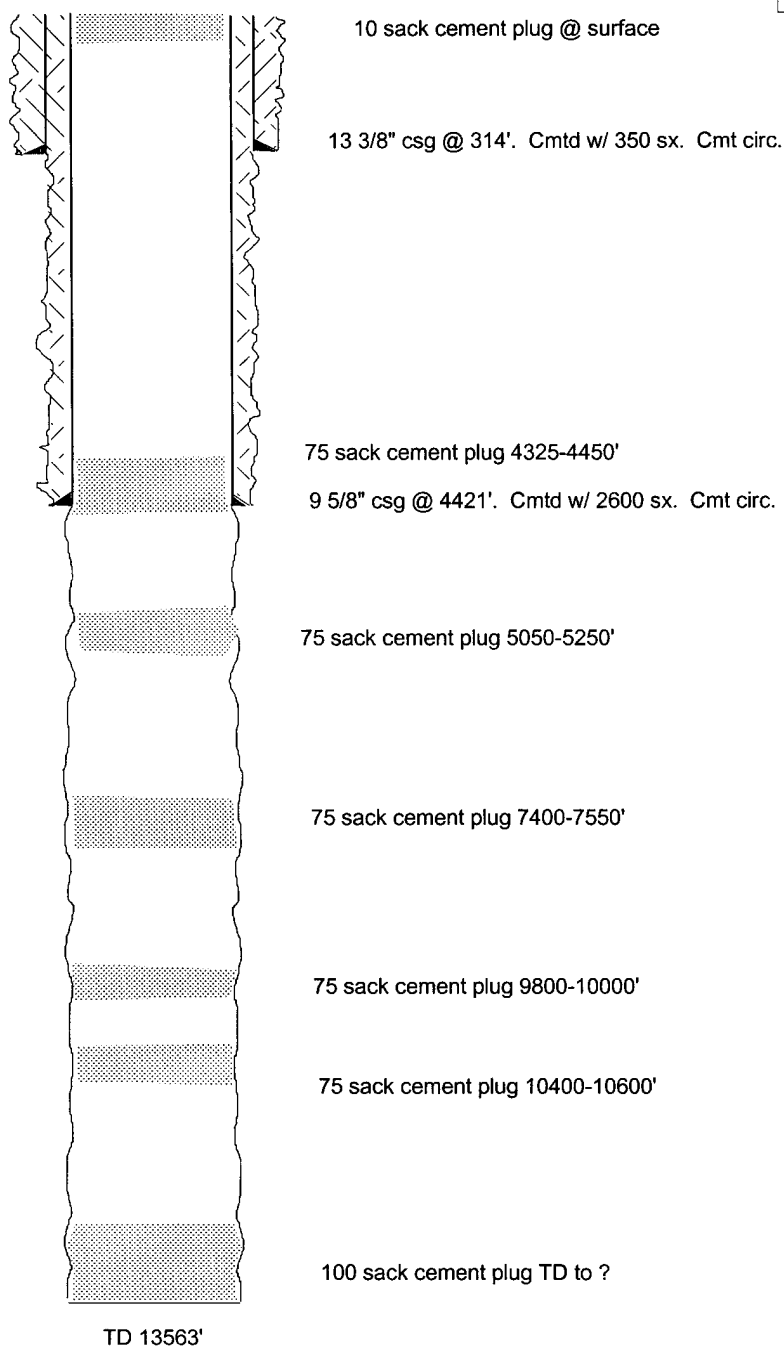
Location: 660' FSL & 1980' FWL Sec. 26-12S-35E Lea Co, NM

GL: _____ Zero: _____ AGL: _____ KB: 4051'

Spud Date: 8/18/56 Completion Date: 11/19/56

Comments: Re-entry of Skelly Oil Company's West Tatum Unit No. 1, D&Ad

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 44.5#	314'
9 5/8" 36 & 40#	4421'



