

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
June 16, 2008

FEB 06 2009

HOBBSOCD

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

Submit to appropriate District Office

☐ AMENDED REPORT

**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		² OGRID Number 025575
³ Property Code 33444		³ API Number 30 - 025-39341
⁵ Property Name Merle State Unit		⁶ Well No. 194
⁹ Proposed Pool 1 Wildcat Wolfcamp		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no E	Section 14	Township 10S	Range 34E	Lot Idn	Feet from the 1600	North/South line North	Feet from the 1100	East/West line West	County Lea
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no J	Section 11	Township 10S	Range 34E	Lot Idn	Feet from the 1450	North/South line South	Feet from the 2000	East/West line East	County Lea
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Additional Well Information

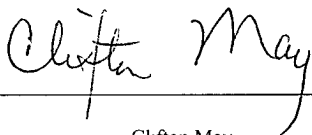
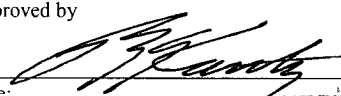
¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4189
¹⁶ Multiple No	¹⁷ Proposed Depth 9150	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75	11.75	42.0	4002-100	275	0
11.0	8.625	32.0	4150	1125	0
7.875	5.5	17	12570	1100	8000

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 Wolfcamp/intermediate formations. A pilot hole will be drilled to 9150'. Well will then be plugged back and kicked off at approximately 8548' at 12 degrees per 100' with a 7 7/8" hole to 12570' MD with a TVD of 9020' at TD Penetration point of producing zone will be encountered at 1211' FNL & 1378' FWL, Section 14-10S-34E Deepest TVD in the well is 9150' in the pilot hole. Deepest TVD in the lateral is 9026 46'

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

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: 		Approved by: 	
Printed name: Clifton May		Title: PETROLEUM ENGINEER	
Title: Regulatory Agent		Approval Date: FEB 16 2009	
E-mail Address: chff@yatespetroleum.com		Expiration Date:	
Date: February 4, 2009	Phone: 575-748-4347	Conditions of Approval Attached <input type="checkbox"/>	

Permit Comments

Created By:	Comment:	Comment Date:
L Briggs	Mud Program: 0 to 400' with Fresh Water Gel; 400' to 2190' with Fresh Water; 2190' to 4150' with Red Bed Mud/Oil; 4150 to 7700' with Cut Brine; 7700' to 9150' with SW Gel/Starch; 8548' to 12,570 with Salt Water Gel/Starch/4-6%KCL	2/4/2009
L Briggs	BOPE Program: A 3000 psi BOPE system will be installed on the 8 5/8" casing and tested daily for operational.	2/4/2009
L Briggs	Sources at Yates Petroleum Corporation have relayed information to me that they believe there will not be enough H ₂ S found from surface to TD to meet OCD's minimum requirements for the submission of a contingency plan per Rule 118.	2/4/2009
L Briggs	The new C-144 that reflects the rule changes effective June 16, 2008 will be submitted via fax and then hard copy to follow in the mail to the appropriate OCD district office (reserve pit).	2/4/2009

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State of New Mexico

DISTRICT I

1625 N. FRENCH DR., HOBBS, NM 88240

FEB 06 2009

Energy, Minerals and Natural Resources Department

Form C-102

Revised October 12, 2005

DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

HOBBS OIL

CONSERVATION DIVISION

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-39341	Pool Code /	Pool Name WILDCAT WOLF CAMP
Property Code 33444	Property Name MERLE STATE UNIT	Well Number 198
OGRID No. 25575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4189'

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	14	10-S	34-E		1600	NORTH	1100	WEST	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
J	11	10-S	34-E		1450	SOUTH	2000	EAST	LEA

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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

