

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, 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 33602	⁴ Property Name Lacy J State Unit	⁵ API Number 30-025-38806
⁹ Proposed Pool 1 Wildcat Mississippian		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
H	17	12S	34E		1980'	North	660'	East	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 Gas	¹³ Cable/Rotary	¹⁴ Lease Type Code State ✓	¹⁵ Ground Level Elevation 4186'
¹⁶ Multiple N	¹⁷ Proposed Depth 12400'	¹⁸ Formation Mississippian	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 44'		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 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
17.5	13.375	48	400'	450	0
12.25	9.625	40	4200'	1450	0
8.75	5.5	17	12400'	2100	3700

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 Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. Intermediate casing will be set at 4200' cement circulated to surface. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-400' Fresh Water Gel; 400'-2000' Fresh Water; 2000'-4200' Red Bed Mud/Oil; 4200'-7650' Cut Brine; 7650'-11680' SW Gel/Starch; 11680'-TD SW Gel/Starch/4-6% KCL.

BOPE PROGRAM: a 5000# 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 Mississippian 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@ypcnm.com

Date 2/29/08

Phone: (575) 748-4347

OIL CONSERVATION DIVISION

Approved by:

Title **OCD DISTRICT SUPERVISOR/GENERAL MANAGER**

Approval Date **MAR 13 2008** Expiration Date:

Conditions of Approval Attached ☒ *Pit must be hauled & contents?*

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

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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 30-025-38806	² Pool Code /	³ Pool Name WILDCAT MISSISSIPPIAN
⁴ Property Code 33602	⁵ Property Name LACY J STATE UNIT	⁶ Well Number 6
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 4186

¹⁰ Surface Location

UL or lot no. H	Section 17	Township 12S	Range 34E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 660	East/West line EAST	County LEA
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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
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¹² Dedicated Acres 320 N/2	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.

¹⁶ VO-5893 1980 VA-2211 LWD	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. Clifton R. May February 26, 2007 Signature Date Clifton R. May Printed Name Regulatory Agent Title
	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. Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT Certificate Number

DISTRICT I
1685 N. French St., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1888 Rio Grande Rd., Artesia, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
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>WILCAT MISSISSIPPIAN</i>
Property Code	Property Name <i>LACY J STATE UNIT</i>	Well Number <i>6</i>
OCED No. <i>025575</i>	Operator Name <i>YATES PETROLEUM CORPORATION</i>	Elevation <i>4186</i>

Surface Location

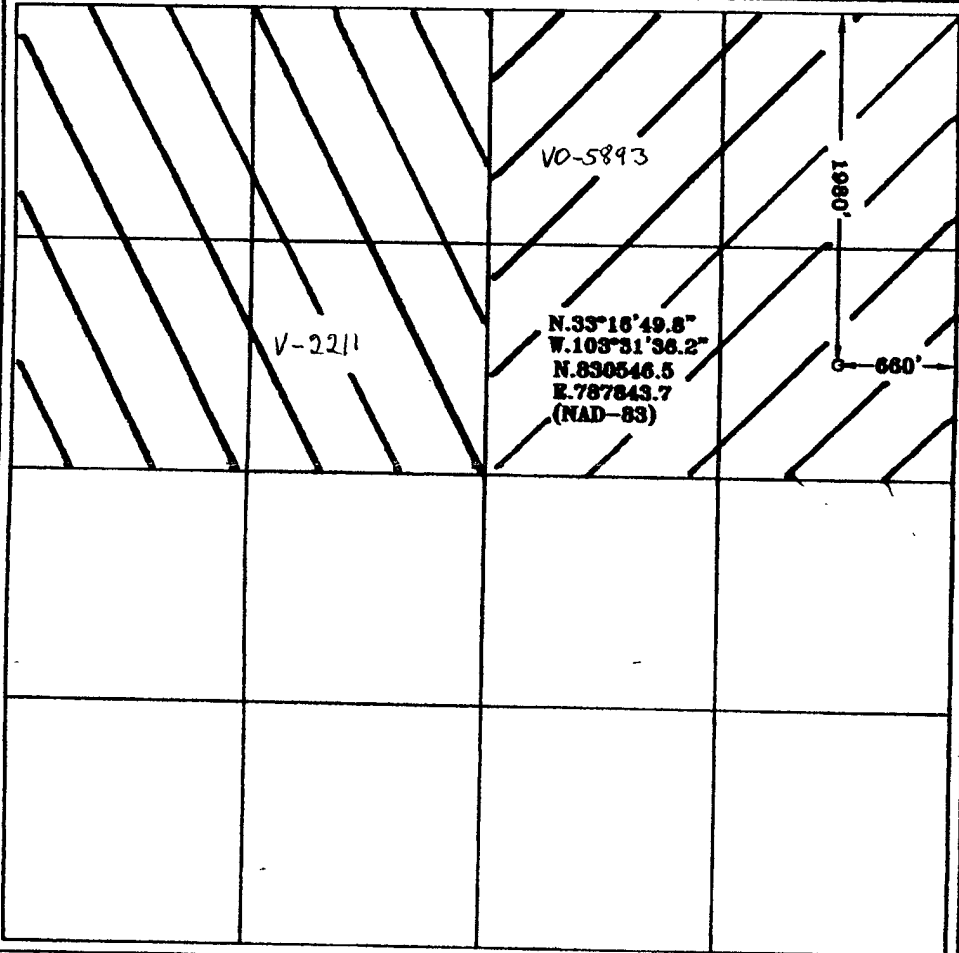
UL or lot No. <i>H</i>	Section <i>17</i>	Township <i>12S</i>	Range <i>34E</i>	Lot Idn	Feet from the <i>1980</i>	North/South line <i>NORTH</i>	Feet from the <i>660</i>	East/West line <i>EAST</i>	County <i>LEA</i>
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Bottom Hole Location If Different From Surface

