

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**

|   |   |   |
|---|---|---|
| <sup>1</sup> Operator Name and Address<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, New Mexico 88210 |   | <sup>2</sup> OGRID Number<br>025575<br><sup>3</sup> API Number<br>30-025- |
| <sup>4</sup> Property Code<br>12519   | <sup>5</sup> Property Name<br>Lotus ALT State | <sup>6</sup> Well No.<br>6  |
| <sup>9</sup> Proposed Pool 1<br>Livingston Ridge, Delaware, SE 39380  |   | <sup>10</sup> Proposed Pool 2   |

<sup>7</sup> Surface Location

|                    |               |                 |              |         |                        |                           |                        |                        |               |
|--------------------|---------------|-----------------|--------------|---------|------------------------|---------------------------|------------------------|------------------------|---------------|
| UL or lot no.<br>F | Section<br>32 | Township<br>22S | Range<br>32E | Lot Idn | Feet from the<br>1650' | North/South line<br>North | Feet from the<br>1650' | East/West line<br>West | County<br>Lea |
|--------------------|---------------|-----------------|--------------|---------|------------------------|---------------------------|------------------------|------------------------|---------------|

<sup>8</sup> 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

|  |                                       |  |  |   |
|--|---------------------------------------|--|--|---|
| <sup>11</sup> Work Type Code<br>N  | <sup>12</sup> Well Type Code<br>G     | <sup>13</sup> Cable/Rotary<br>R                            | <sup>14</sup> Lease Type Code<br>State     | <sup>15</sup> Ground Level Elevation<br>3536'           |
| <sup>16</sup> Multiple<br>N  | <sup>17</sup> Proposed Depth<br>8600' | <sup>18</sup> Formation<br>Delaware                        | <sup>19</sup> Contractor<br>Not Determined | <sup>20</sup> Spud Date<br>ASAP                         |
| Depth to Groundwater<br>More than 250'   |                                       | Distance from nearest fresh water well<br>More than 1 mile |  | Distance from nearest surface water<br>More than 1 mile |
| <b>Pit:</b> Liner: Synthetic XX 12 mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method:<br>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"/> |                                       |  |  |   |

<sup>21</sup> Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17.5"     | 13.375      | 48#                | 850'          | 450 sx          | 0             |
| 11"       | 8.635       | 32#                | 4500'         | 1400 sx         | 0             |
| 7.875"    | 5.5         | 17#                | 8600'         | 950 sx          | 0             |

<sup>22</sup> 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 Delaware and intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Approximately 4500' of Intermediate casing will be set/cement circulated. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

**MUD PROGRAM:** 0-850' FW/Native Mud; 850'-4500' Brine; 4500'-6800' Cut Brine; 6800'-TD cut Brine/Starch.

**BOPE PROGRAM:** A 3000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

**H2S is not anticipated.**

Thank you,

*Extension for  
one year call*

<sup>23</sup> 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: 12/21/06

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

*Chris Williams*

Title:

OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval FEB 13 2007

Expiration Date: 2/13/08

Conditions of Approval Attached ☐

PREVIOUSLY APPROVED

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
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             | Pool Code<br>39 380                          | Pool Name<br>SE LIVINGSTON RIDGE DELAWARE |
| Property Code<br>12519 | Property Name<br>LOTUS "ALT" STATE           | Well Number<br>6                          |
| OGRID No.<br>025575    | Operator Name<br>YATES PETROLEUM CORPORATION | Elevation<br>3536                         |

Surface Location

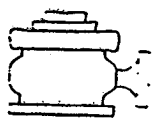
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| F             | 32      | 22S      | 32E   |         | 1650          | NORTH            | 1650          | 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<br>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

