

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, PLUG BACK, 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 30-025-38796
<sup>5</sup> Property Name Lotus ALT State.		<sup>6</sup> Well No. 6
<sup>9</sup> Proposed Pool 1 Wildcat Bough		<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
F	32	22S	32E		1650	North	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 N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3536'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8600	<sup>18</sup> Formation Delaware	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date
Depth to Groundwater 250'		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"/> 0 ranking Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air				

<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'	450	0
11.0"	8.625"	32#	4500'	1400	0
7.875"	5.5"	17#	8600'	950	0

<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 Delaware/intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Intermediate casing will be set at 4500', cement circulated to surface. If commercial, production casing will be ran and cemented, perforated, and stimulated as need to gain production. MUD PROGRAM: 0-850' FW/native mudl; 850'-4500' Brine; 4500'-6800 Cut Brine; 6800'-8600' cut Brine/Starch. No H2S is anticipated. BOPE PROGRAM: A 3000# BOPE will be installed on the 8.625" casing and tested daily for operational.

**Permit Expires 2 Years From Approval  
Date Unless Drilling Underway**

<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 <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: MAR 06 2008	
Date: February 25, 2008		Expiration Date:	
Phone: (505) 748-4347		Conditions of Approval Attached <input type="checkbox"/>	

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

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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 30-025-38796	<sup>2</sup> Pool Code 39330	<sup>3</sup> Pool Name Livingston Ridge Delaware SE
<sup>4</sup> Property Code 12519	<sup>5</sup> Property Name Lotus ALT State	<sup>6</sup> Well Number 6
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3536'

<sup>10</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
F	32	22S	32E		1650	North	1650	West	Lea

<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 40		<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.

<sup>16</sup>					<sup>17</sup> OPERATOR CERTIFICATION 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 interest, or to a voluntary pooling agreement or a compulsory pooling interest, or to a voluntary pooling agreement or a compulsory pooling interest. Order heretofore entered by the division <i>Clifton R. May</i> 1/16/08 Signature Date Clifton R. May Regulatory Agent Printed Name
					<sup>18</sup> 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 of Survey Signature and Seal of Professional Surveyor REFER TO ORIGINAL PLAT Certificate Number

DISTRICT I  
1625 N. French St., Hobbs, NM 88240

DISTRICT II  
611 South First, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87500

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form O-102  
Revised March 17, 1989  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

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 <b>39 380</b>	Pool Name <b>SE LIVINGSTON RIDGE DELAWARE</b>
Property Code <b>12519</b>	Property Name <b>LOTUS "ALT" STATE</b>	Well Number <b>6</b>
OCED No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORPORATION</b>	Elevation <b>3536</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>F</b>	<b>32</b>	<b>22S</b>	<b>32E</b>		<b>1650</b>	<b>NORTH</b>	<b>1650</b>	<b>WEST</b>	<b>LEA</b>

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 <b>40</b>	Joint or Infill	Consolidation Code	Order No.
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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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature <b>CLIFTON R. MAY</b> Printed Name <b>REGULATORY AGENT</b> Title <b>12/1/2006</b> Date</p>	
	<p><b>SURVEYOR CERTIFICATION</b></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><b>1/23/2003</b> Date Surveyed <i>Herschell Jones</i> Signature <b>HERSCHELL JONES</b> Professional Surveyor <b>3640</b> Certificate No. <b>LOUISIANA PROFESSIONAL LAND SURVEYORS RLS 3640</b> GENERAL SURVEYING COMPANY</p>	

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

State of New Mexico  
Energy Minerals and Natural Resources

Form C-144  
March 12, 2004

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

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ No ☐

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

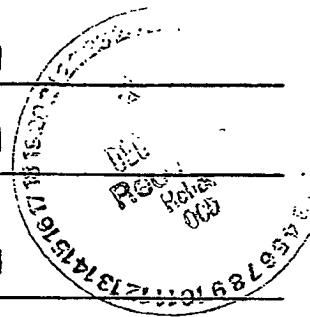
Operator: Yates Petroleum Corporation Telephone: (505) 748-4347 e-mail address: debbiec@ynocm.com

Address: 105 South Fourth Street, Artesia, New Mexico

Facility or well name: Lotus ALT State #6 API #: 30-025-37032 U/L or Qtr/Qtr F Sec 32 T 22S R 32E

County: Lea Latitude N32.3508 Longitude W103.7000 NAD: 1927 ☐ 1983 ☒ Surface Owner - Federal ☐ State ☒ Private ☐ Indian ☐

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness 12 mil Clay <input type="checkbox"/> Volume 24,000 bbl	<b>Below-grade tank</b> Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not: _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more <input checked="" type="checkbox"/> (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No <input checked="" type="checkbox"/> (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more <input checked="" type="checkbox"/> (0 points)
	Ranking Score (Total Points) 0 Points



If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility: \_\_\_\_\_. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface \_\_\_\_\_ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: January 5, 2005 Printed Name/Title Debbie L. Caffall / Regulatory Technician Signature *Debbie L. Caffall*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: JAN 12 2005

Printed Name/Title

Signature *Paul B. Knapp*

PETROLEUM ENGINEER

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  
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PRESIDENT  
PEYTON YATES  
DIRECTOR  
JOHN A. YATES, JR.  
DIRECTOR

February 14, 2008

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

RE: Lotus ALT State #6  
1650' FNL and 1650" FWL, Unit E  
Section 32, T22S-R32E  
Lea County, New Mexico

**RECEIVED**

FEB 18 2008

**HOBBS OCD**

To Whom It May Concern:

Yates Petroleum Corporation requests the status of the abovementioned location with regards to approval of application for permit to drill submitted 1/24/08.

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

YATES PETROLEUM CORPORATION

Clifton May  
Regulatory Agent

CM/ms  
Enclosure(s)