

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 -025-23379 ✓
⁴ Property Code 35963	⁵ Property Name Coolade BJJ State	
⁹ Proposed Pool 1 Eight Mile Draw Permo Penn <i>Upper</i>		⁶ Well No. 1
		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
K	19	11S	35E		1980	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 4139.6
¹⁶ Multiple No	¹⁷ Proposed Depth 10429'	¹⁸ Formation Penn	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: 1000' or more
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"/> 10 ranking Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" 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#	411'-in place	400	0
11"	8.625"	32#	4100'-in place	500	0
8.75"	5.5"	17#	4491-10411'-in	950	TOC-6642'
8.75"	5.5"	17#	0-4491'	150	TOC-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.

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 <i>Clifton R. May</i>		Approved by: <i>[Signature]</i>	
Title: Regulatory Agent		Title: PETROLEUM ENGINEER	
E-mail Address: cliff@ypcnm.com		Approval Date: AUG 24 2006 Expiration Date:	
Date: August 23, 2006	Phone: (505) 748-4347	Conditions of Approval Attached <input type="checkbox"/>	

NOTE: USGS Water Data website & their map; no information on NM Engineer's website.

YATES PETROLEUM CORPORATION

Coolade BJJ State #1 Re-entry

1980' FSL & 1980' FWL

Section 19-T11S-R35E

Lea County, New Mexico

Lease VO-6687

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Lone Star Producing Company as their New Mexico "81" State #1, which was plugged in January, 1970. Yates re-entered this well in 1984 and plugged it in February 1995. 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 the top of the 5 1/2 casing stub at 4449'. The 5 1/2 casing will be joined to the stub and cemented back to about 3700'. The remaining plugs and obstructions will be drilled out and the casing cleaned out to a depth of 10429'. The mud program will be 9.2 to 9.8 ppg brine water with the viscosity of 35-40 cp. A 3000# BOPE system will be used.

The well will be completed using a pulling unit in the Ranger Lake and Permo Penn intervals.

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

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

All distances must be from the outer boundaries of the Section.

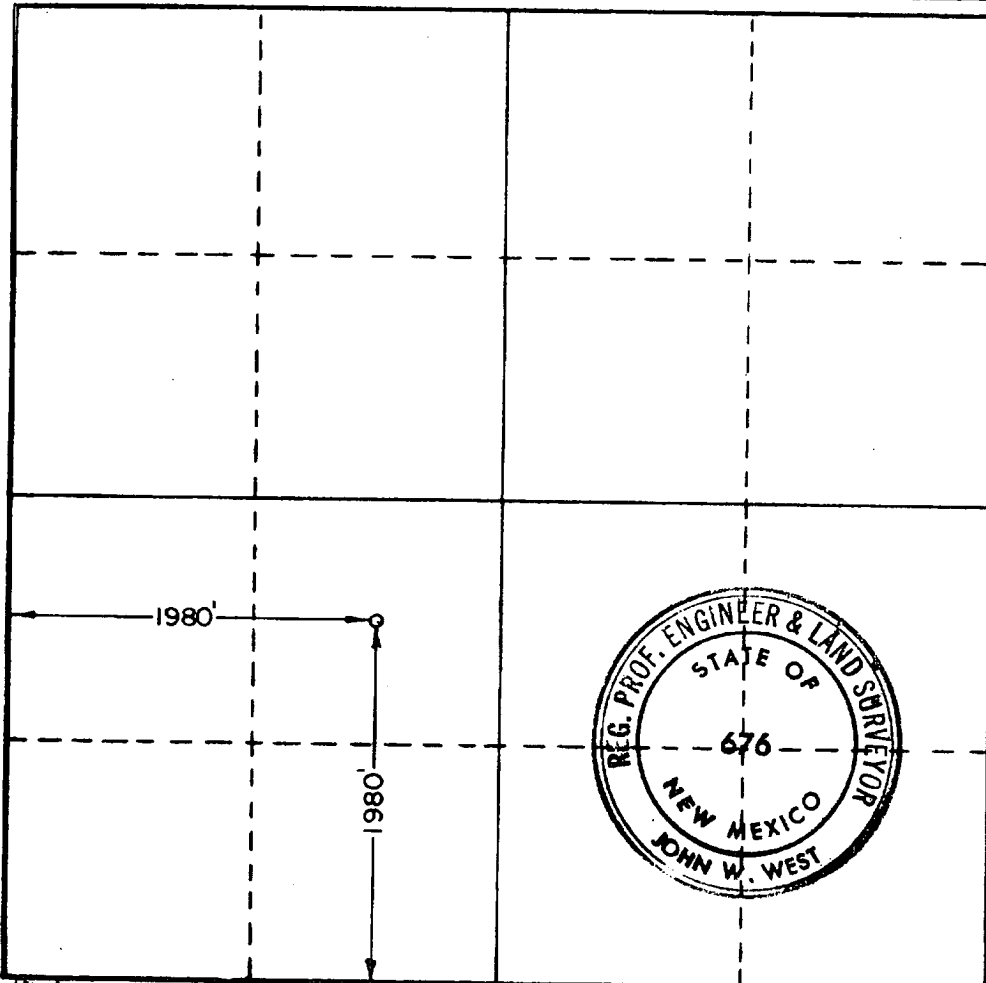
Operator LONE STAR PRODUCING COMPANY			Lease NEW STATE - #1		Well No. 1
Unit Letter K	Section 19	Township 11 SOUTH	Range 35 EAST	County LEA	
Actual Footage Location of Well:					
1980 feet from the SOUTH line and		1980 feet from the WEST line			
Ground Level Elev. 4139.6	Producing Formation Perm	Pool shiloh	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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.

