

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

Submit to appropriate District Office

1220 South St. Francis Dr.

Santa Fe, NM 87505

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 3655D	⁴ Property Name Big Hat BKK State	⁵ API Number 30-025-38804
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
L	11	16S	33E		1650'	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 4198'
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	1550'	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 4750', cement circulated to surface. If commercial, production casing will be ran and cemented, perforated and stimulated as needed for production.

MUD PROGRAM: 0-1500' 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 NMOC guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Signature:

Printed name: Clifton R. May

Title. Regulatory Agent

E-mail Address: cliff@ypcnm.com

Date: 2/21/08

Phone: (575) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER

Approval Date: MAR 13 2008 Expiration Date:

Conditions of Approval Attached ☐

Permit Expires 2 Years From Approval Date Unless Drilling Underway

Previously approved

C-102 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 30-025-38804	² Pool Code /	³ Pool Name Wildcat San Andres
⁴ Property Code 29794 36550	⁵ Property Name Big Hat BKK State	⁶ Well Number 9
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4198'

¹⁰ Surface Location

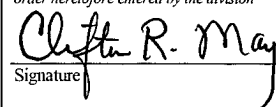
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	11	16S	33 E		1650	South	330	West	Lea

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 NW 30	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

<div style="border: 2px solid black; padding: 5px; width: 100px; height: 100px; position: relative;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; border: 1px solid black;"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-weight: bold;">V-6110</div> <div style="position: absolute; top: 10%; left: 10%;">330'</div> <div style="position: absolute; top: 80%; left: 10%;">1650'</div> </div>				¹⁷ 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 order heretofore entered by the division <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;">  Signature </div> <div style="text-align: center;"> 2/1/08 Date </div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Clifton R. May, Regulatory Agent Printed Name </div>
				¹⁸ 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 <div style="border-top: 1px solid black; padding-top: 5px;"> Date of Survey </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Signature and Seal of Professional Surveyor </div>
				REFER TO ORIGINAL PLAT <div style="border-top: 1px solid black; padding-top: 5px;"> Certificate Number </div>

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STATE OF NEW MEXICO
Energy, Minerals and Natural Resources Department

Revised March 17, 1999
Instruction 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	Pool Name <i>WILDCAT SAN ANDRES</i>
Property Code	Property Name <i>BIG HAT STATE UNIT</i>	Well Number <i>9</i>
OGRID No. <i>025575</i>	Operator Name <i>YATES PETROLEUM CORPORATION</i>	Elevation <i>4198</i>

Surface Location

UL or lot No. <i>L</i>	Section <i>11</i>	Township <i>16S</i>	Range <i>33E</i>	Lot Idn	Feet from the <i>1650</i>	North/South line <i>SOUTH</i>	Feet from the <i>330</i>	East/West line <i>WEST</i>	County <i>LEA</i>
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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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Dedicated Acres <i>40</i>	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

<div>N.32°56'00.9" W.103°38'28.9" N.704063.2 E.753638.2 (NAD-83) 330' V-6110 1650'</div>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature <i>CLIFTON R. MAY</i> Printed Name <i>REGULATORY AGENT</i> Title <i>MARCH 3, 2006</i> Date</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><i>3/01/2006</i> Date Surveyed</p> <p><i>[Signature]</i> Signature of Well of Professional Surveyor</p> <p><i>[Stamp: HERSCHEL JONES, NEW MEXICO, 3640]</i> Certificate No. Herschel Jones RLS 3640 <i>BIG HAT STATE UNIT 9</i> GENERAL SURVEYING COMPANY</p>	

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