

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

RECEIVED

State of New Mexico

Energy, Minerals and Natural Resources

Form C-101

May 27, 2004

APR 22 2008

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT**HOBBS OGD****APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-025-36985
⁴ Property Code 25120 34501	⁵ Property Name East Sand Springs BGE State Com	
		⁶ Well No 9
⁹ Proposed Pool 1 Sand Springs; Atoka-Morrow		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no D	Section 35	Township 10S	Range 34E	Lot Idn	Feet from the 1040	North/South line North	Feet from the 1040	East/West line West	County Lea
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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
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Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4183' GL
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Mississippian	¹⁹ Contractor N/A	²⁰ Spud Date N/A
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> _____ mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ Closed-Loop System <input checked="" type="checkbox"/> Fresh Water <input 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
		IN PLACE			

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 plans to plugback and recomple this well as follows: Set a CIBP at 12,300' with 35' cement on top. Perforate Morrow 12,159'-12,172' (78). Stimulate as needed. If production is adequate, swab well in and turn over to production. If additional intervals are to be completed, either lightly load hole and strip out with tubing and packer or snub out of hole. Set a composite bridge plug at 12,150'. Perforate Atoka 12,064'-12,070' (12), 12,080'-12,086' (12), 12,088'-12,100' (24) and 12,104'-12,126' (44). Stimulate as needed. If production is adequate, turn well over to production. Composite plug (if installed) will be drilled out upon DHC approval.

Permit Expires 2 Years From Approval Date Unless Drilling Underway

Plugback

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

Tina Huerta

Printed name. Tina Huerta

Title. Regulatory Compliance Supervisor

E-mail Address tnah@ypcnm.com

Date April 18, 2008

Phone 575-748-4168

OIL CONSERVATION DIVISION

Approved by:

Title:

[Signature]
PETROLEUM ENGINEER

Approval Date

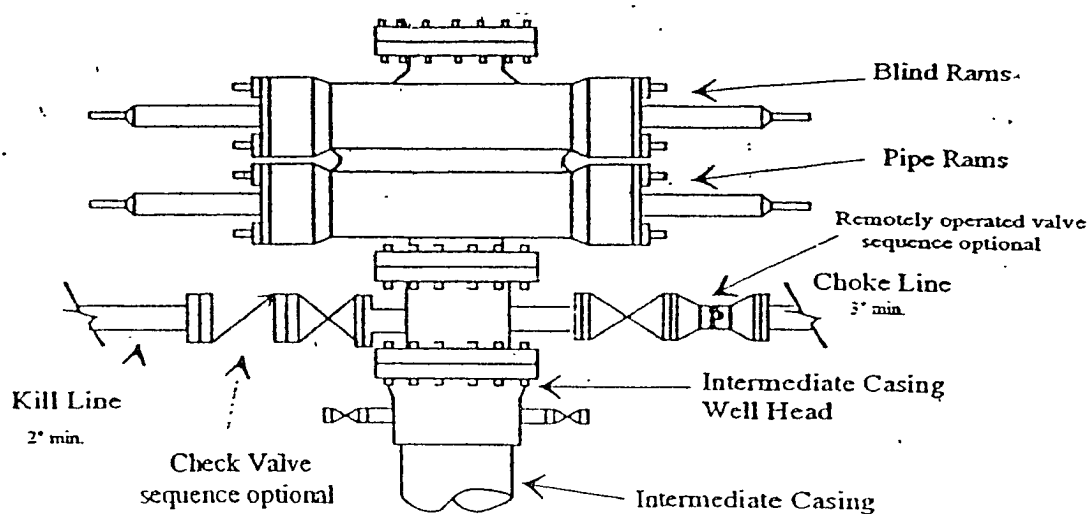
APR 25 2008

Expiration Date:

