

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 Forth Street Artesia, NM 88210		² OGRJD Number 25575
³ Property Code 34987	⁴ Property Name Vaughn BGZ	⁵ API Number 30-025-38538
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
J	19	9S	34E		1980	South	1980	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 New Well	¹² Well Type Code Gas	¹³ Cable/Rotary	¹⁴ Lease Type Code Private	¹⁵ Ground Level Elevation 4309
¹⁶ Multiple N	¹⁷ Proposed Depth 12400	¹⁸ Formation Mississippian	¹⁹ Contractor	²⁰ Spud Date ASAP
Depth to Groundwater More than 50' $\approx 52'$		Distance from nearest fresh water well More than 200'		Distance from nearest surface water More than 1000'
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"/> Fresh Water <input checked="" 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
17.5	13.375	48	400	400	0
12.25	9.625	40	4100	1400	0
8.75	5.5	17	12400	2650	3600

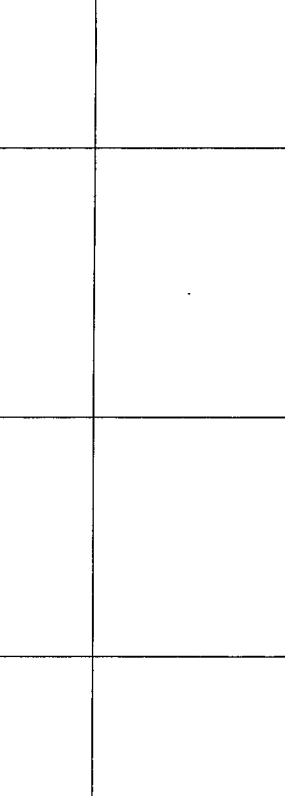

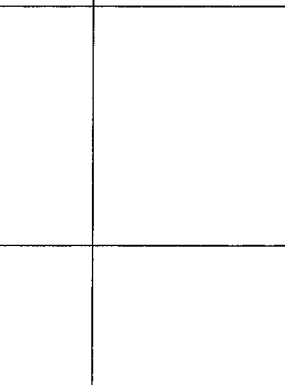
22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill/test the Mississippian/intermediate formations. Approximately 400' of surface casing will be set/cement circulated. Intermediate casing will be set at 4100', cement circulated to surface. If commercial, production casing will be run/cemented; will perforate/stimulate as needed for production. MUD PROGRAM: 0-400' FW/Spud Mud; 400'-2120' FW; 2120'- 4100' Red Bed Mud/Oil; 4100'-7700' Cut Brine; 7700'-11555' Salt Gel/Oil; Starch; 11555'-TD Sgel/Starch 4-6%KCL. BOPE Program: A 5000# BOPE will be placed on the 9.625" Casing and tested daily for operational. Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be sufficient H2S anticipated from the surface to the Mississippian formation for the submission of a contingency plan per Rule 118.

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		Approved by: <i>Chris Williams</i>	
Title: Regulatory Agent		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
E-mail Address: cliff@ypcnm.com		Approval Date: SEP 07 2007 Expiration Date:	
Date: 7/30/07	Phone: (505) 748-4347	Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED

Permit Expires 1 Year From Approval
Date Unless Drilling Underway

<div style="text-align: right; margin-bottom: 10px;">16</div> 	<div style="text-align: right; margin-bottom: 10px;">17</div> <h3 style="text-align: center; margin: 0;">OPERATOR CERTIFICATION</h3> <p style="margin: 5px 0;"><i>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 unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division</i></p> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> 7/30/2007 Date </div> </div> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between;"> Clifton R. May Regulatory Agent </div> <div style="margin-top: 5px;"> Printed Name </div> </div>
<div style="text-align: right; margin-bottom: 10px;">18</div> 	<h3 style="text-align: center; margin: 0;">SURVEYOR CERTIFICATION</h3> <p style="margin: 5px 0;"><i>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</i></p> <div style="margin-top: 10px;"> <div style="display: flex; justify-content: space-between;"> Date of Survey Signature and Seal of Professional Surveyor: </div> <div style="text-align: center; margin-top: 20px;"> REFER TO ORIGINAL PLAT </div> <div style="margin-top: 10px;"> Certificate Number </div> </div>

Hobbs, NM 88240

II

District First, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

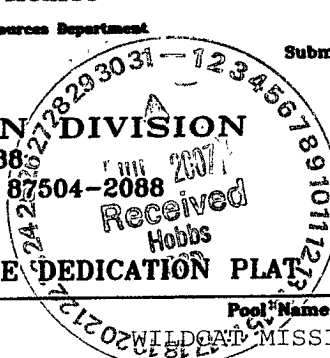
DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088



□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name WILCOAT MISSISSIPPIAN
Property Code	Property Name VAUGHN "BGZ"	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4309

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	9S	34E		1980	SOUTH	1980	EAST	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			

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 the the information contained herein is true and complete to the best of my knowledge and belief. Signature <u>Clifton R. May</u> Printed Name <u>Clifton R. May</u> Title <u>Regulatory Agent</u> Date <u>8/6/05</u>	
	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 <u>7/29/2005</u> Signature & Seal of Professional Surveyor 	
	Certificate for Herschel L. Jones RLS 3640 VAUGHN "BGZ" GENERAL SURVEYING COMPANY	
	0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'	