

District I

1625 N. French Dr , Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Artesia, NM 88210

District IV

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

RECEIVED

AUG 17 2008

HOBBS OOD

State of New Mexico

Energy Minerals and Natural Resources

Form C-101

June 16, 2008

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

AUG -7 2008

☐ AMENDED REPORT

OCD-ARTESIA

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30 - 025-39085
³ Property Code 32256	⁵ Property Name Waylon State Unit.	⁶ Well No. 5
⁹ Proposed Pool 1 Eight Mile Draw Walden Mississippian (Gas)		¹⁰ Proposed Pool 2

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	21	11S	34E		1980'	North	970'	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 ln	Feet from the	East/West line	County
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4167'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,560'	¹⁸ Formation Mississippian Age Rocks-Undivided	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

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'	400sx	0
12.25	9.625	36#	4150'	1550 sx	0
8.75	5.5	15.5#	12560'	2600 sx	3650

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.

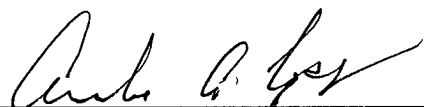
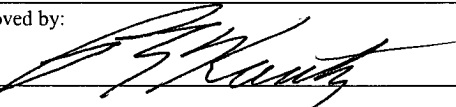
Yates Petroleum Corporation proposes to drill and test the Mississippian formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H2S anticipated from the surface to the Mississippian formation for the submission of a contingency plan per Rule 118.

MUD PROGRAM: 0-400' FW/Spud Mud; 400'-2055' FW; 2055'-4150' Red Bed Mud/Oil; 4150'-7650' Cut Brine; 7650'-9700' Salt Gel/Oil; 9700'-11585' Salt Gel/Starch; 11585-12560' SW/Starch/4%KCL.

BOPE PROGRAM: A 5000# BOPE will be installed on the 9.625" casing and tested daily for operational.

Permit Expires 2 Years From Approval**Date Unless Drilling Underway**
OIL CONSERVATION DIVISION

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.			
Signature 		Approved by: 	
Printed name: Clifton R. May		Title PETROLEUM ENGINEER	
Title: Regulatory Agent		Approval Date: AUG 27 2008	Expiration Date:
E-mail Address: cliff@ypcnm.com			
Date: August 5, 2008	Phone: (575) 748-4347	Conditions of Approval Attached <input type="checkbox"/>	

PREVIOUSLY APPROVED

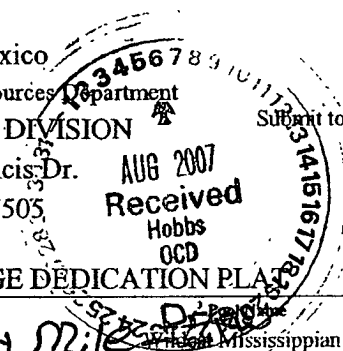
C-144 ATTACHED

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
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 39085		² Pool Code 97015		³ Property Name Eight Mile		⁴ Well Number 5	
⁵ Property Code 32256		⁶ Operator Name Waylon State Unit				⁷ Elevation 4167	
⁸ OGRID No. 025575		⁹ Operator Name Yates Petroleum Corporation					

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
H	21	11 S	34 E		1980	North	970	East	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 E/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 5598	1980'	970'	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. <i>Clifton R. May</i> 7/30/2007 Signature Date 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 II
 611 South First, Alameda, NM 88210
 DISTRICT III
 1800 Rio Grande Rd., Aztec, NM 87410
 DISTRICT IV
 2025 South Pueblo, Santa Fe, NM 87505

Energy, Minerals and Natural Resources Department
 Submit to Appropriate District Office

Revised March 17, 1998
 Instructions on back
 State Lease - 4 Copies
 Fed Lease - 3 Copies

OIL CONSERVATION DIVISION
 P.O. Box 2088
 Santa Fe, New Mexico 87504-2088

Received
 Hobbs

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION (PLAT)

API Number 30-025-38070		Pool Code 1	Pool Name Wildcat-Mississippian
Property Code 32256	Property Name WAYLON STATE UNIT		Well Number 5
CCRD No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 4167

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
H	21	11S	34E		1980	NORTH	970	EAST	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
Dedicated Acres 320		Joint 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

		VO-5598	
			1980'
		N.33°21'11.1" W.103°30'37.8" N.858927.0 E.751416.0 (NAD-27)	970'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Robert Asher

Signature

Robert Asher

Printed Name

Regulatory Agent

Title

8/2/2004

Date

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.

