

## 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

1220 South St. Francis Dr.

Santa Fe, NM 87505

MAY 27 2008

Submit to appropriate District Office

**HOBBS OCD**

AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, 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 12353	<sup>3</sup> Property Name Harris AAU State	<sup>3</sup> API Number 30-025-38911
<sup>9</sup> Proposed Pool 1 Saunders; Permo Upper Penn		<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
E	12	14S	33E	E	1650'	North	330'	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 New well	<sup>12</sup> Well Type Code Oil	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 4188'
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 10100'	<sup>18</sup> Formation Bough	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date
Depth to Groundwater 72'		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"/>				

<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	400'	450	0
12.25	9.625	40	4250'	1400	0
8.75	5.5	17	10100'	1700	3750

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

<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 the underlying productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill and test the Bough and intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4250' 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' FW Gel; 400'-1740' FW; 1740'-4250' Red Bed Mud/Oil; 4250'-7650' Cut Brine; 7650'-10100' SGel/Starch.

**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 Bough formation meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

<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"/> .		<b>OIL CONSERVATION DIVISION</b>	
Signature: <i>Clifton R. May</i>		Approved by: <i>Chris Williams</i>	
Printed name: Clifton R. May		Title: <b>OC DISTRICT SUPERVISOR/GENERAL MANAGER</b>	
Title: Regulatory Agent		Approval Date: <b>MAY 21 2008</b> Expiration Date:	
E-mail Address: chlff@ypcnm.com			
Date: 5/2/08	Phone: (575) 748-4347	Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
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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

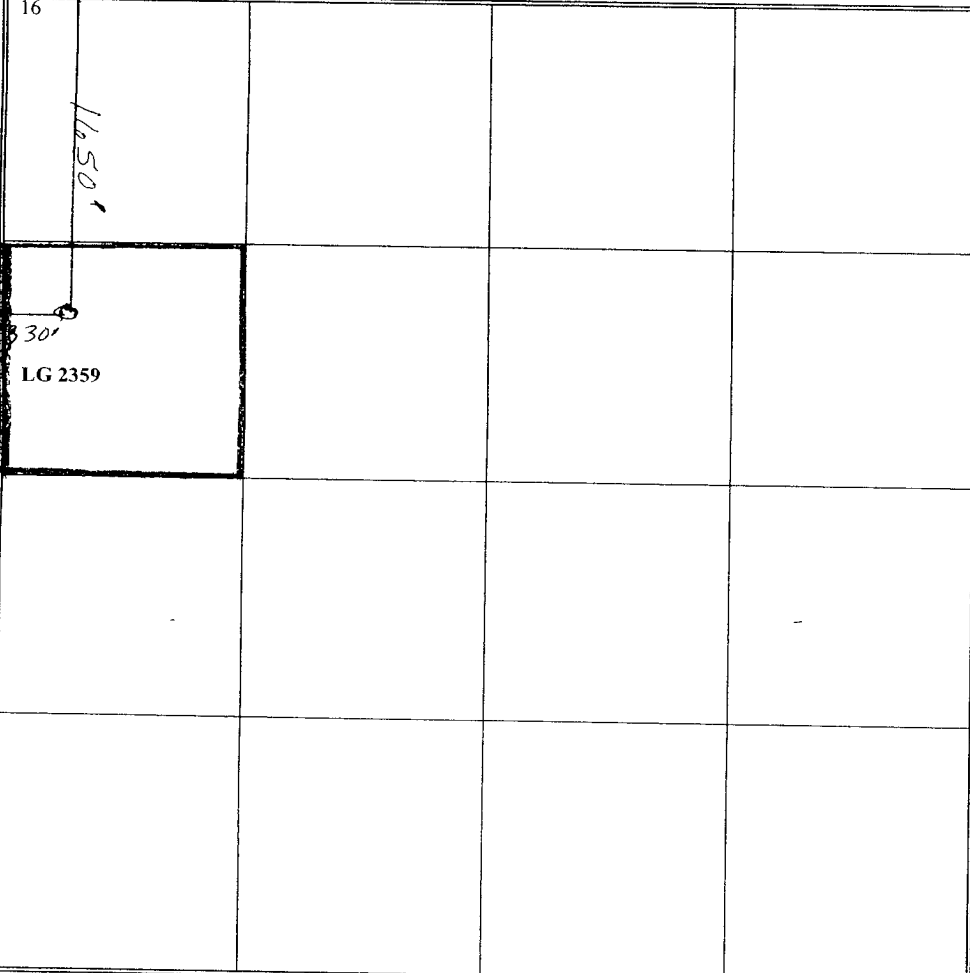
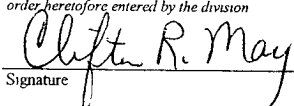
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-025-38911</b>		<sup>2</sup> Pool Code <b>55120</b>		<sup>3</sup> Pool Name Saunders; Permo Upper Penn	
<sup>4</sup> Property Code <b>12353</b>		<sup>5</sup> Property Name Harris "AAU" State			<sup>6</sup> Well Number 3
<sup>7</sup> OGRID No. 025575		<sup>8</sup> Operator Name Yates Petroleum Corporation			<sup>9</sup> Elevation 4188

