

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 -025-25846
⁴ Property Code 35474	⁵ Property Name Nugget BIN State Com.	⁶ Well No. 1
⁹ Proposed Pool 1 Wildcat Penn		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. M	Section 19	Township 10S	Range 32E	Lot Idn	Feet from the 860'	North/South line South	Feet from the 660'	East/West line West	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 Re-Entry	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4381'
¹⁶ Multiple No	¹⁷ Proposed Depth 9100'	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater: more 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: 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"/>				

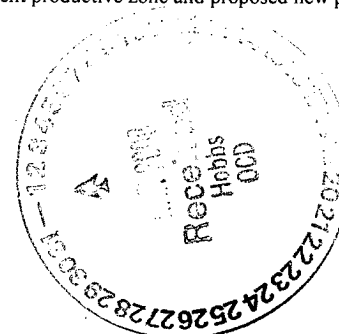
21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.375"	48#	365'-in place	350	0
11.0"	8.625"	32#	3550'-in place	1370	550'
7.875"	5.5"	17#	3144to9100'-inplac	2163	TOC 3200'
7.875	5.5"	17#	0-3114'	500	Tie back to 8.875"

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 sheet.

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		Approved by:	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
E-mail Address: cliff@ypcnm.com		Approval Date: MAR 07 2006	
Date: February 28, 2006		Expiration Date:	
Phone: (505) 748-4347		Conditions of Approval Attached <input type="checkbox"/>	

YATES PETROLEUM CORPORATION

Nugget BIN State Com. No. 1 Re-entry

860' FSL & 660' FWL

Section 19-T10S-R32E

Lea County, New Mexico

Lease VO-7359

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Natomas North America Inc. as their New Mexico State Com. #1, which was spudded 3/5/78. The well was transferred to Terra Resources, Inc, to Pacific Enterprises Oil Company (USA), to Snyder Oil Company, to Snyder Operating Company, to Snyder Oil Corporation and finally to Santa Fe Exploration Company. The well was plugged 1/29/98. Yates will use a pulling unit and a reverse unit to drill out the cement plugs using a 7 7/8" bit in the 8 5/8" casing to approximately 3114' to the top of the 5 1/2" casing that was cut-off. The production casing (5 1/2") will be tied back from 3114' to surface and cemented with 500 sacks class C. Drill out cement and test the casing to 1000 psi. Continue to drill out plugs and clean out hole to approximately 9100'. Circulate hole clean and trip out of hole. Rig up a wireline unit and set a CIBP qt 9010' and cap with 20' of cement. Squeeze off the open perforations and then drill out the cement retainers. Test the casing to 1000 psi. Then cleanout to 8990' and circulate hole clean. Perforate and stimulate as needed to gain production.

The mud program will be 9.2 to 9.8 ppg brine water with viscosity of 35-40 cp. A 5,000 psi BOPE will be used.

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-25846	² Pool Code ✓	³ Pool Name Wildcat Penn
⁴ Property Code 35474	⁵ Property Name Nugget BIN State Com.	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4381'

¹⁰ Surface Location

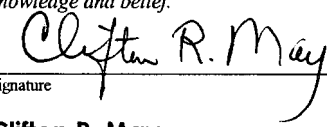
UL or lot no. M	Section 19	Township 10S	Range 32E	Lot Idn	Feet from the 860	North/South line South	Feet from the 660	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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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

V- 7358				¹⁷ OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Clifton R. May Printed Name Regulatory Agent Title February 28, 2006 Date
VO- 7359				¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor: See Original Plat

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-102
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

