

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

RECEIVED

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

HOBBS OCD

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
<sup>3</sup> Property Code 12519		<sup>4</sup> API Number 30.025.38693
<sup>5</sup> Property Name Lotus ALT State		<sup>6</sup> Well No. 10
<sup>9</sup> Proposed Pool 1 Wildcat Bone Springs		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	32	22S	32E		480'	South	1650'	West	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 New Well	<sup>12</sup> Well Type Code Oil	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 3542'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8600'	<sup>18</sup> Formation Bone Springs	<sup>19</sup> Contractor	<sup>20</sup> Spud Date ASAP
Depth to Groundwater More than 100'		Distance from nearest fresh water well More than 1000'		Distance from nearest surface water More than 1000'
<u>Pit</u> Liner. Synthetic XX 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"/>		

<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'	800	0
11	8.635	32	4500'	1400	0
7.875	5.5	17	8600'	1475	5500
				Permit Expires 1 Year From Approval Date Unless Drilling Underway	

<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 Bone Springs formations. Approximately 850' of surface casing will be set and cement circulated to shut off gravel and cavings. Approximately 4500' of intermediate casing will be set/cement circulated. If commercial, production casing will be run/cemented, will perforate and stimulate as needed for production.

**MUD PROGRAM:** 0-850' FW/Native Mud; 850'-4500' Brine; 4500'-8400' Cut Brine; 8400'-TD Cut Brine/Stratch

**BOPE PROGRAM:** a 3000# 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 Bone Springs formation meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

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

Signature:

Printed name: Clifton R. May

Title: Regulatory Agent

E-mail Address: cliff@ypcn.com

Date: 1/11/08

Phone (575) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date: JAN 15 2008 Expiration Date:

Conditions of Approval Attached ☐

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State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 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**

<sup>1</sup> API Number <b>30-025-38693</b>		<sup>2</sup> Pool Code <b>/</b>	<sup>3</sup> Pool Name <b>Wildcat Bone Springs</b>
<sup>4</sup> Property Code <b>12519</b>	<sup>5</sup> Property Name <b>LOTUS ALT STATE</b>		<sup>6</sup> Well Number <b>10</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>YATES PETROLEUM CORPORATION</b>		<sup>9</sup> Elevation <b>3542'</b>

<sup>10</sup> Surface Location

UL or lot no. <b>N</b>	Section <b>32</b>	Township <b>22S</b>	Range <b>32E</b>	Lot Idn	Feet from the <b>480</b>	North/South line <b>SOUTH</b>	Feet from the <b>1650</b>	East/West line <b>WEST</b>	County <b>LEA</b>
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<sup>11</sup> 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
<sup>12</sup> Dedicated Acres <b>40 SESW</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

<div>16</div>				<div><sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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> <div><div>Clifton R. May</div><div>Signature</div></div><div>1/11/08</div><div>Date</div><div>Clifton R. May</div><div>Printed Name</div><div>Regulatory Agent</div><div>Title</div></div>
				<div><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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> <div>Date of Survey</div><div>Signature and Seal of Professional Surveyor</div><div>REFER TO ORIGINAL PLAT</div></div>
				<div>Certificate Number</div>

1650'

V-2443

987

**DISTRICT IV**  
2040 South Pocheon, Santa Fe, NM 87505

### Energy, Minerals and Natural Resources Department

**FORM C-102**  
**Revised March 17, 1980**  
**Instruction on back**  
**appropriate District Office**  
**State Lease - 4 Copies**  
**Fee Lease - 3 Copies**

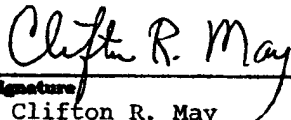

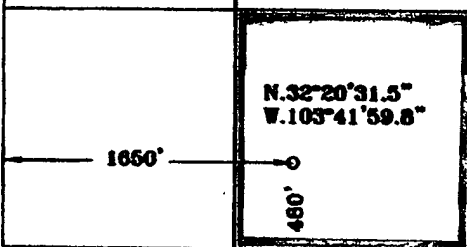
**Santa Fe, New Mexico 87504-2088**

**□ AMENDED REPORT**

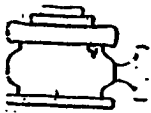
API Number 30-025-37662	Pool Code ✓	Pool Name Wildcat Bone Springs
Property Code 12519	Property Name LOTUS "ALT" STATE	Well Number 10
OGS# No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3542

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
N	32	22S	32E		480	SOUTH	1650	WEST	LEA

U/L or lot No.	Section	Township	Range	Lot 14n	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code		Order No.					

