

1025 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 29489		⁴ API Number 30-025-38251
⁵ Property Name New Grass State Unit		⁶ Well No. 2
⁹ Proposed Pool 1 Wildcat Mississippian		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
C	24	15S	34E	C	660'	North	1650'	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 N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4054'
¹⁶ Multiple N	¹⁷ Proposed Depth 13600'	¹⁸ Formation Mississippian	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 nearest surface water 1000' or more
Pit: <input checked="" type="checkbox"/> Liner: Synthetic XX 12_mils thick Clay <input type="checkbox"/> Pit Volume: ? bbls Drilling Method: <input checked="" type="checkbox"/> Closed-Loop System <input type="checkbox"/> Fresh Water <input 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
14 3/4"	11 3/4"	42#	400'	400 sx	0
11"	8 5/8"	32#	4600'	1100 sx	0
7 7/8"	5 1/2"	17# & 20#	13600'	1000 sx	TOC 9250'

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 cement circulated. Intermediate casing will be set at 4600', cemented and 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'-4600' FW going to Brine; 4600'-11800' Cut Brine w/Sweeps; 11800'-TD Salt Gel/Starch/Drispac.

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

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S found from the surface through the Mississippian formation to meet the OCD's minimum requirements for the submission of contingency plan per Rule 118.

Thank you,

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

Signature:

Clifton R. May

Printed name: Clifton R. May

Title: Regulatory Agent

E-mail Address: cliff@ypcnm.com

Date: 12/22/06

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date:

JAN 08 2007

Expiration Date:

Conditions of Approval Attached ☐

PREVIOUSLY APPROVED

Permit Expires 1 Year From Approval Date Unless Drilling Underway

First, Artesia, NM 88210

DISTRICT III

Rio Grande Bl., Artesia, NM 87410

DISTRICT IV

2048 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-26133-38251	Pool Code /	Pool Name WILDCAT MISSISSIPPIAN
Property Code 29489	Property Name NEW GRASS STATE UNIT	Well Number 2
OGRIID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4054

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
C	24	15S	34E		660	NORTH	1650	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 320	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

1650'	880'	V-5813	

OPERATOR CERTIFICATION

I hereby certify that the information
contained herein is true and complete to the
best of my knowledge and belief.

Clifton R. May

Signature

Clifton R. May

Printed Name

Regulatory Agent

Title

7/29/04

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.

12/28/2000

Date Surveyed

Signature of Surveyor
Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

Professional Seal

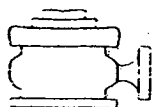
Professional Seal

Professional Seal

Professional Seal

Professional Seal

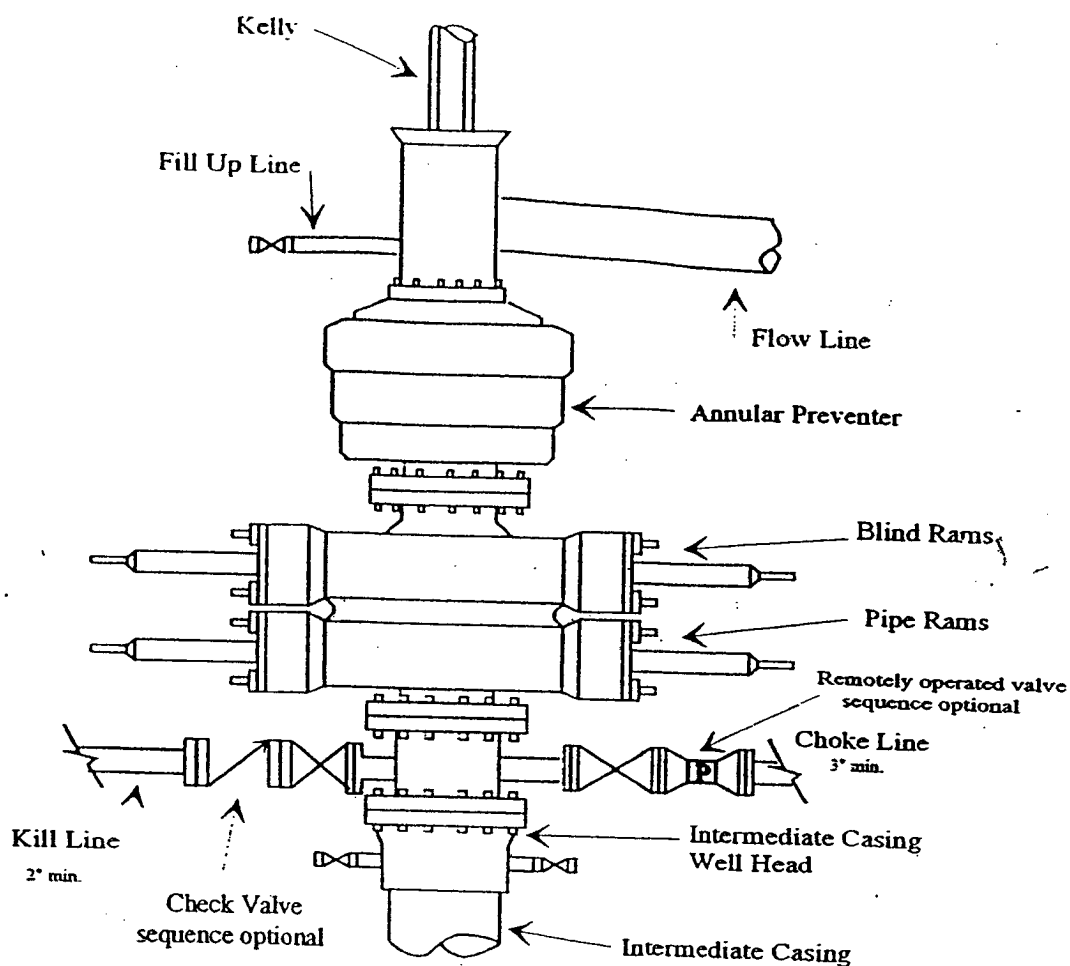
Certified by: H. Marshall Jones RLS 3640
Professional Surveyor
GENERAL SURVEYING COMPANY



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