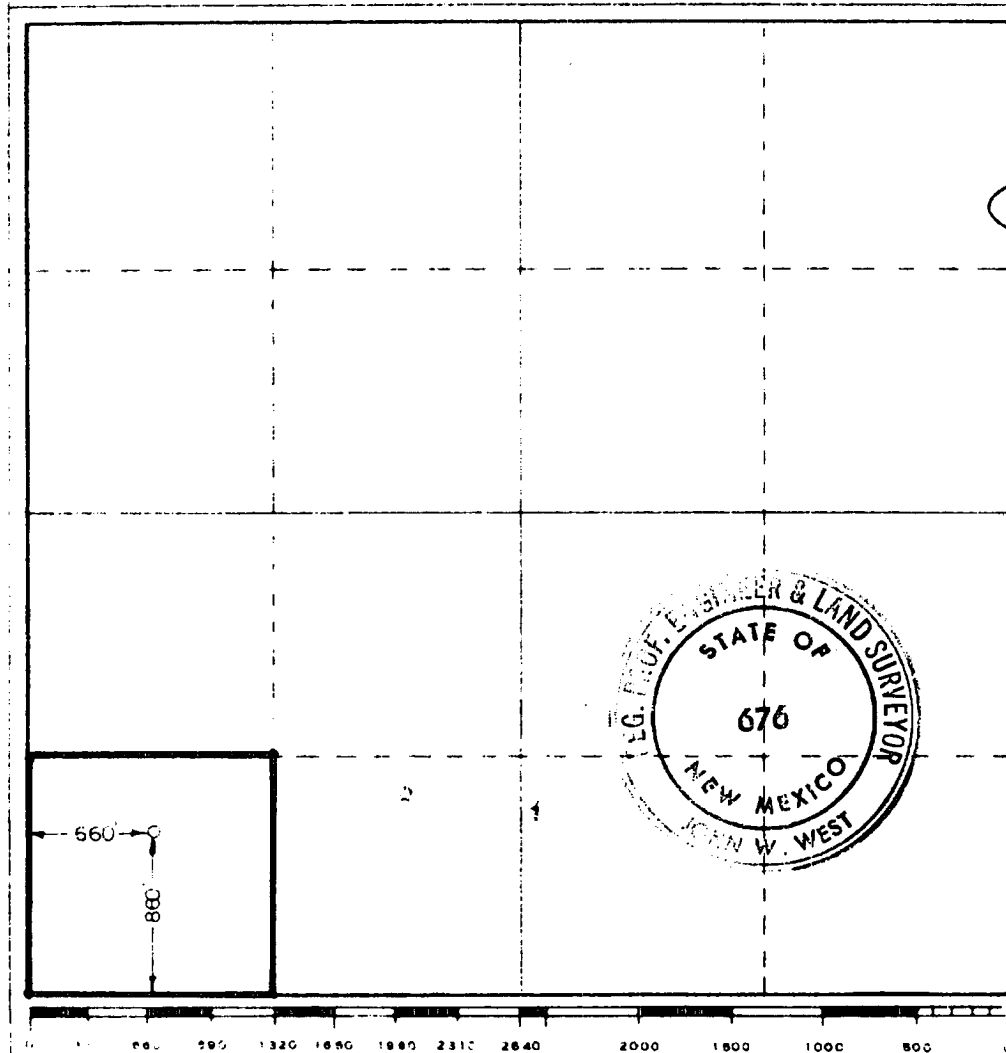
Lessee Natomas North America, Inc.		State State of New Mexico		Well No. 1
Section M	Range 19	Meridian 10 South	County 32 East	City Lea
Distance from the 860		Line and South		Distance from the 660
Dedicated Acreage 4380.7		Foot 660		Line West
Dedicated Acreage 40		Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty)
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Operating Agreement

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Richard A. Porter
Name

Richard A. Porter

Position

Division Production Manager

Company

Natomas North America, Inc.

Date

February 9, 1978

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 knowledge and belief.

Date Surveyed

1/28/78

Registered Professional Engineer and/or Land Surveyor

John W. West

Certificate No. John W. West

676

Ronald J. Eidson

3239

Well Name: Nugget BIN State Com #1 Field: _____

Location: 860' FSL & 660' FWL Sec. 19-10S-32E Lea Co, NM

GL: 4381' Zero: _____ AGL: _____ KB: 4397.6'