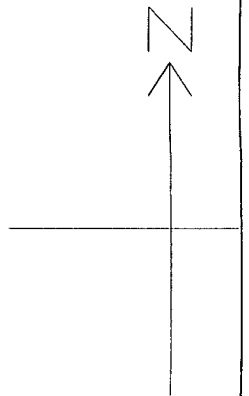
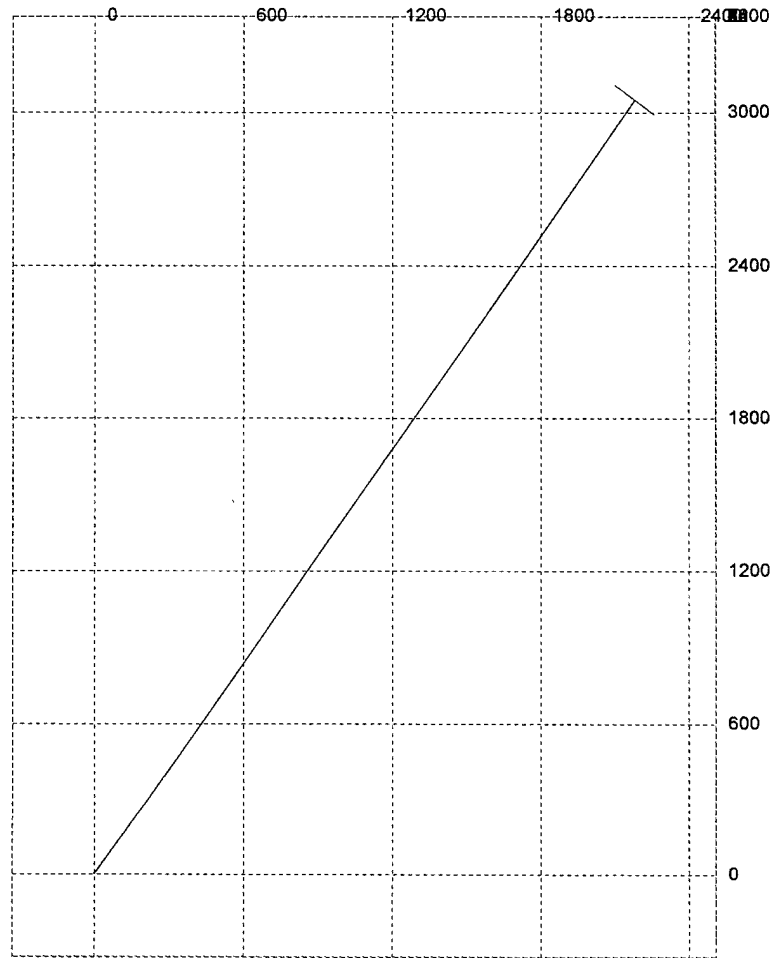
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Clifton May</i> 2/4/09 Signature Date CLIFTON MAY Printed Name</p>
	<p>SURVEYOR CERTIFICATION</p> <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><i>Ronald J. Eidson</i> JANUARY 16, 2009 Date Surveyed Signature & Seal of Professional Surveyor Ronald J. Eidson 01/26/09 Certificate No. GARY EIDSON 12641 RONALD EIDSON 3239</p>

M.D	Inclination	Azimuth	T.V.D	N+/S-	E+/W-	D.L.S	ToolFace	T.F. Ref. [HS/GN]	
0	0	0	0	0	0	0			
2,190	0	0	2,190	0	0	0			RUSTLER
2,800	0	0	2,800	0	0	0			YATES
4,060	0	0	4,060	0	0	0			SAN ANDRES
5,505	0	0	5,505	0	0	0			GLORIETA
6,970	0	0	6,970	0	0	0			TUBB
7,780	0	0	7,780	0	0	0			ABO
8548	0	0	8548	0	0	12	36	GN	KOP
8550	0.24	35.56	8550	0	0	12	360	HS	
8575	3.24	35.56	8574.99	0.62	0.44	12	360	HS	
8600	6.24	35.56	8599.9	2.3	1.65	12	0	HS	
8625	9.24	35.56	8624.67	5.04	3.6	12	0	HS	
8650	12.24	35.56	8649.23	8.83	6.31	12	0	HS	
8675	15.24	35.56	8673.51	13.66	9.76	12	0	HS	
8700	18.24	35.56	8697.45	19.52	13.95	12	0	HS	
8725	21.24	35.56	8720.97	26.39	18.86	12	0	HS	
8750	24.24	35.56	8744.03	34.25	24.48	12	0	HS	
8775	27.24	35.56	8766.54	43.08	30.79	12	360	HS	
8800	30.24	35.56	8788.46	52.86	37.78	12	0	HS	
8825	33.24	35.56	8809.72	63.56	45.43	12	360	HS	
8850	36.24	35.56	8830.26	75.15	53.71	12	360	HS	
8875	39.24	35.56	8850.03	87.59	62.61	12	0	HS	
8900	42.24	35.56	8868.97	100.87	72.09	12	360	HS	
8925	45.24	35.56	8887.03	114.93	82.14	12	360	HS	
8950	48.24	35.56	8904.16	129.74	92.73	12	360	HS	
8975	51.24	35.56	8920.31	145.26	103.82	12	360	HS	
9000	54.24	35.56	8935.45	161.44	115.39	12	360	HS	
9025	57.24	35.56	8949.52	178.25	127.4	12	360	HS	
9050	60.24	35.56	8962.49	195.63	139.83	12	360	HS	
9075	63.24	35.56	8974.33	213.55	152.63	12	360	HS	
9100	66.24	35.56	8984.99	231.94	165.78	12	360	HS	
9125	69.24	35.56	8994.46	250.76	179.23	12	360	HS	
9150	72.24	35.56	9002.71	269.96	192.95	12	360	HS	
9175	75.24	35.56	9009.71	289.48	206.91	12	360	HS	
9200	78.24	35.56	9015.44	309.27	221.06	12	0	HS	
9225	81.24	35.56	9019.89	329.29	235.36	12	360	HS	
9250	84.24	35.56	9023.05	349.46	249.78	12	360	HS	
9275	87.24	35.56	9024.91	369.74	264.27	12	360	HS	
9298'8"	90.1	35.56	9025.46	389.09	278.1	0			PAY ZONE
12569'52"	90.1	35.56	9020	3050	2180	0			LATERAL TD

Pilot hole will be drilled to 9150'. Well will then be plugged back and kicked off at approx. 8548' at 12 degrees per 100' with a 7 7/8" hole to 12570' MD with a TVD of 9,020' at TD. Penetration point of producing zone will be encountered at 1211' FNL and 1378' FWL, 14-10S-34E. Deepest TVD in the well is 9150' in the pilot hole. Deepest TVD in the lateral is 9025.46'.

3D^s Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Merle State Unit #19H



3D^s Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Merle State Unit #19H

