

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

WF
Form C-101
May 27, 2004

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

FEB 22 2008

☐ AMENDED REPORT

HOBBS OCD

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 36550	⁵ Property Name Big Hat BKK State	⁴ Well No. 30-025-38775
⁹ Proposed Pool 1 Wildcat San Andres		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
M	11	16S	33E		330'	South	330'	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 New well	¹² Well Type Code Oil	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4194'
¹⁶ Multiple N	¹⁷ Proposed Depth 4750'	¹⁸ Formation San Andres	¹⁹ Contractor Not Determined	²⁰ Spud Date
Depth to Groundwater 125'		Distance from nearest fresh water well More than 1000'		Distance from nearest surface water 1000' or more
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 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	9.625	36	1500'	550	0
8.75	5.5	15.5	4750'	1100	0

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 San Andres and intermediate formations. Approximately 1550' of surface casing will be set and cement circulated to shut off gravel and cavings. Intermediate casing will be set at 5850', cement circulated to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1550' FW; 1550'-4750' Red Bed Mud/Oil.

BOPE PROGRAM: a 2000# BOPE will be installed 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 enough H2S found from the surface through the San Andres formation meet the OCD's minimum requirements 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 ☐, 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@ypcn.com

Date: 1/18/08

Phone: (575) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Chris Williams

Title: **OCD DISTRICT SUPERVISOR/GENERAL MANAGER**

Approval Date: **FEB 25 2008**

Expiration Date:

Conditions of Approval Attached ☐

1220 S. St. Francis Dr., Santa Fe, NM 87505

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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> <div style="display: flex; justify-content: space-between;"><div><u>Clifton R. May</u> Signature</div><div>1/18 /08 Date</div></div> <div>Clifton R. May, Regulatory Agent Printed Name</div>
					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

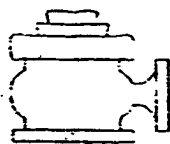
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

Form C-102
Revised March 17, 1963
Instruction on Desk
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

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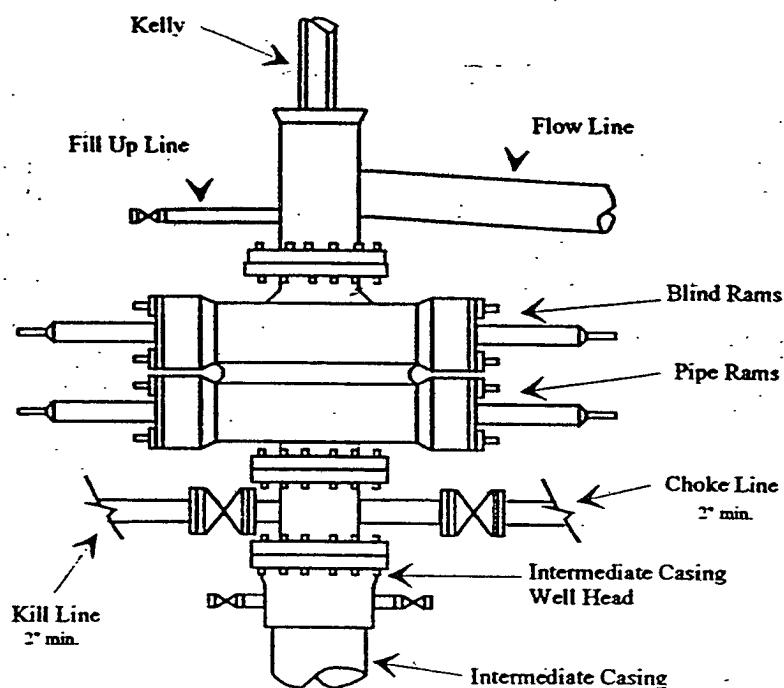


Yates Petroleum Corporation

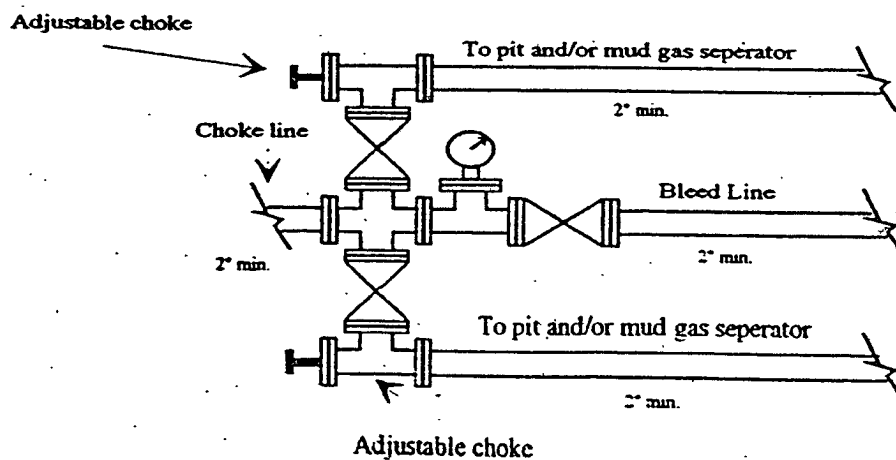
BOP-2

Typical 2,000 psi Pressure System
Schematic

Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features



MARTIN YATES, III
1912-1985

FRANK W. YATES
1936-1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (575) 748-1471

S.P. YATES
CHAIRMAN EMERITUS
JOHN A. YATES
CHAIRMAN OF THE BOARD
FRANK YATES, JR.
PRESIDENT
PEYTON YATES
DIRECTOR
JOHN A. YATES, JR.
DIRECTOR

February 20, 2008

Oil Conservation Division
1625 N. French Dr.
Hobbs, NM 88240

RE: Big Hat BKK State #4
330' FSL and 330' FWL, Unit M (SWSW)
Section 11, T16S-R33E
Lea County, New Mexico

To Whom It May Concern:

Yates Petroleum Corporation requests the status of the above mentioned location with regards to approval of application for permit to drill submitted 1/18/08.

Should you have any questions please contact Debbie L. Caffall at (575) 748-4376.

YATES PETROLEUM CORPORATION


Debbie L. Caffall
Regulatory Agent

DLC/ms
Enclosure(s)