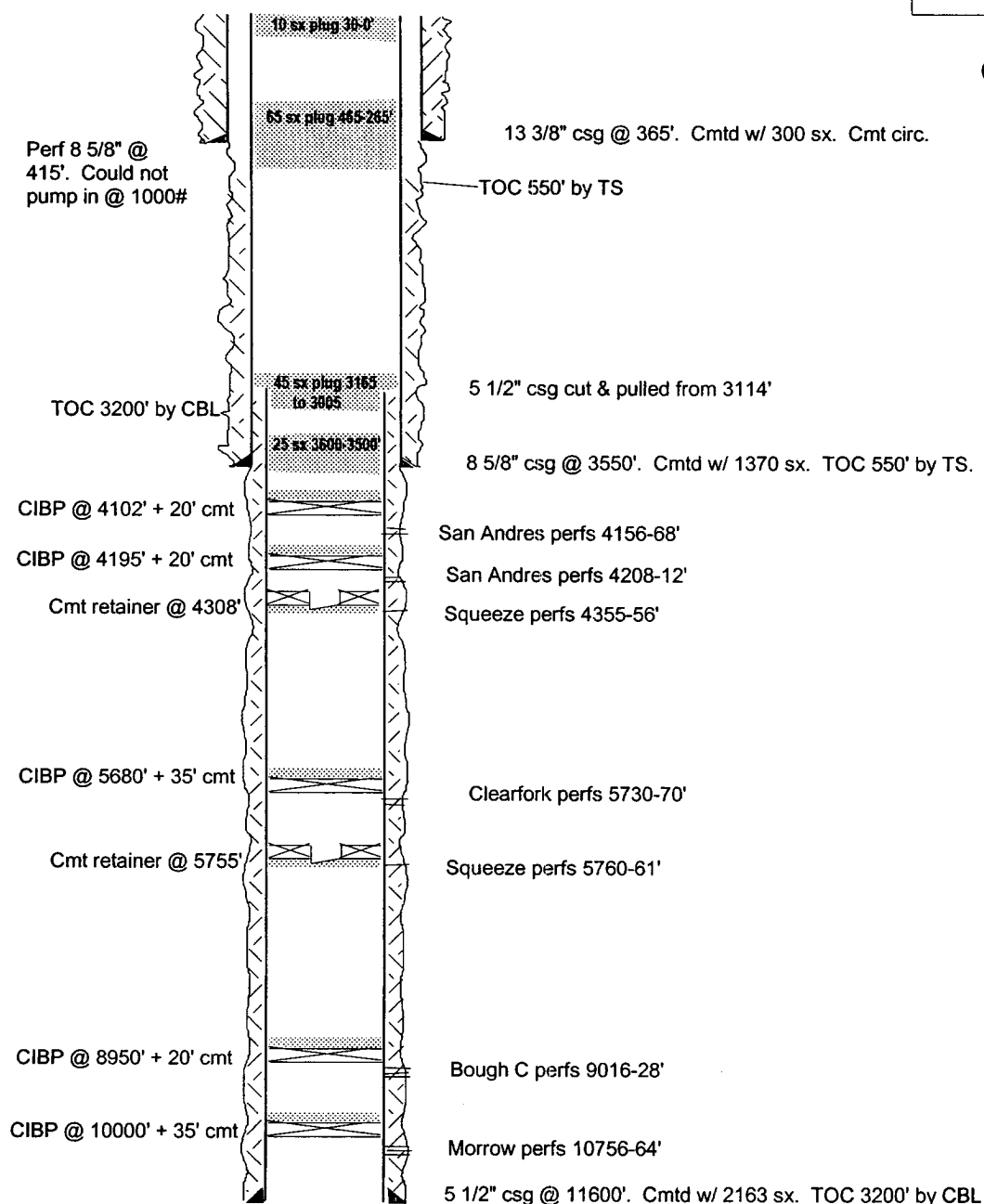
Spud Date: 3/5/78 Completion Date: _____

Comments: Originally drilled by Natomas North America as State of NM Com #1

Plugged by Santa Fe Exploration Co, in January 1998

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48#	365'
8 5/8" 24 & 32#	3550'
5 1/2" 17#	11600'

CURRENT CONFIGURATION



SKETCH NOT TO SCALE

DATE: 2/10/06 NUGET1

Well Name: Nugget BIN State Com #1 Field: _____

Location: 860' FSL & 660' FWL Sec. 19-10S-32E Lea Co, NM

GL: 4381' Zero: _____ AGL: _____ KB: 4397.6'

