

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 Property Code 34420		⁴ API Number 30-025-38174
⁵ Property Name Kookaburra AZB State Com		⁶ Well No. 3
⁹ Proposed Pool 1 Wildcat Mississippian		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no. C	Section 24	Township 12S	Range 34E	Lot Idn C	Feet from the 1000.660	North/South line North	Feet from the 1420 1650	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 N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 2828.30 4136'
¹⁶ Multiple N	¹⁷ Proposed Depth 12575'	¹⁸ Formation Mississippian Age Rocks- Undivided	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater Less than 50'		Distance from nearest fresh water well 1000' or more		Distance from surface water 100' or more
Pit: Liner: Synthetic XX 12 mils thick Clay ☐ Pit Volume: _____ bbls		Drilling Method: Fresh Water ☐ Brine ☐ Diesel/Oil-based ☐ Gas ☐		
Closed-Loop System ☐				

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 sx	0
12.25	9.625	40#	4200'	1450 sx	0
8.75	5.5	17#	12575'	2650 sx	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 and test the Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cemented. Intermediate casing will be set @ 4200', cement circulated to the surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-400' FW Gel/Paper; 400'-2150' Fresh Water, 2150'-4200' Red Bed Mud/Oil; 4200'-7700' Cut Brine; 7700'-11580' Salt Gel/Oil/Starch; 11580' to TD S Gel/Starch/4-6% KCL.

BOPE PROGRAM: A 5000# BOPE will be installed on the 9 5/8" casing and tested daily.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

No H2S is anticipated.

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 ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature:

Cliff R. May

Printed name: Cliff May

Title: Regulatory Agent

E-mail Address:

Date: 11/3/06

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY
CHRIS WILLIAMS

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

Title:

Approval Date:

NOV 21 2006

Expiration Date:

Conditions of Approval Attached ☐

PREVIOUSLY APPROVED

FROM : GENERAL SURVEYING Co
1825 N. French Dr., Hobbs, NM 88240

FAX NO. : 5053930023

Nov. 18 2004 07:02AM P5
REVISED MAPS 17, 1999

Energy, Minerals and Natural Resources Department

Instruction on back
Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

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 2086
Santa Fe, New Mexico 87504-2086

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025 38174	Pool Code	Pool Name Wildcat Mississippian
Property Code 3442D	Property Name KOOKABURRA "AZB" STATE COM	Well Number 3
OGRI# No. 026576	Operator Name YATES PETROLEUM CORPORATION	Elevation 4136

