

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 API Number 30-025-38070	
⁴ Property Code R256 05598	⁵ Property Name Waylon State Unit		⁶ Well No.
⁹ Proposed Pool 1 Wildcat Mississippian		¹⁰ Proposed	

⁷ Surface Location

UL or lot no. H	Section 21	Township 11S	Range 34E	Lot Idn	Feet from the 1980	North/South line North	Feet from the 970	East/West line	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 New Well	¹² Well Type Code Gas	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4167
¹⁶ Multiple N	¹⁷ Proposed Depth 12560	¹⁸ Formation Mississippian Age Rocks-Undivided	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'
²¹ Proposed Casing and Cement Program				
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
17.5	13.375	48	400	400	0
12.25	9.625	36	4150	1550	0
8.75	5.5	15.5	12560	2600	3650

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 formations. Approximately 400' of surface casing will be set/cemented. 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 Mississippian formation for the submission of a contingency plan per Rule 118. MUD PROGRAM: 0-400' FW/Spud Mud; 400'-2055' FW; 2055'-4150' Red Bed Mud/Oil; 4150'-7650' Cut Brine; 7650'-9700' Salt Gel/Oil; 9700'-11585' Salt Gel/Starch; 11585'-12560' SW/Starch/4%KCL. BOP 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: AUG 17 2006	
Date: 7/3/2006		Expiration Date:	
Phone: (505) 748-4347		Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED

C-144 Attached

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

DISTRICT I
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811 South First, Aztec, NM 88210
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2040 South Pacheco, Santa Fe, NM 87505

STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38070	Pool Code <input checked="" type="checkbox"/>	Pool Name Wildcat Mississippian
Property Code 32256	Property Name WAYLON STATE UNIT	Well Number 5
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4167

Surface Location



UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	21	11S	34E		1980	NORTH	970	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	Joint or Infill	Consolidation Code	Order No.
320			

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

		VO-5598		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p> Signature Robert Asher Printed Name Regulatory Agent Title 8/2/2004 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>7/27/2004 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. Herschel L. Jones RLS 3640 WAYLON STATE UNIT 5 GENERAL SURVEYING COMPANY SISTONIA</p>
		N.33°21'11.1" W.103°30'37.8" N.856927.0 E.751416.0 (NAD-27)		

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

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Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1 of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: 505-748-1471 e-mail address: debbiec@yponm.com
Address: 105 South Fourth Street, Artesia, NM 88210
Facility or well name: Wayton State Unit #5 API #: 30-025-38019 U/L or Qtr/Qtr H Sec 21 T 11S R 34E
County: Lea Latitude N.33°21'11.1" Longitude W.103°30'37.8" NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Volume <u>24,000</u> bbl	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: <u> </u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
Ranking Score (Total Points) 20	

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility: . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 8/2/2004
Printed Name/Title: Robert Asher/Regulatory Agent

Signature: [Signature]

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: 8/4/04 PETROLEUM ENGINEER

Printed Name/Title:

Signature: [Signature]