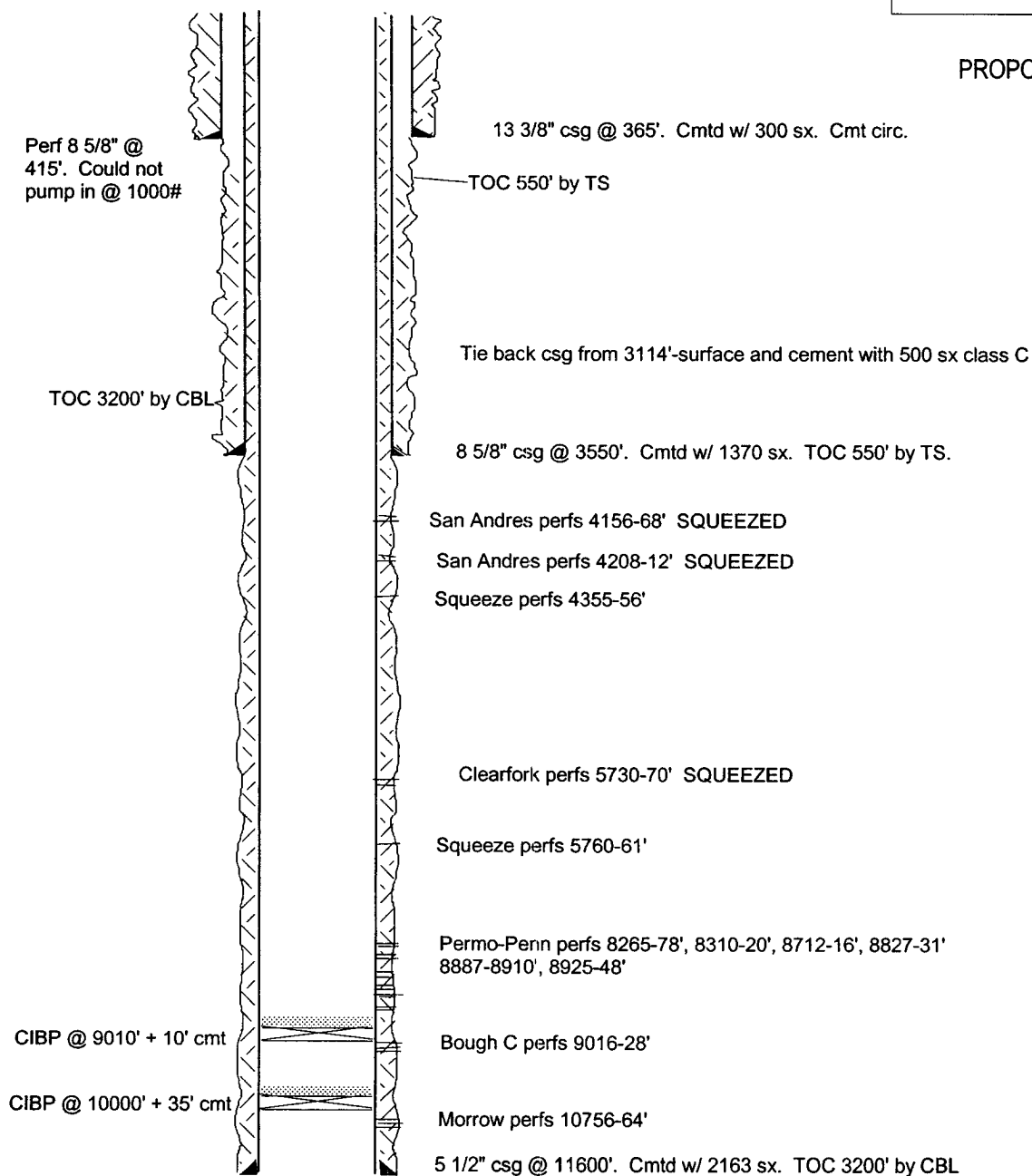
Spud Date: 3/5/78 Completion Date: _____

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Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48#	365'
8 5/8" 24 & 32#	3550'
5 1/2" 17#	11600'

PROPOSED CONFIGURATION



SKETCH NOT TO SCALE

DATE: 2/10/06 NUGET1A

 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