Surface Location

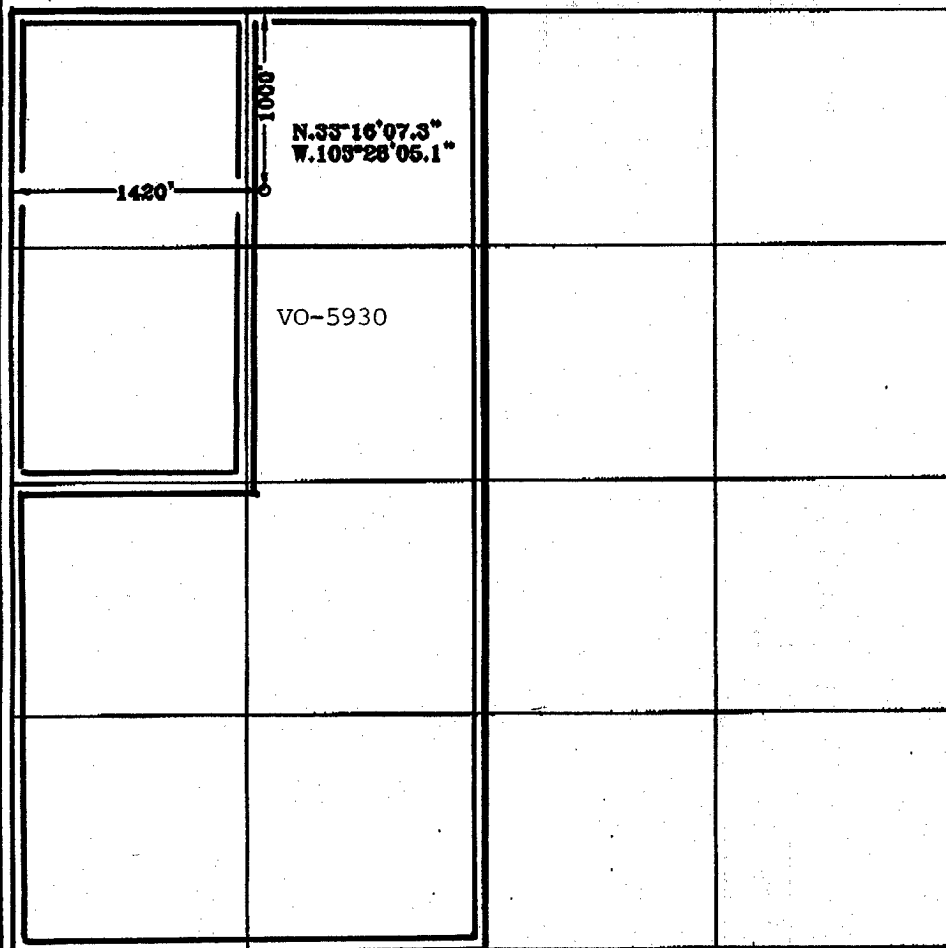
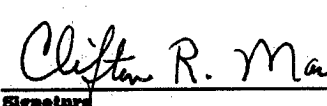
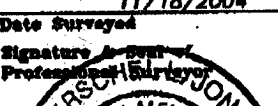
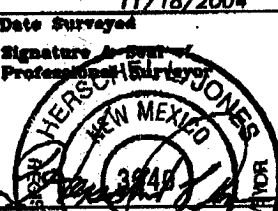
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	12S	34E		1000	NORTH	1420	WEST	LEA

