

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

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

WJF

Form C-101

May 27, 2004

RECEIVED

Submit to appropriate District Office

☐ AMENDED REPORT**HOBBS, NM****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 33254	⁴ Property Name Reba State Unit	⁵ API Number 30-025-39084
⁹ Proposed Pool 1 Four Lakes; Mississippian (Gas)		⁶ Well No 3
⁷ Surface Location		¹⁰ Proposed Pool 2

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	32	11S	35E		1980'	North	660'	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 Gas	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4155'
¹⁶ Multiple N	¹⁷ Proposed Depth 12710'	¹⁸ Formation Mississippian Limestone	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater Less than 50'		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 Closed-Loop System <input type="checkbox"/>				
Drilling Method: Fresh Water <input checked="" type="checkbox"/> Brine <input checked="" 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	400	0
12.25	9.625	40	4200	1500	0
8.75	5.5	17	12710	1650	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/cemented. Approximately 4200' of intermediate casing will be set/cement circulated. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-400' FW/Spud Mud; 400'-2020' FW; 2020'-4200' Red Bed Mud/Oil; 4200'-7600' Cut Brine; 7600'-10000' S Gel/Diesel; 10000'-10600' SW/Starch; 10600'-11550' S Gel Starch 11550'-TD SW/Starch 4%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 Limestone 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 5/9/08

Phone (575) 748-4347

OIL CONSERVATION DIVISION

Approved by

Title PETROLEUM ENGINEER

Approval Date

AUG 21 2008

Expiration Date

Conditions of Approval Attached ☐

PREVIOUSLY APPROVED C-102 Attached

MAY 14 2008

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

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

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 30-025-39084		² Pool Code 97053		³ Pool Name Four Lakes; Missippian (Gas)	
⁴ Property Code 33254		⁵ Property Name Reba State Unit			⁶ Well Number 3
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 4155'

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
E	32	11S	35E		1980	North	660	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 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

	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. Signature: <u>Clifton R. May</u> Date: <u>4/16/08</u> Clifton R. May, Regulatory Agent Printed Name	
	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

1000 N. Fourth St., Hobbs, NM 88240

DISTRICT II

811 South First, Artesia, NM 88210

DISTRICT III

1000 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 1-100

Revised March 27, 1988

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 30-025-97883	Pool Code 97053	Pool Name Four Lakes; Mississippian (Gas)
Property Code 33254	Property Name REBA STATE UNIT	Well Number 3
GCED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4155

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
E	32	11S	3SE		1980	NORTH	660	WEST	LEA

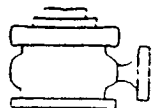
Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Bottomed Acres 320 N/2		Lease or Infill		Consolidation Code		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

	OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <i>Clifton R. May</i> Printed Name: Clifton R. May Title: Regulatory Agent Date: April 16, 2008		
	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: 5/17/2004 Signature: <i>Michael L. Jones</i> Printed Name: MICHAEL L. JONES Title: SURVEYOR License No.: 3640 Seal:		
	Certified by: <i>Michael L. Jones</i> Title: PROFESSIONAL SURVEYOR Seal:		
	GENERAL SURVEYING COMPANY		

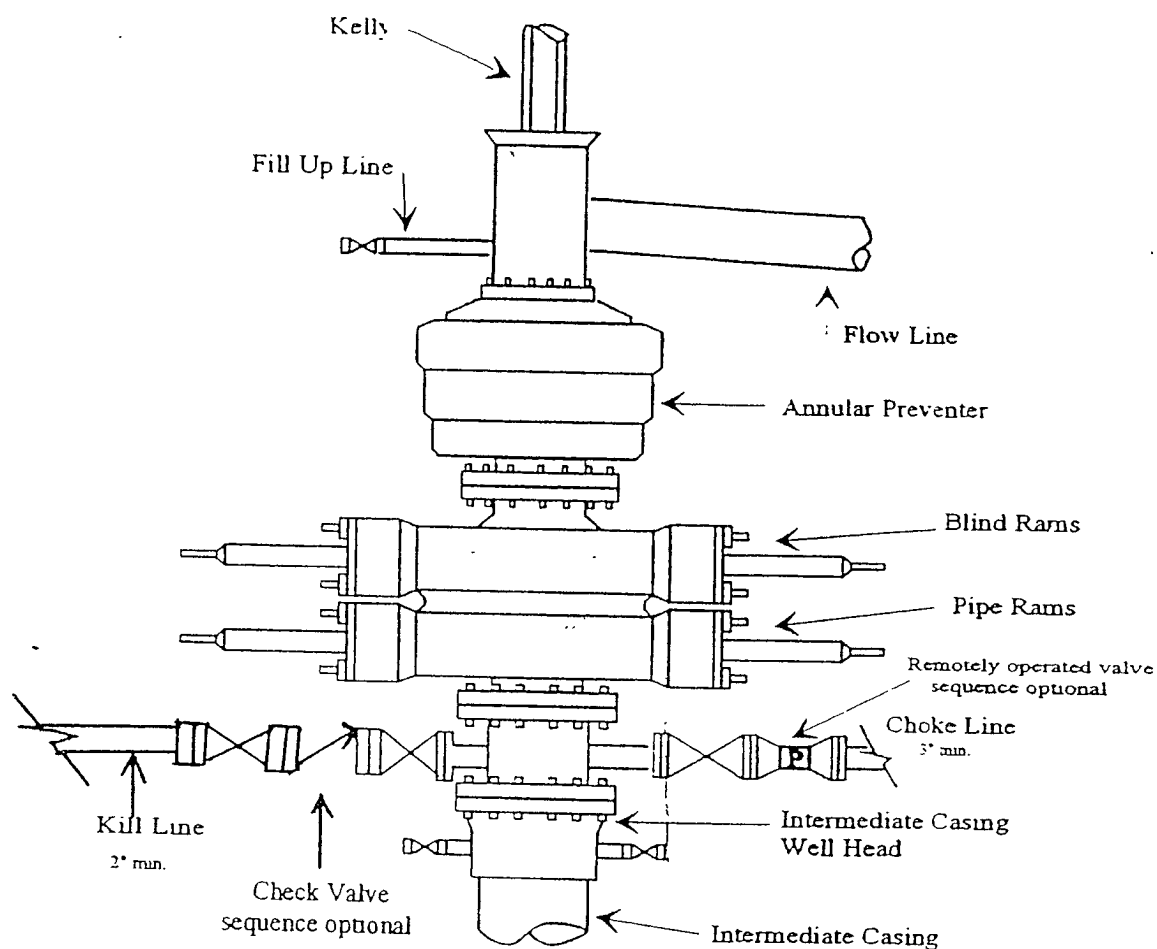
0 130' 000' 900' 1450' 1900' 2310' 2710' 3000' 3500' 4000' 4500' 5000' 5500' 6000' 6500' 7000' 7500' 8000' 8500' 9000' 9500' 10000'



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