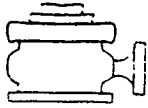
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres <i>320 N/2</i>	Joint or Infill	Consolidation Code	Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <i>Clifton R. May</i> Signature <i>CLIFTON R. MAY</i> Printed Name <i>REGULATORY AGENT</i> Title <i>MARCH 7, 2006</i> Date
	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> <i>3/02/2006</i> Date Surveyed <i>THE SHELLEY JONES</i> Signature <i>NEW MEXICO</i> Professional Seal <i>3640</i> Record <i>Clifton R. May</i> Certification by New Mexico State Surveyor <i>PROFESSIONAL LAND SURVEYOR</i> GENERAL SURVEYING COMPANY

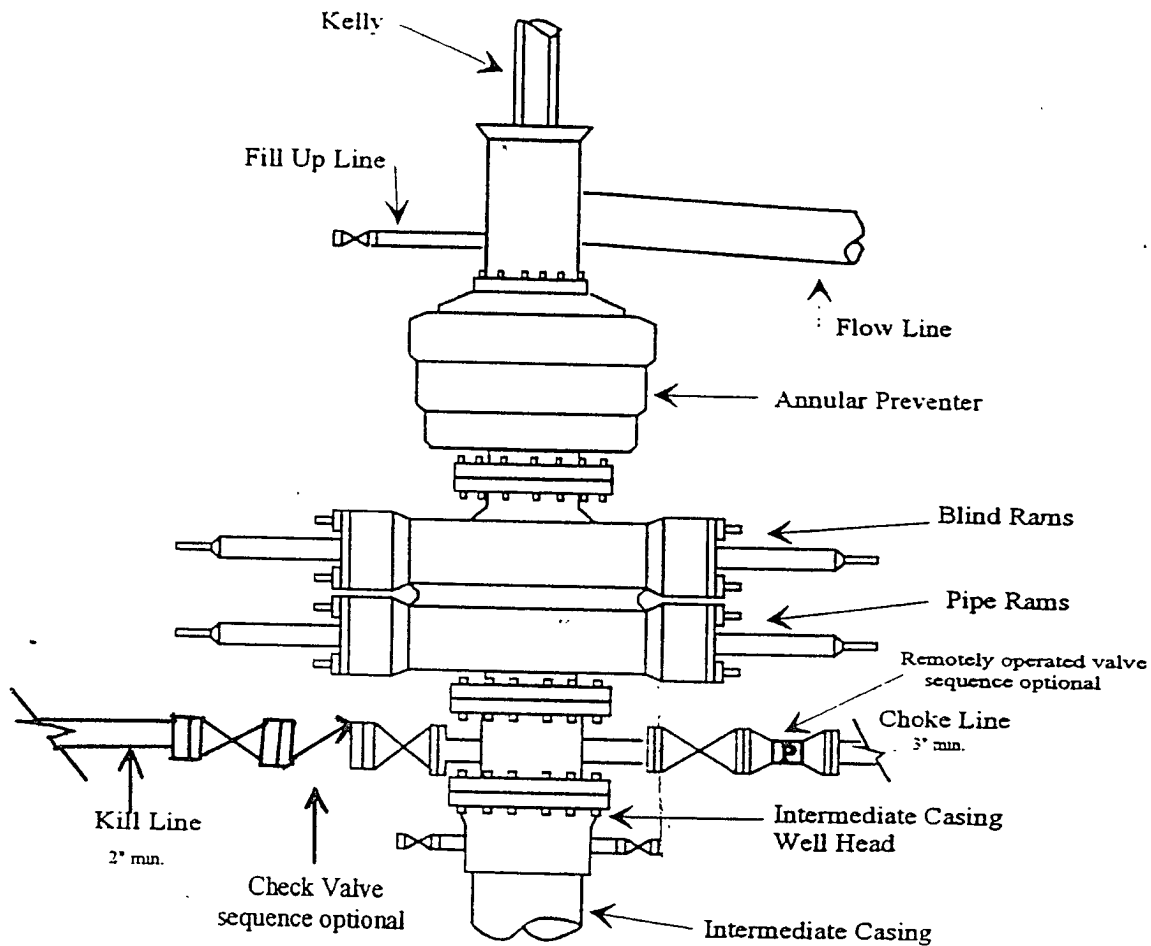
0 330' 660' 990' 1320' 1650' 1980' 2310' 2640' 2970' 3300' 0'



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

