

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 - 025-38184
⁴ Property Code 33444	⁵ Property Name Merle State Unit	⁶ Well No. 6
⁹ Proposed Pool 1 Wildcat Wolfcamp		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
G	14	10S	34E		1800	North	2310	East	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 N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4180
¹⁶ Multiple No	¹⁷ Proposed Depth 9400'	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater: 30'		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: Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				
Closed-Loop System <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'	450	0
12.25"	9.625"	40#	4250'	1325	0
8.75"	7"	26#	9400'	825	TOC 3750'

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 Wolfcamp/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4250', cement circulated to surface. If commercial, production casing will be ran, cemented, perforated, and stimulated as need to gain production. MUD PROGRAM: 0-400' FW Gel ; 400'-2160' FW; 2160-4250' Red Bed Mud/Oil; 4250'-7700' Cut Brine; 7700'-9400' SGel/Starch. No H2S is anticipated. BOPE PROGRAM: A 5000# BOPE will be installed on the 9.625" casing and tested daily for operational.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

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 ☐.

Printed name: Clifton R. May	OIL CONSERVATION DIVISION	
Title: Regulatory Agent	Approved by: Gary W. Wink	NOV 28 2006
E-mail Address: cliff@ypcnm.com	Title: O.C. FIELD REPRESENTATIVE	Expiration Date:
Date: November 27, 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.

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38184	Pool Code	Pool Name WILDCAT WOLF CAMP
Property Code 33444	Property Name MERLE STATE UNIT	Well Number 6
OGRIID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4180

Surface Location

UL or lot No.	Section	Township	Range	Lot Ldn	Feet from the	North/South line	Feet from the	East/West line	County
G	14	10S	34E		1800	NORTH	2310	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Ldn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	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

1800'

2310'

N.33°26'58.0"
W.103°26'01.0"
N.892251.8
E.815772.3
(NAD-83)

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or undivided mineral interest in the land including the proposed bottom hole location pursuant to a contract with an owner of such a mineral or working interest, or is a voluntary pooling agreement or a compulsory pooling order heretofore entered by the Division.

Signature: Clifton R. May Date: 11/27/06

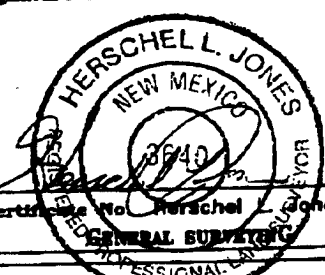
Printed Name: CLIFTON R. MAY

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: 11/22/2006

Signature & Seal of Professional Surveyor



Certificate No. Herschel L. Jones 3640

GENERAL SURVEYOR
PROFESSIONAL LAND SURVEYOR

YATES PETROLEUM CORPORATION

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

