

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

RECEIVED

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

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575 API Number 30-025-38694
Property Code 12519	Property Name Lotus ALT State	Well No. 11
Proposed Pool 1 Wildcat Bone Springs		Proposed Pool 2

Surface Location

UL or lot no. O	Section 32	Township 22S	Range 32E	Lot Idn	Feet from the 330'	North/South line South	Feet from the 1980'	East/West line East	County Lea
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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
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Additional Well Information

Work Type Code New Well	Well Type Code Oil	Cable/Rotary	Lease Type Code State	Ground Level Elevation 3554'
Multiple No	Proposed Depth 8600'	Formation Bone Springs	Contractor	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'
Pit: 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"/>				

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	0
Permit Expires 1 Year From Approval Date Unless Drilling Underway					

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.

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: Clifton R. May

Printed name: Clifton R. May

Title: Regulatory Agent

E-mail Address: chliff@ypcnm.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

¹ API Number 3D-025-38694	² Pool Code ✓	³ Pool Name Wildcat; Bone Spring
⁴ Property Code 12519	⁵ Property Name Lotus ALT State	⁶ Well Number 11
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3554

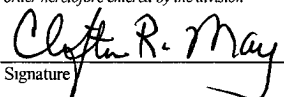
¹⁰ Surface Location

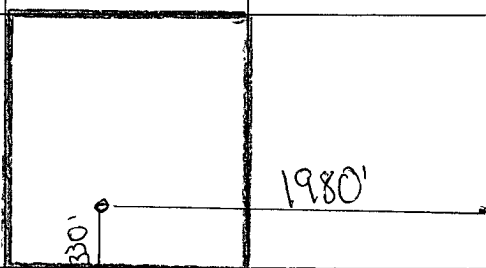
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	32	22S	32 E		330	South	1980	East	Lea

¹¹ 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
¹² Dedicated Acres 40 SWSE	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16					¹⁷ OPERATOR CERTIFICATION <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>  Signature 1/12/08 Date Clifton R. May, Regulatory Agent Printed Name
					¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT Certificate Number



DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

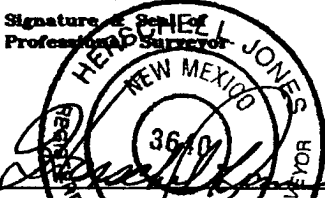
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

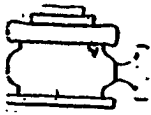
API Number		Pool Code	Pool Name
			Wildcat Bone Spring
Property Code	Property Name		Well Number
	LOTUS "ALT" STATE		11
OCRID No.	Operator Name		Elevation
025575	YATES PETROLEUM CORPORATION		3554

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	32	22S	32E		330	SOUTH	1980	EAST	LEA

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.						

				<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Clifton R. May</u> Signature</p> <p><u>Clifton R. May</u> Printed Name</p> <p><u>Regulatory Agent</u> Title</p> <p><u>1-19-2006</u> Date</p>
				<p>SURVEYOR CERTIFICATION</p> <p><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> <p><u>1/22/2004</u> Date Surveyed</p> <p><u>Herschel L. Jones</u> Signature of Professional Surveyor</p> <p></p> <p><u>1/22/2004</u> Certificate No. Herschel L. Jones RLS 3640</p> <p><u>LOTUS PROFESSIONAL LAND SURVEYING COMPANY</u> GENERAL SURVEYING COMPANY</p>
		<p>N.32°20'30.1" W.103°41'40.6"</p> <p>330'0"</p> <p>1980'</p>		

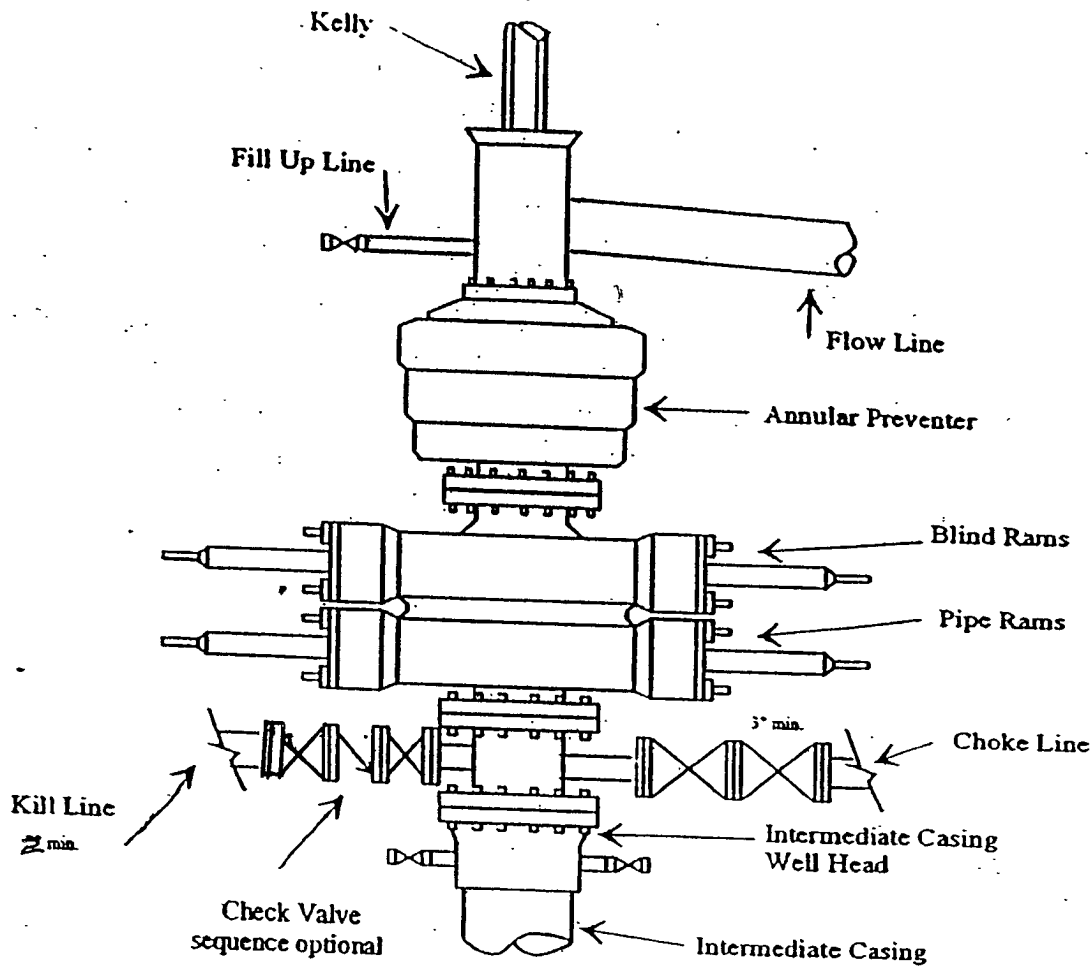
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0



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