				<b>OPERATOR CERTIFICATION</b> <i>I hereby certify the information contained herein to be true and complete to the best of my knowledge and belief.</i>   Signature Clifton R. May <hr/> Printed Name Regulatory Agent <hr/> Title 1/23/2006 <hr/> Date
				<b>SURVEYOR CERTIFICATION</b>  <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>  <div style="text-align: right;">2/23/2004</div> <hr/> Date Surveyed Signature & Seal of Professional Surveyor  <hr/> Certified by Mr. Herschel L. Jones, RLS 3640 JONES AND SONS GENERAL SURVEYING COMPANY
				

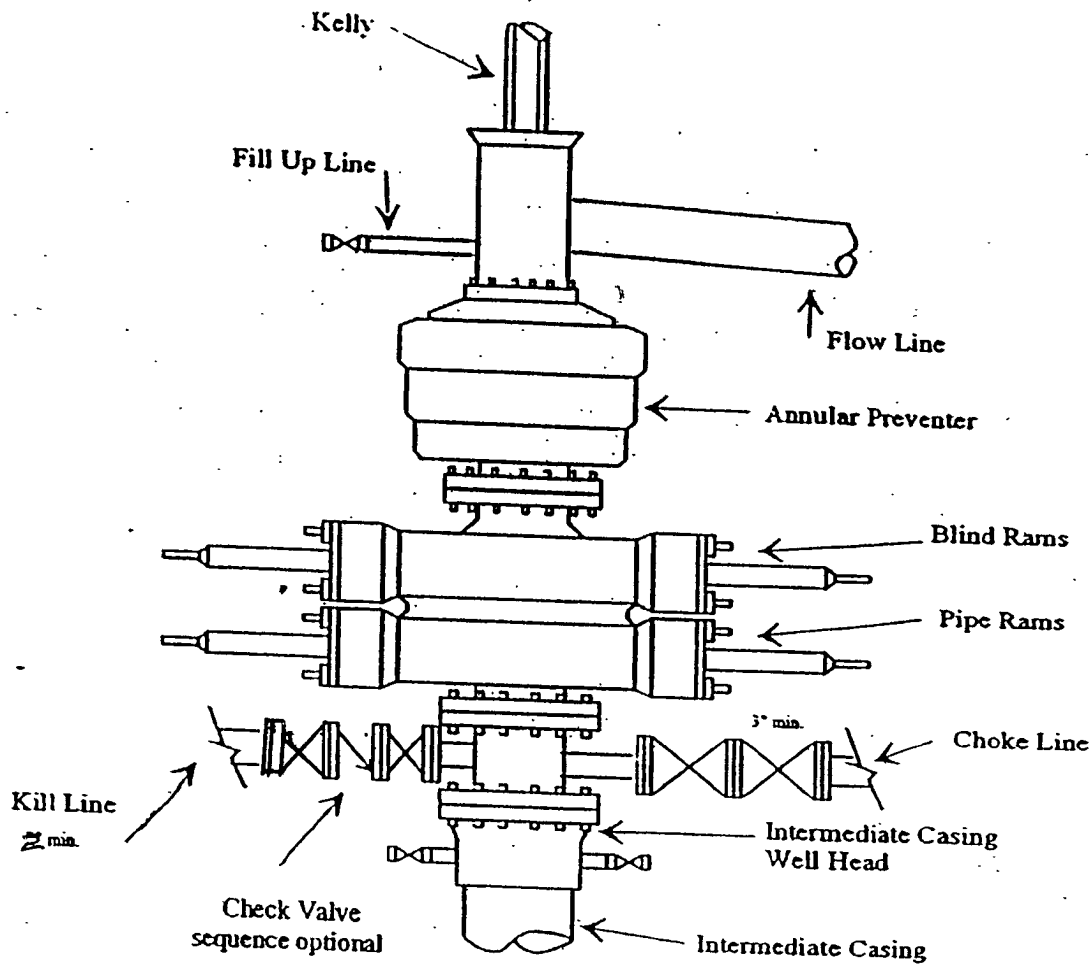
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



# 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