E.C. Watson

Name

Asst. Dist. Prod. Supt.

Position

Lone Star Producing Company

Company

November 28, 1969

Date

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

November 26, 1969

Registered Professional Engineer
and/or Land Surveyor

John W. West

Certificate No.

676

0 220 660 1100 1540 1980 2420 2860 3300 3740 4180 4620 5060 5500 5940 6380 6820 7260 7700 8140 8580 9020 9460 9900 10340 10780 11220 11660 12100 12540 12980 13420 13860 14300 14740 15180 15620 16060 16500 16940 17380 17820 18260 18700 19140 19580 20020 20460 20900 21340 21780 22220 22660 23100 23540 23980 24420 24860 25300 25740 26180 26620 27060 27500 27940 28380 28820 29260 29700 30140 30580 31020 31460 31900 32340 32780 33220 33660 34100 34540 34980 35420 35860 36300 36740 37180 37620 38060 38500 38940 39380 39820 40260 40700 41140 41580 42020 42460 42900 43340 43780 44220 44660 45100 45540 45980 46420 46860 47300 47740 48180 48620 49060 49500 49940 50380 50820 51260 51700 52140 52580 53020 53460 53900 54340 54780 55220 55660 56100 56540 56980 57420 57860 58300 58740 59180 59620 60060 60500 60940 61380 61820 62260 62700 63140 63580 64020 64460 64900 65340 65780 66220 66660 67100 67540 67980 68420 68860 69300 69740 70180 70620 71060 71500 71940 72380 72820 73260 73700 74140 74580 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District I

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811 South First, Artesia, NM 88210

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1000 Rio Brazos Rd., Aztec, NM 87410

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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 30-025-23379	² Pool Code 21480	³ Pool Name Upper Eight Mile Draw Permian
⁴ Property Code 35963	⁵ Property Name Coolade BJJ State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4139.6'

¹⁰ Surface Location

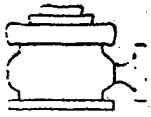
UL or lot no. K	Section 19	Township 11S	Range 35E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1980	East/West line West	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order 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

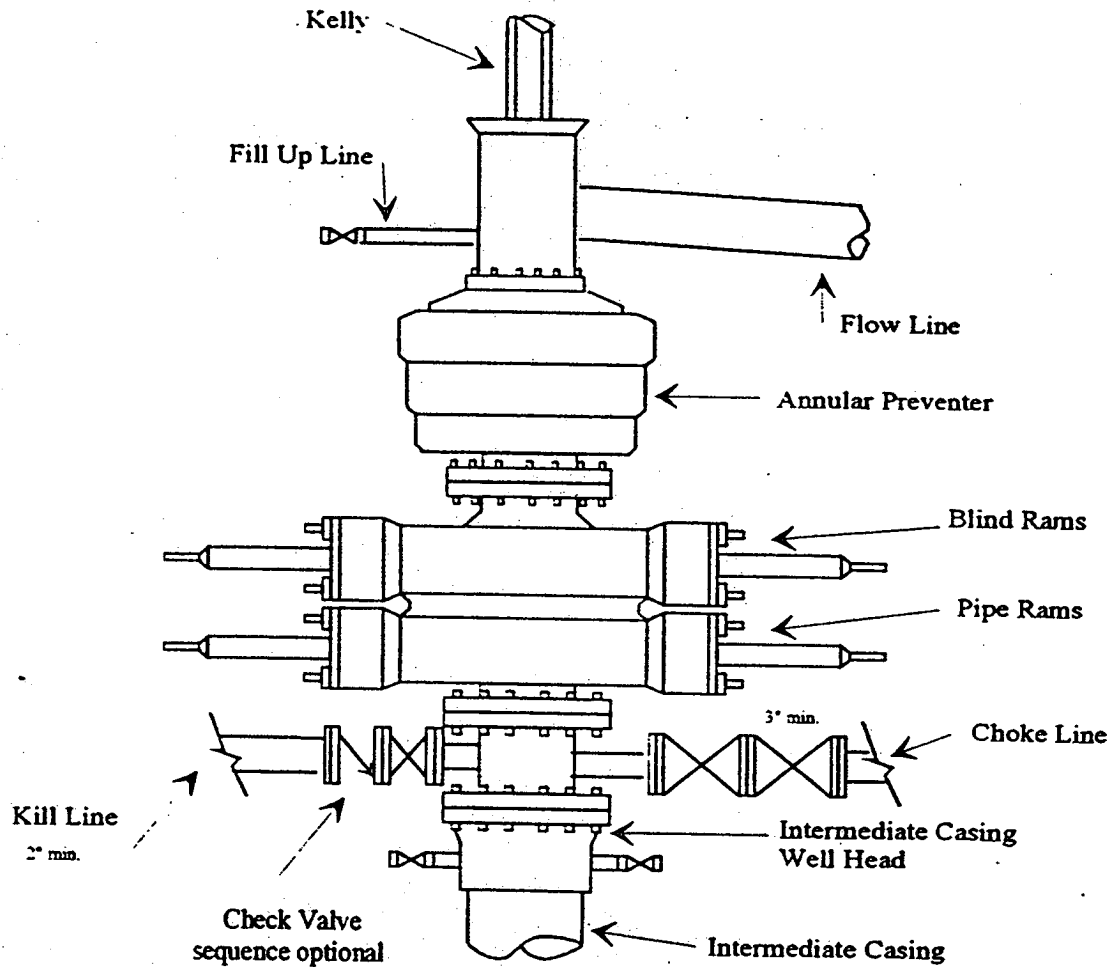
¹⁶	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title August 23, 2006 Date	
		¹⁸ SURVEYOR CERTIFICATION I hereby certify that the 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



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

