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

State of New Mexico Energy Minerals and Natural Resources

Form C-101 May 27, 2004

Oil Conservation Division 1220 South St. Francis Dr.

Submit to appropriate District Office

Expiration Date:

☐ AMENDED REPORT

District IV Santa Fe, NM 87505 1220 S. St. Francis Dr., Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address OGRID Number 025575 Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210 API Number 30 -025-29451 Property Name ° Well No. Property Code 32128 Reed AXV 9 Proposed Pool 1 10 Proposed Pool 2 Wildcat Canyon Wildcat Cisco Surface Location Feet from the Fast/West line UL or lot no. Township Range Lot Idn North/South line Feet from the County Section 15S 34E K 1870 South 2080 West Lea 12 K ⁸ Proposed Bottom Hole Location If Different From Surface Feet from the North/South line Feet from the East/West line UL or lot no Lot Idn County Section Township Range Additional Well Information 13 Cable/Rotary 14 Lease Type Code 15 Ground Level Elevation ² Well Type Code 11 Work Type Code N/A C 4063 ¹⁶ Multiple Proposed Depth ¹⁸ Formation Contractor 20 Spud Date ASAP N N/A Mississippian N/A Distance from nearest fresh water well Distance from nearest surface water Depth to Groundwater >1000° >1000 Drilling Method: Liner: Synthetic \(\square\) 12 mils thick Clay \(\square\) Pit Volume: Pit: Fresh Water Brine Diesel/Oil-based Gas/Air Closed-Loop System 122232 ²¹ Proposed Casing and Cement Program Casing weight/foot Setting Depth Sacks of Cement Estimated TOC Casing Size Hole Size (10) in 4 IN PLACE Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed free productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Date Unless Plugback Propose to plug back and recomplete as follows: Set CIBP @ 12350' and dump 35' cement on plug. Perforate Canyon 11828-11840' (24), 11870-11874' (8) and 11894-11904' (20) w/2 SPF, 90° phasing and stimulate. If not productive, set CIBP @ 11800' and dump 35' cement on plug. Perforate Cisco 10880-10890' (20), 10900-10905' (10), 10914-10922' (16), 11106-11110' (8) and 11114-11123' (18) w/2

OIL CONSERVATION DIVISION best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines \square , a general permit \boxtimes , or an (attached) alternative OCD-approved plan \square . Approved by: PETROLEUM ENGINEER 2005

Signature: Printed name: Stormi Davis Title:

²³ I hereby certify that the information given above is true and complete to the

SPF, 90° phasing and acidize.

Date: 4-4-06

Title: Regulatory Compliance Technician Approval Date: E-mail Address: stormid@ypcnm.com

> Phone: 505-748-1471 Conditions of Approval Attached

District I

1625 N. French Dr., Hobbs, NM 88240

District II

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District IV

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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 June 10, 2003

☐ AMENDED REPORT

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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¹ API Number 30-025-29451	² Pool Code	³ Pool Name Wildcat Canyon
⁴ Property Code 32128	⁵ Property Name Reed AXV	⁶ Well Number 1
⁷ OGRID No.	⁸ Operator Name	⁹ Elevation
025575	Yates Petroleum Corporation	4063' GR

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
K	12	15S	34E		1870	South	2080	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	s ¹³ Joint	or Infill 14	Consolidatio	n Code 15 Or	der No.				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-

SIANDA	ARD UNIT HAS BEEN APPROVED BY THE	DIVISION
16		¹⁷ OPERATOR CERTIFICATION
		I hereby certify that the information contained herein
		is true and complete to the best of my knowledge and
		belief. Signature
•		Stormi Davis
		Printed Name
		Regulatory Compliance Technician
		Title and E-mail Address
		stormid@ypcnm.com
		Date
		4-4-06
		¹⁸ SURVEYOR CERTIFICATION
2080		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys
## D #U		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:
l 🔊		
1870		
7		
		Certificate Number
The second secon		

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OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised June 10, 2003

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	API Number -025-294:			² Pool Code	_{me} Cisco							
⁴ Property (⁵ Property Name Reed AXV									
32128	3				1							
⁷ OGRID	No.			⁹ Elevation 4063' GR								
02557	5											
					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			
K	12	15S	34E		1870	South	2080	West	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
12 Dedicated Acres	3 Joint	or Infill 14	Consolidation	n Code 15 Or	der 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

to the transfer of the transfe	SIANDA	RD UNIT HAS BEEN	AFFROVED BY THE I	DIVISION
16				¹⁷ OPERATOR CERTIFICATION
				I hereby certify that the information contained herein
				is true and complete to the best of my knowledge and
				belief. Signature
	:			Stormi Davis
				Printed Name
				Regulatory Compliance Technician
				Title and E-mail Address
				stormid@ypcnm.com
				Date
				4-4-06
				¹⁸ SURVEYOR CERTIFICATION
				I hereby certify that the well location shown on this
2080'				plat was plotted from field notes of actual surveys
				made by me or under my supervision, and that the
	1			same is true and correct to the best of my belief.
				Date of Survey
				Signature and Seal of Professional Surveyor:
	à			Signature and Sear of Professional Surveyor.
	0481			
	3			
				Certificate Number

Sent: Fri 4/7/2006 8:06 AM

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:

00.

Subject: RE: Financial Assurance Requirement

Attachments:

All have blanket bonds and none appear on Jane's list.

From: Mull, Donna, EMNRD

Sent: Friday, April 07, 2006 7:44 AM

To: Phillips, Dorothy, EMNRD

Cc: Macquesten, Gail, EMNRD; Sanchez, Daniel J., EMNRD

Subject: Financial Assurance Requirement

Dorothy,

Is the Financial Assurance Requirement for these Operators OK?

EOG Resources Inc (7377)
Pogo Producing Co (17891)
Range Operating New Mexico Inc (227588)
Harvard Petroleum Corp (10155)
Yates Petroleum Corp (25575)
Platinum Exploration Inc (227103)
Marbob Energy Corp (14049)
Chevron USA Inc (4323)
Marathon Oil Co (14021)
XTO Energy Inc (5380)

Please let me know. Donna