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320 W/2			

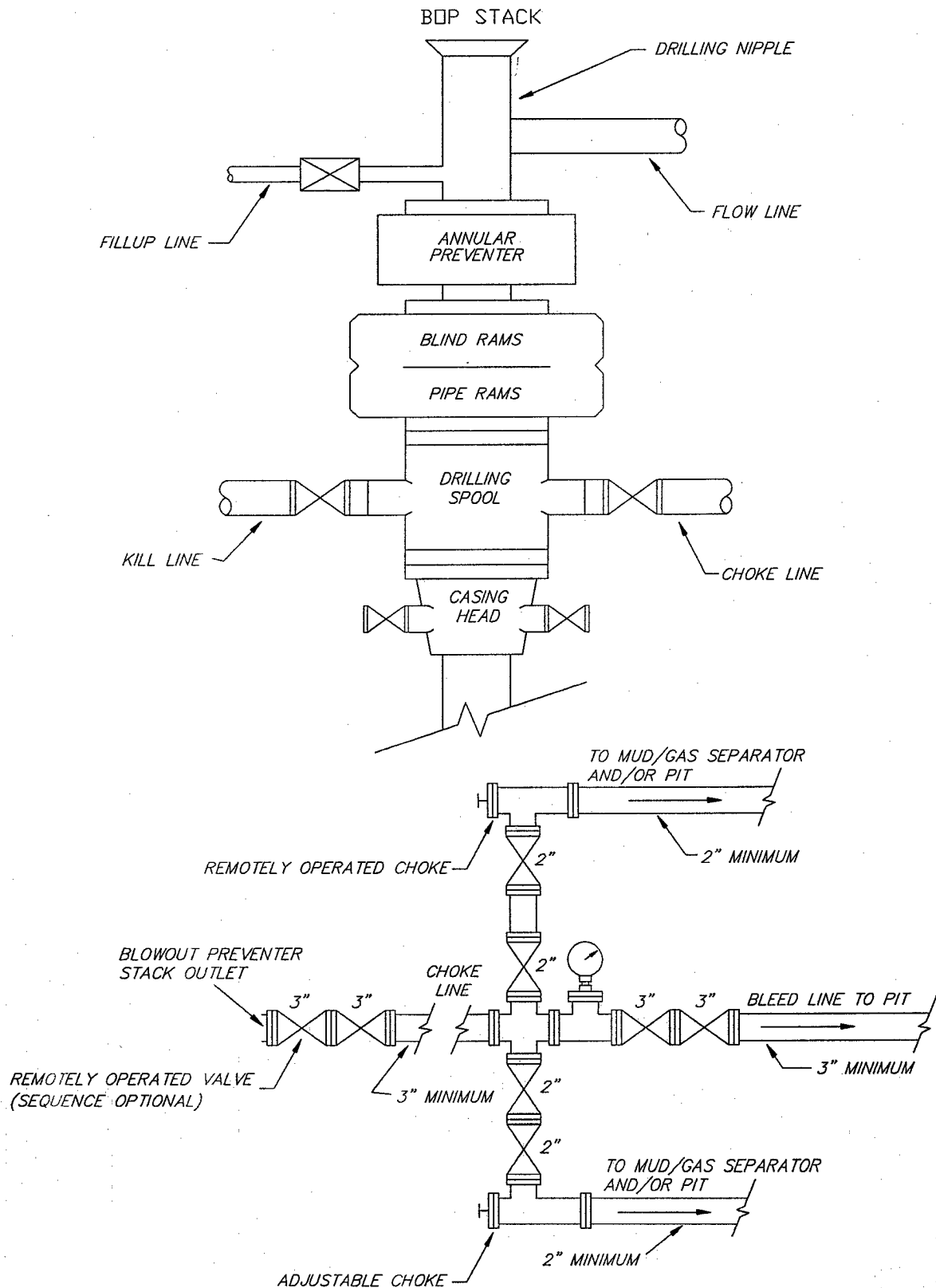
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Clifton R. May Printed Name Regulatory Agent Title November 18, 2004 Date
	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. 11/18/2004 Date Surveyed  Signature of Surveyor Professional Surveyor  Certificate No. 3840 Jones RLS 3840 KOOKABURRA GENERAL SURVEYING COMPANY

0 550' 600' 650' 1050' 1050' 2310' 2310' 1650' 220' 650' 330' 0'

YATES PETROLEUM CORPORATION

TYPICAL 5,000 p.s.i. BLOWOUT PREVENTER & CHOKE MANIFOLD SCHEMATIC



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Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOC 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 ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: (505) 748-4347 e-mail address: debbiac@yupcom.com
Address: 105 South 4th Street, Artesia, NM 88210
Facility or well name: Kuskawtha A2B State Com #3 API #: 30-025-38174 U/L or Q/L or C C Sec 24 T 12S R 34E
County: Lea Latitude N33.2687 Longitude W103.4348 NAD: 1927 ☐ 1983 ☒ Surface Owner Federal ☐ State ☐ Private ☒ Indian ☐

Type: Drilling ☒ Production ☐ Disposal ☐ Workover ☐ Emergency ☐ Lined ☒ Unlined ☐ Liner type: Synthetic ☒ Thickness <u>12 mil</u> Clay ☐ Volume <u>4,000 bbl</u>	Below-grade tank Volume: <u> </u> bbl Type of fluid: <u> </u> Construction material: <u> </u> Double-walled, with leak detection? Yes ☐ 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.)	<u>Less than 50 feet</u>	<u>(20 points)</u>
	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)
	<u>No</u>	<u>(0 points)</u>
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)
	<u>1,000 feet or more</u>	<u>(0 points)</u>
Ranking Score (Total Points)		<u>20 Points</u>

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:

on-site ☐ off-site ☐ If off-site, 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 NMOC District guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: November 19, 2004

Printed Name/Title: Cliff R. May/Regulatory Agent Signature: Cliff R. May

Our certification and NMOC District 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: 11/24/06

Printed Name/Title: CHRIS WILLIAMS / DIST. SUPERVISOR Signature: Chris Williams