<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
E	12	14 S	33 E		1650	North	330	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 SW/4NW/4		<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.

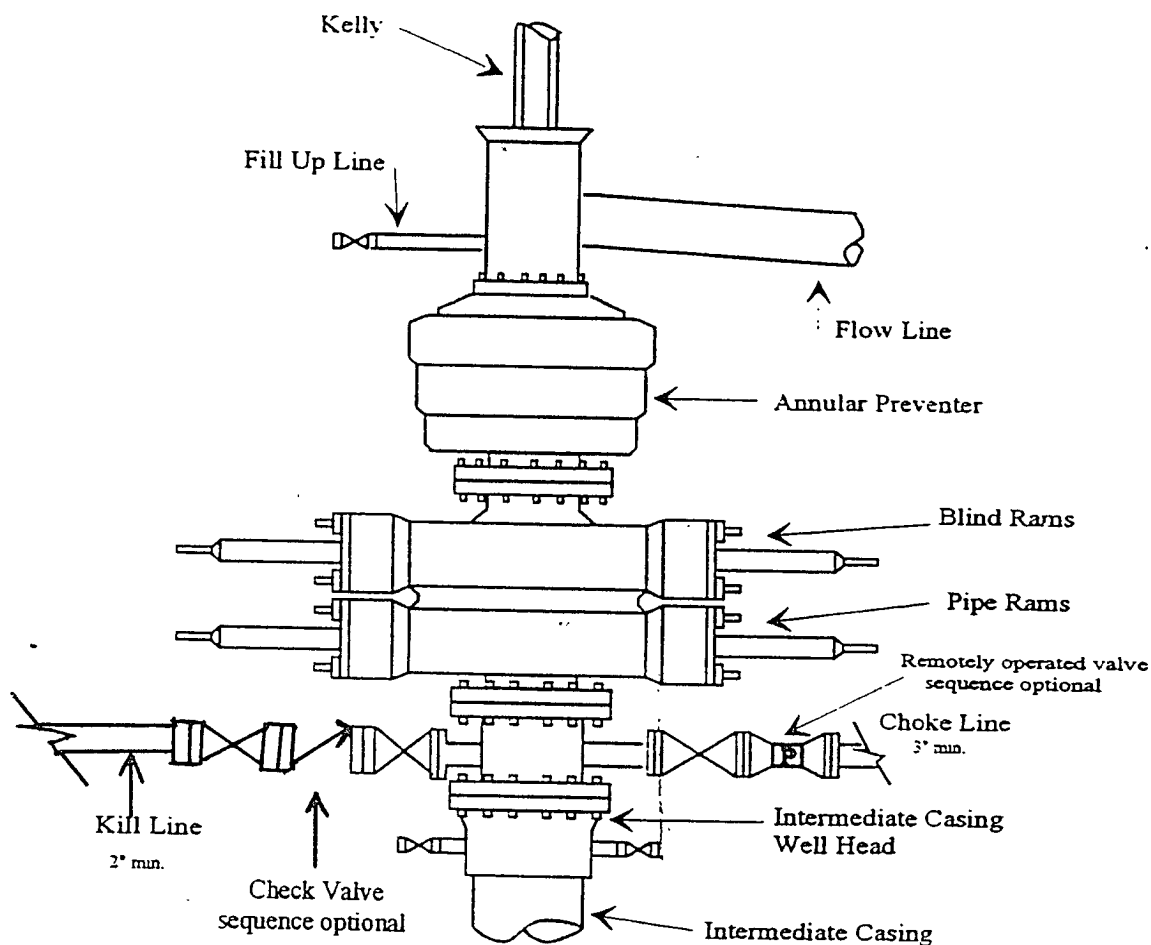
<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom 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>  Signature 3/29/2007 Date Clifton R. May, Regulatory Agent Printed Name	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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	



# 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

