

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 28883		³ API Number 30 - 025 - 38573
³ Property Name Shinnery AZG State		⁶ Well No 2Y
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
F	9	10S	34E		1650	North	1630	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 O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4246'
¹⁶ Multiple No	¹⁷ Proposed Depth 9300'	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date
Depth to Groundwater: approx. 35' +/-		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 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
14.75"	11.75"	42#	400'	250	0
11.0"	8.625"	32#	4150'	1100	0.625
7.875"	5.5"	17#	9300'	925	TOC 3650'

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 4150', 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'-2084' FW; 2084-4150' Red Bed Mud/Oil; 4150'-7750' Cut Brine; 7750'-9300' SW Gel/Starch. No H2S is anticipated. BOPE PROGRAM: A 3000# BOPE will be installed on the 8.625" casing and tested daily for operational.

Non-Standard location is being applied for administratively. Well will not be produced until NSL has been approved.

Permit Expires 1 Year From Approval
Data 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

Clifton R. May

Title: Regulatory Agent

E-mail Address: cliff@ypcnm.com

Date:

Phone: (505) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Paul G. May

Title:

Approval Date: SEP 26 2007

Expiration Date:

Conditions of Approval Attached ☐

NOTE: USGS Water Data website & their map; no information on NM Engineer's website.

Conditions of Approval -- Approval for
Drilling only Cannot produce until Non-
Standard location is approved by the
OCD Santa Fe office.

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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 30-025-38573	Pool Code /	Pool Name WILDCAT WOLF C&MP
Property Code 28883	Property Name SHINNERY AZG STATE	Well Number 2Y
OGED No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4246'

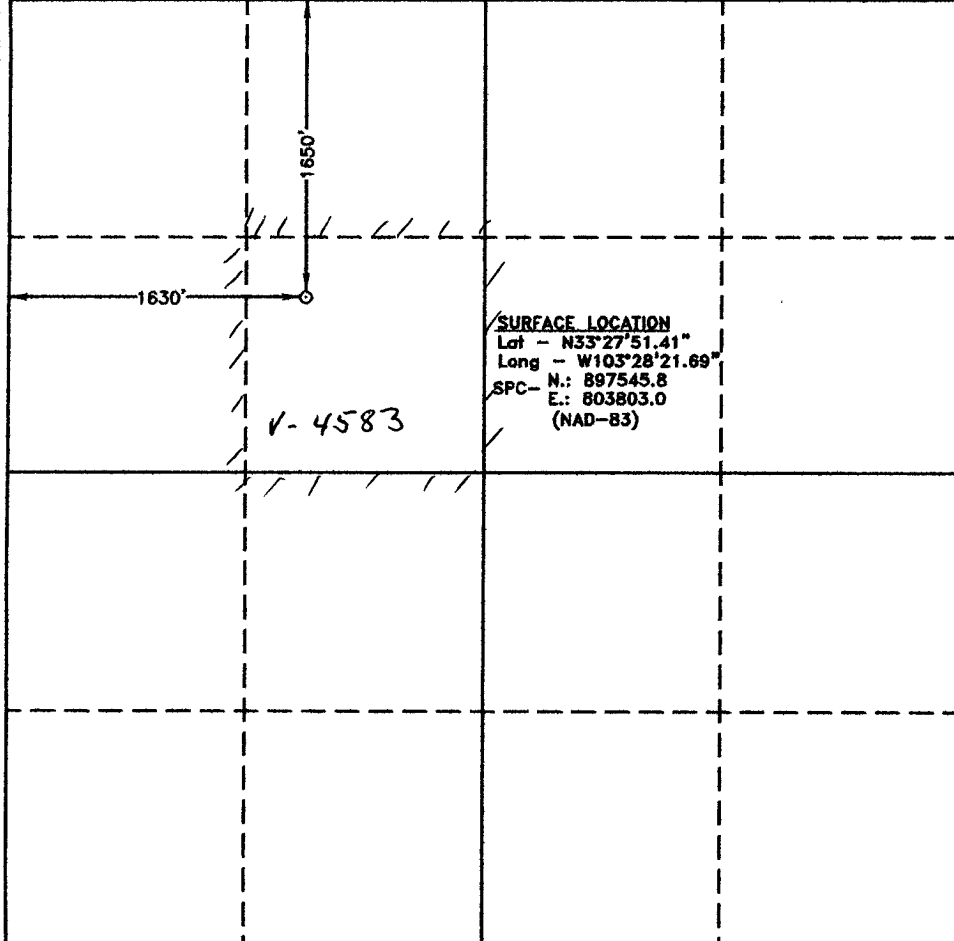
Surface Location

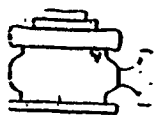
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	9	10 S	34 E		1650	NORTH	1630	WEST	LEA

