

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
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

RECEIVED

Submit to appropriate District Office

AMENDED REPORT

AUG 14 2008

HOBBS OCD

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		Operator Number 025575
		³ API Number 30-025-39117
³ Property Code 32747	⁵ Property Name Kris State Unit	⁶ Well No. 3
⁹ Proposed Pool 1 Eight Mile Draw; Mississippian (Gas)		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
A	34	11S	34E		660'	North	990'	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 N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4159'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,420'	¹⁸ Formation Mississippian Age Rocks-Divided	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'	450 sx	0
12.25	9.625	36#	4200'	1450 sx	0
8.75	5.5	17#	12420	2090 SX	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.

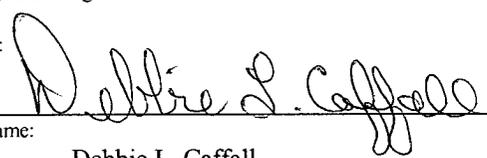
Yates Petroleum Corporation proposes to drill and test the Mississippian/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4200', cement circulated to surface. If commercial, production casing will be ran can cemented, perforated and stimulated as need to gain production.

MUD PROGRAM: 0-400' FW Gel; 400'-2100' FW; 2100'-4200' Red Bed Mud/Oil; 4200'-7650' Cut Brine; 7650'-11615' SW Gel/Starch; 11615'-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 YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Mississippian formation to 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.

Signature: 

Printed name: Debbie L. Caffall

Title: Regulatory Agent

E-mail Address: debbiec@ypcnm.com

Date: August 13, 2008

Phone: (575) 748-4376

OIL CONSERVATION DIVISION

Approved by: 

Title: PETROLEUM ENGINEER

Approval Date: SEP 02 2008

Expiration Date:

Conditions of Approval Attached

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		² Pool Code 97015		³ Pool Name Eight Mile Draw; Mississippia (Gas)	
⁴ Property Code		⁵ Property Name Kris State Unit			⁶ Well Number 3
⁷ OGRID No. 025575		⁸ Operator Name YATES PETROLEUM CORPORATION			⁹ Elevation 4159'

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
A	34	11S	34E		660	North	990	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- N/2				¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

¹⁶ 	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> Clifton R. May 7/27/2007 Signature Date Clifton R. May Regulatory Agent Printed Name
	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> Date of Survey Signature and Seal of Professional Surveyor
	REFER TO ORIGINAL PLAT Certificate Number

DISTRICT I
1688 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1900 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
2049 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
Property Code	Property Name KRIS STATE UNIT	Well Number 3
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4159

Surface Location

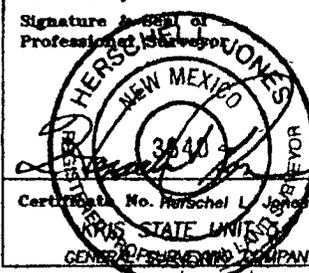
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	11S	34E		660	NORTH	990	EAST	LEA

Bottom Hole Location If Different From Surface

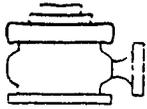
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	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

<p>N.33°19'39.7" W.103°29'35.7" N.847798.6 E.797930.8 (NAD-84)</p> <p style="text-align: right;">660' 990'</p>	OPERATOR CERTIFICATION	
	<p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Clifton R. May</i> Signature</p> <p style="text-align: center;">Clifton R. May Printed Name</p> <p style="text-align: center;">Regulatory Agent Title</p> <p style="text-align: center;">Aug. 28, 2006 Date</p>	
	SURVEYOR CERTIFICATION	
	<p>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.</p> <p style="text-align: right;">8/22/2006 Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <div style="text-align: center;">  </div> <p style="text-align: center;">Certificate No. Herschel L. Jones RLS 3640 KRIS STATE UNIT GENERAL SURVEYING COMPANY</p>	

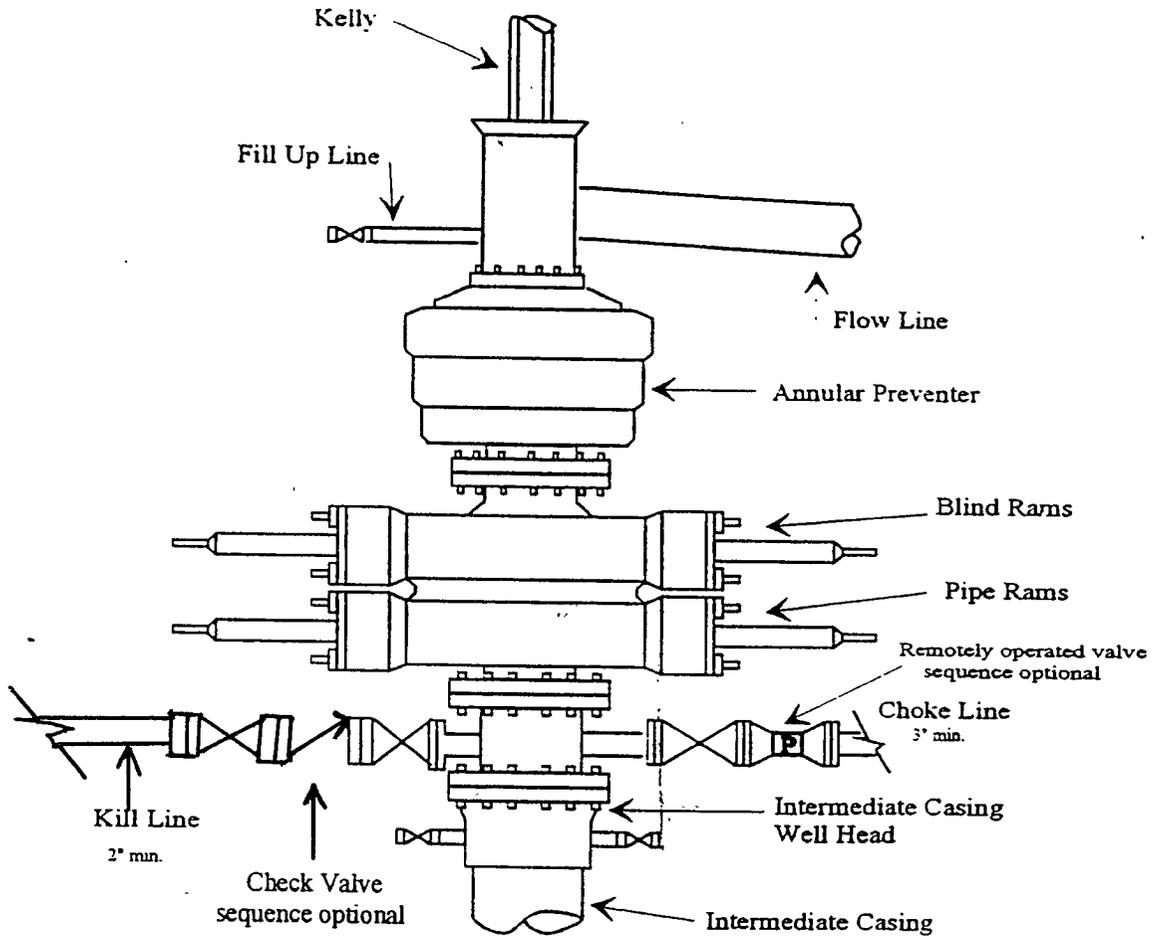
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



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

