

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 Forth Street Artesia, NM 88210 | | ² OGRID Number 25575 | |
| ³ Property Code 33254 JO 6326 | | ⁴ API Number 30-025-37883 | |
| ⁵ Property Name Reba State Unit | | ⁶ Well No. 3 | |
| ⁷ Proposed Pool 1 Four Lakes Wildcat Mississippian (Gas) | | ¹⁰ 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| E | 32 | 11S | 35E | | 1980 | North | 660 | 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 New Well | ¹² Well Type Code Gas | ¹³ Cable/Rotary | ¹⁴ Lease Type Code State | ¹⁵ Ground Level Elevation 4155 |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 12710 | ¹⁸ Formation Mississippian Limestone | ¹⁹ Contractor | ²⁰ Spud Date ASAP |
| Depth to Groundwater Less 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: <input checked="" type="checkbox"/> |
| 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 |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17.5 | 13.375 | 48 | 400 | 400 | 0 |
| 12.25 | 9.625 | 40 | 4200 | 1500 | 0 |
| 8.75 | 5.5 | 17 | 12710 | 1650 | 3700 |

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 drill/test the Mississippian/intermediate formations. Approximately 400' of surface casing will be set/cemented. Approximately 4200' of intermediate casing will be set/cement circulated. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Bone Springs formation for the submission of a contingency plan per Rule 118. MUD PROGRAM: 0-400' FW/Spud Mud; 400'-2020' FW; 2020'-4200' Red Bed Mud/Oil; 4200'-7600' Cut Brine; 7600'-10000' S Gel/Diesel; 10000'-10600' SW/Starch; 10600'-11550' S Gel Starch; 11550'-TD SW/Starch 4%KCL. BOPE Program: A 5000# BOPE will be placed on the 9.625" Casing and tested daily for operational.

| | | | |
|--|--|--|--|
| 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: MAY 23 2006 | |
| Date: 4/12/2006 | | Expiration Date: | |
| Phone: (505) 748-4347 | | Conditions of Approval Attached <input type="checkbox"/> | |

PREVIOUSLY APPROVED

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

FROM : GENERAL SURVEYING Co

FAX NO. : 5053930023

By. 17 2004 07:03PM P2

1600 N. French Dr., Hobbs, NM 88240

Energy, Minerals and Natural Resources Department

Revised March 17, 1999

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 8 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-----------------------------------|---|--|
| API Number 30-025-37883 | Pool Code 97053 | Pool Name Four Lakes MISSISSIPPIAN <Gas> |
| Property Code 33254 | Property Name REBA STATE UNIT | |
| OCED No. 025575 | Operator Name YATES PETROLEUM CORPORATION | |
| | | Well Number 3 |
| | | Elevation 4155 |

Surface Location

| UL or lot No. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|-----------|------------|------------|---------|---------------|------------------|---------------|----------------|------------|
| E | 32 | 11S | 35E | | 1980 | NORTH | 660 | WEST | LEA |


Bottom Hole Location If Different From Surface

| UL or lot No. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 320 w/2 | | | |

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: <u>Clifton R. May</u> Printed Name: <u>CLIFTON R. MAY</u> Title: <u>REGULATORY AGENT</u> Date: <u>5/19/04</u> | |
| | 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: <u>5/17/2004</u> Signature: <u>[Signature]</u> Printed Name: <u>REBECCA L. JONES</u> Title: <u>REGISTERED PROFESSIONAL SURVEYOR</u> Certificate No. <u>REBA JONES RLS 3640</u> GENERAL SURVEYING COMPANY | |
| | 1086' 660' N.33°19'26.6" W.103°26'11.2" VO-6326 V-6303 | |
| | 0 330' 660' 990' 1650' 1980' 2310' 2640' 2970' 3300' 3630' 3960' 4290' 4620' 4950' 5280' 5610' 5940' 6270' 6600' | |

 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: Tue 5/23/2006 11:53 AM

None appear on Jane's list and all have blankets.

From: Mull, Donna, EMNRD
Sent: Tuesday, May 23, 2006 9:12 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?

Latigo Petroleum Inc (227001)
Trilogy Operating Inc (21602)
Yates Petroleum Corp (25575)
Lewis B Burleson Inc (03300)
Cimarex Energy Co of Colorado (162683)

I have check these Operators and the Inactive well list.

Please let me know. Thanks and have a nice day. Donna