CURRENT CONFIGURATION

SKETCH NOT TO SCALE

DATE: 2/27/06 PITNY7

Well Name: Pitney State Unit #7 Field: _____

Location: 660' FSL & 1980' FWL Sec. 26-12S-35E Lea Co, NM

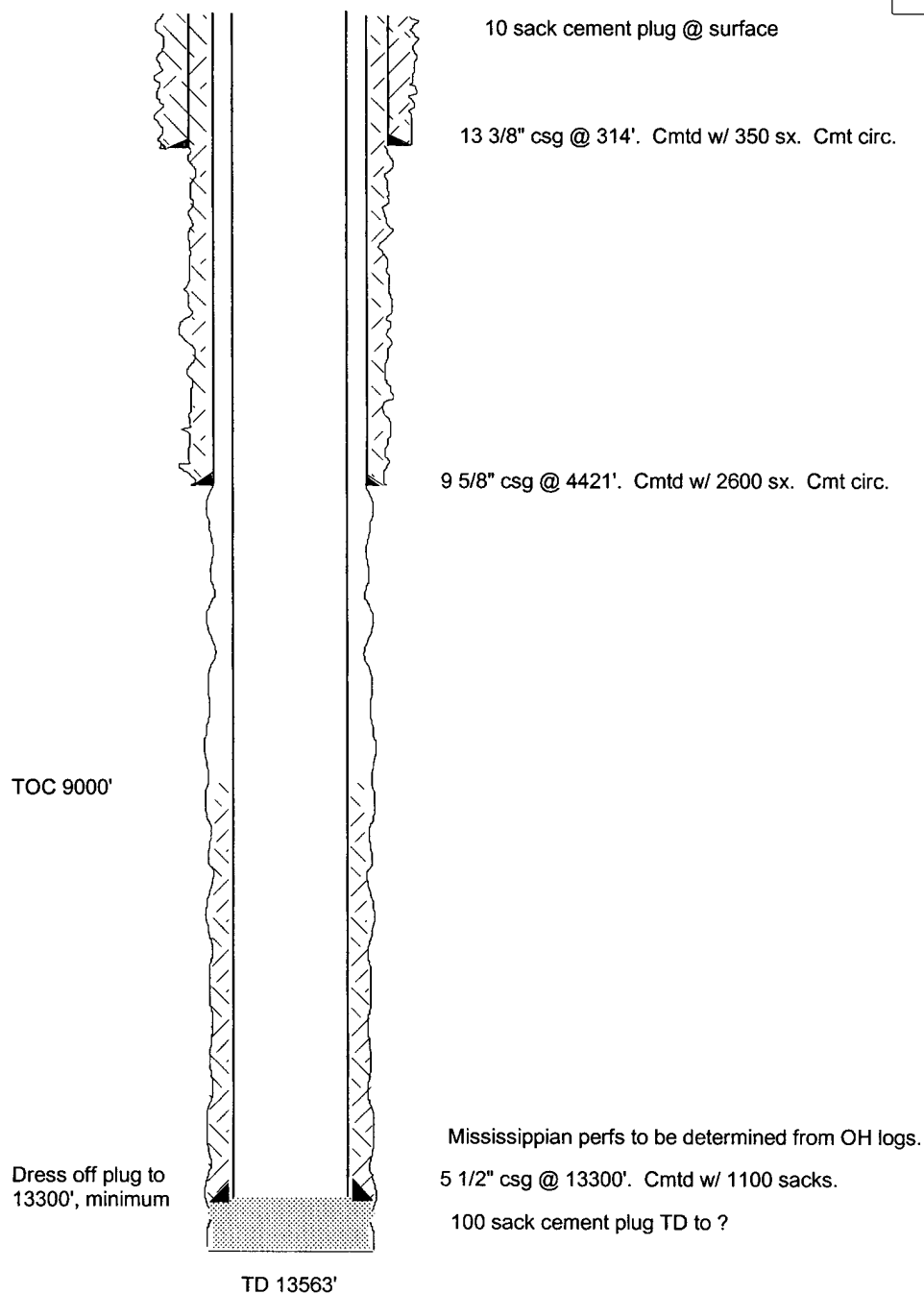
GL: _____ Zero: _____ AGL: _____ KB: 4051'

Spud Date: 8/18/56 Completion Date: 11/19/56

Comments: Re-entry of Skelly Oil Company's West Tatum Unit No. 1, D&Ad


Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 44.5#	314'
9 5/8" 36 & 40#	4421'
5 1/2" 17# J55, N80, P110	13300'

PROPOSED CONFIGURATION



SKETCH NOT TO SCALE

DATE: 2/27/06 PITNY7A

 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: Mon 3/6/2006 11:40 AM

Okay

From: Mull, Donna, EMNRD
Sent: Monday, March 06, 2006 11:12 AM
To: Phillips, Dorothy, EMNRD
Subject: Financial Assurance Requirement

Dorothy, These operators have APD intent to Drill, Deepen, Re-Entry:

Paladin Energy Corp (164070)
Energen Resources Corp (162928)
XTO Energy Inc (5380)
Northstar Operating Co (152527)
Yates Petroleum Corp (25575)
Manzano Oil Corp (13954)

What is their standing on Financial Assurance Requirement?

Please let me know. Thanks Donna