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 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

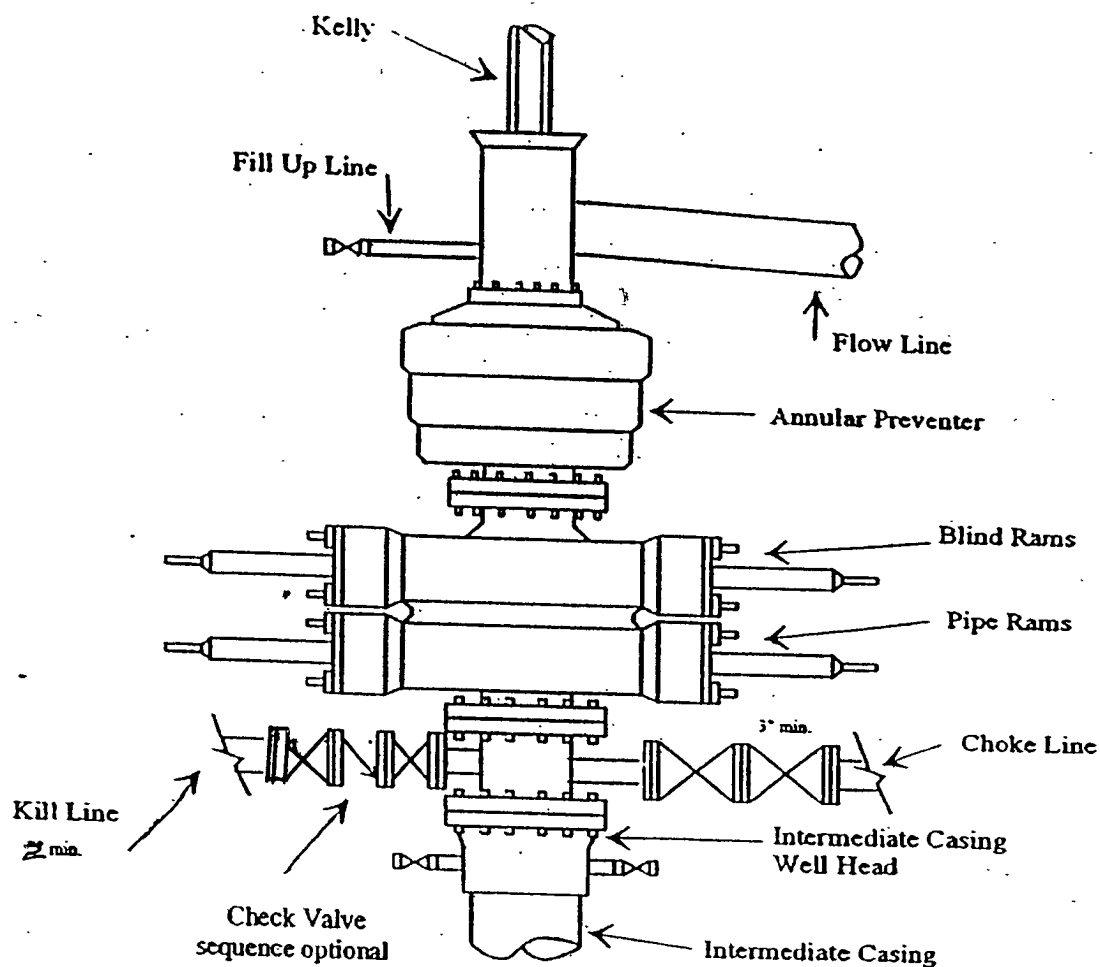
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant 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.</p> <p><i>Clifton R. May</i> 9/25/07 Signature Date CLIFTON R. MAY Printed Name</p> <p>SURVEYOR CERTIFICATION</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>SEPTEMBER 24, 2007</p> <p>Date Surveyed Signature of Gary L. Jones Professional Surveyor Certificate No. 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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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