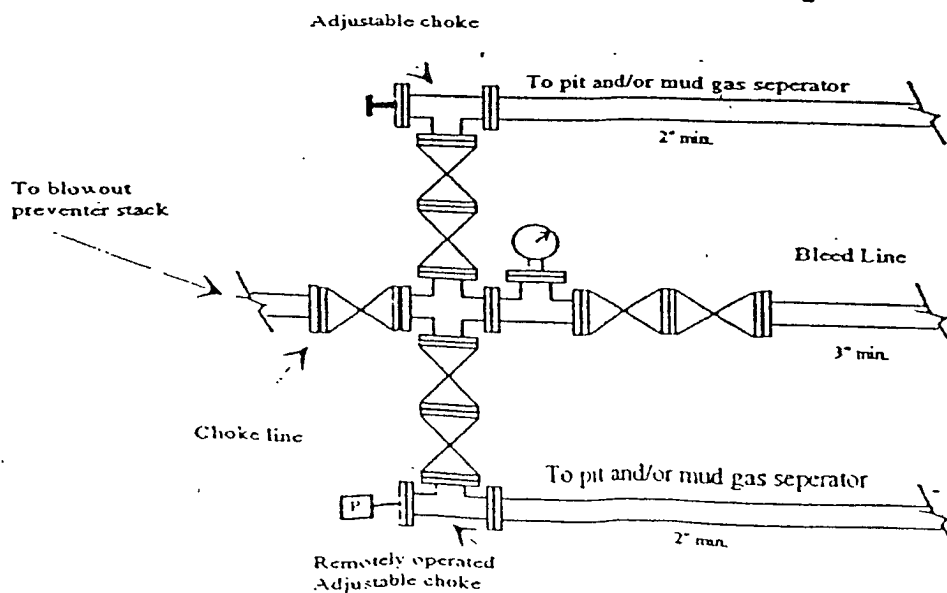
Conditions of Approval Attached ☐

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



Typical 3,000 psi choke manifold assembly with at least these minimum features



Well Name: East Sand Springs BGE St. Com #9 Field: _____

Location: 1040' FNL & 1040' FWL Sec. 35-10S-34E Lea Co, NM

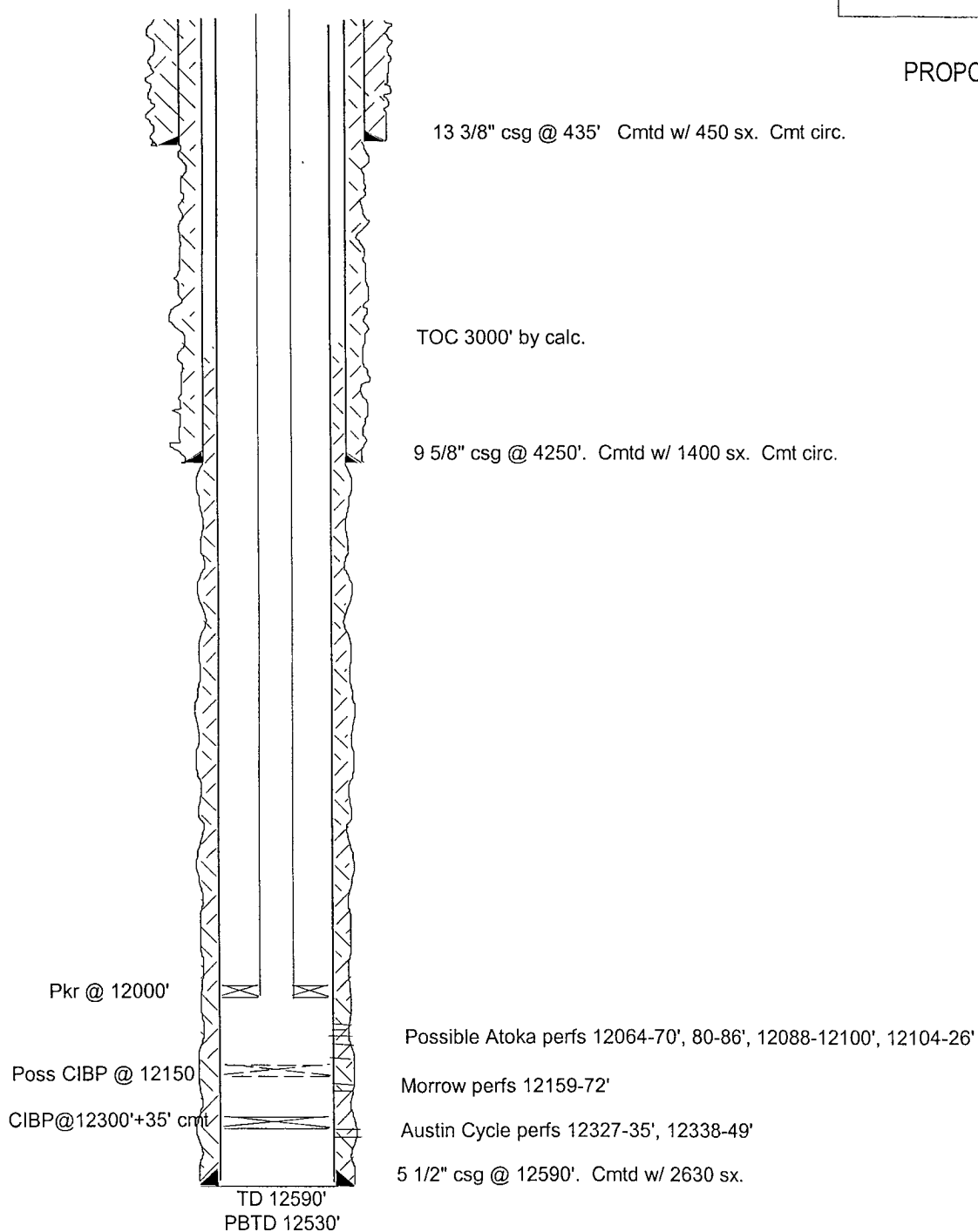
GL: 4183' Zero: _____ AGL: _____ KB: 4203.5'

Spud Date: 12-03-05 Completion Date: _____

Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# HE	435'
9 5/8" 36 & 40#	4250'
5 1/2" 17# J55, L80, P110	12590'

PROPOSED CONFIGURATION



SKETCH NOT TO SCALE

DATE: 3/5/08 ESSU9C

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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 30-025-36985	² Pool Code 84871 ✓	³ Pool Name Sand Spring; Atoka-Morrow ✓
⁴ Property Code 25120 34501	⁵ Property Name East Sand Springs BGE State Com	
⁷ OGRID No. 025555	⁸ Operator Name Yates Petroleum Corporation	
	⁶ Well Number 9	
	⁹ Elevation 4183' GL	

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
D	35	10S	34E		1040	North	1040	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 320	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: 1px solid black; padding: 5px; margin-bottom: 10px;"> ¹⁶ </div>	<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> 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; align-items: center;"> <div style="text-align: center;"> Signature </div> <div style="text-align: center;"> April 18, 2008 Date </div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Tina Huerta Printed Name </div> </div> <div style="border: 1px solid black; padding: 5px;"> 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> <div style="border-top: 1px solid black; padding-top: 5px;"> Date of Survey Signature and Seal of Professional Surveyor </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Certificate Number </div> </div>
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