7/27/2004

Date Surveyed

Signature & Seal of Professional Surveyor

Herschell L. Jones

HERSCHELL L. JONES

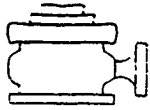
NEW MEXICO

Certification No. Herschell L. Jones RLS 3040

WAYLON STATE UNIT 5

GENERAL SURVEYING COMPANY

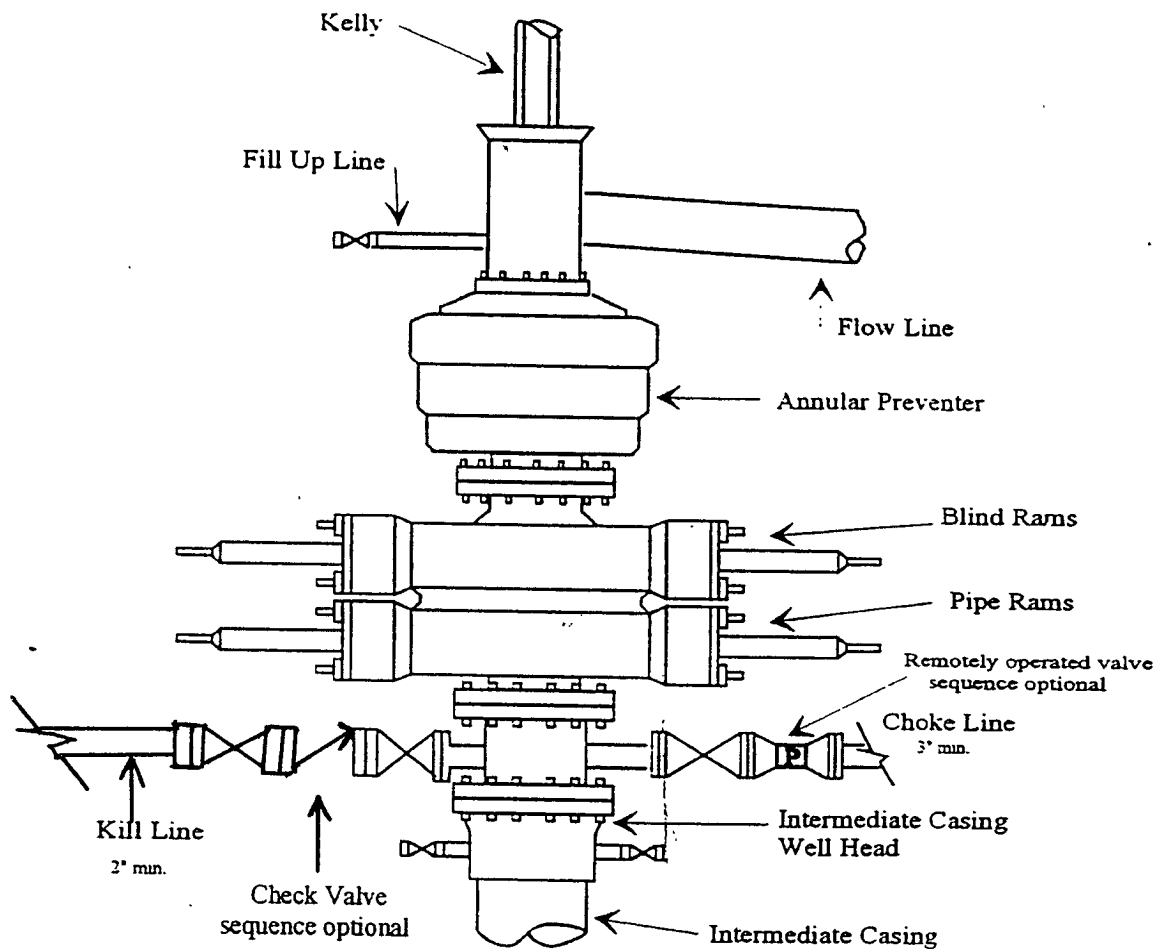
0 330' 000' 000' 1000' 1900' 2310' 2300' 1000' 000' 000' 330' 0'



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