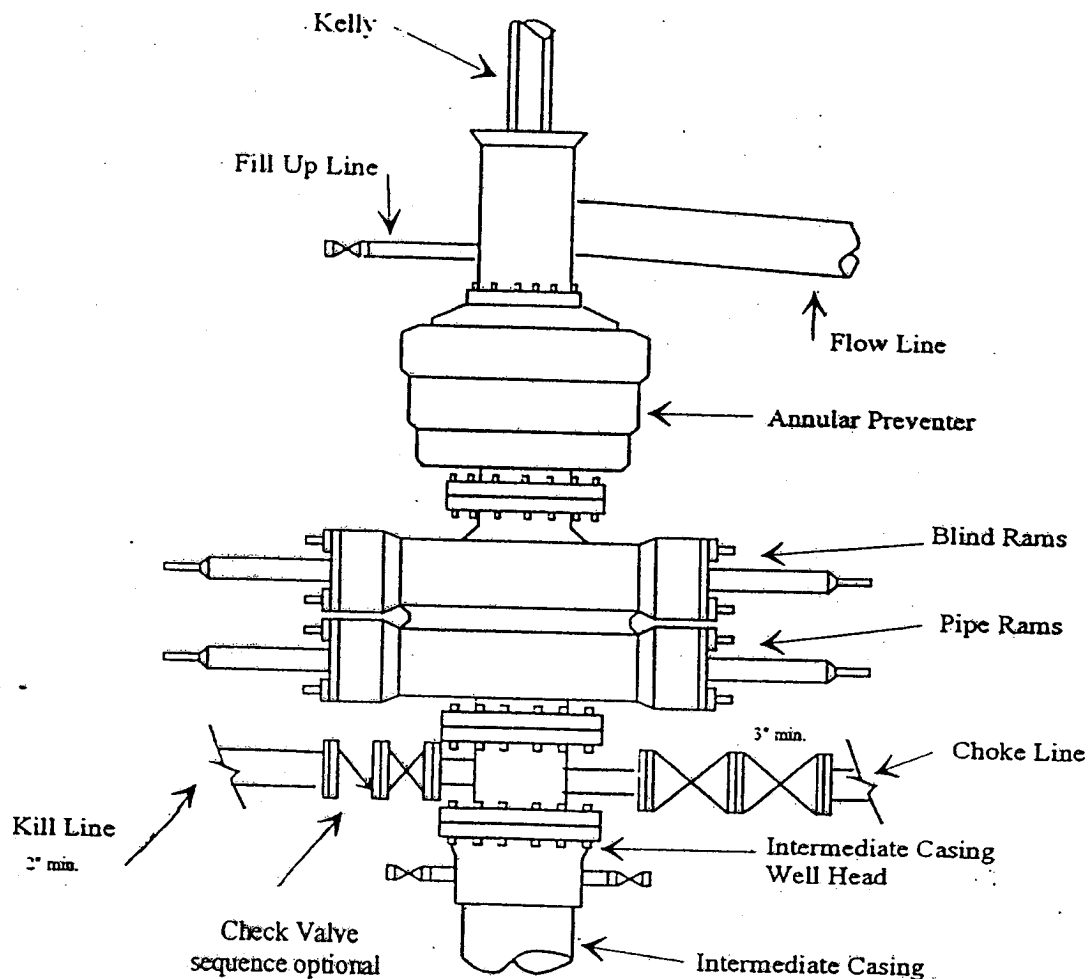
|  |  |
|--|--|
|  | <p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Clifton R. May</u><br/>Signature<br/><u>CLIFTON R. MAY</u><br/>Printed Name<br/><u>REGULATORY AGENT</u><br/>Title<br/><u>12/1/2006</u><br/>Date</p> <p><b>SURVEYOR CERTIFICATION</b></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><u>1/23/2003</u><br/>Date Surveyed<br/><u>HERSCHELL JONES</u><br/>Signature<br/>Professional Seal of<br/>Professional Surveyor<br/>NEW MEXICO<br/>3640<br/>Certificate No. 3640<br/>LOUISE JONES<br/>GENERAL SURVEYING COMPANY</p> |
|--|--|



# 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

