

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

RECEIVED

OCT 19 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**

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South 4 <sup>th</sup> Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
<sup>3</sup> Property Code 34586 ✓		<sup>3</sup> API Number 30 - 005 - 29109
<sup>5</sup> Property Name PATSY STATE UNIT		<sup>6</sup> Well No. 6
<sup>9</sup> Proposed Pool 1 Wildcat Undesignated Mississippian		<sup>10</sup> Proposed Pool 2

<sup>7</sup> Surface Location									
UL or lot no N	Section 2	Township 12S	Range 31E	Lot Idn	Feet from the 990	North/South line S	Feet from the 1650	East/West line W	County Chaves

<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 Gas	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 4446
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 11,300'	<sup>18</sup> Formation Mississippian Age Rocks-Und	<sup>19</sup> Contractor	<sup>20</sup> Spud Date

**<sup>21</sup> Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75	11.75	42	400	275	
11	8.625	24	3650	1025	
7.875	5.5	17	11300	1325	

<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 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/cement circulated to shut off gravel and cavings. Intermediate casing will be set @ 36500', cement circulated to the surface If commercial, production casing will be ran and cemented, perforated, and stimulated as needed for production.

BOPE PROGRAM: A 5000# Double Ram BOPE will be installed on the 8 5/8" casing and tested daily for operational.

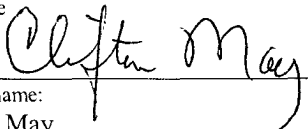

MUD PROGRAM 0-400' FW Gel; 400'-1450' FW; 1450'-3650' Red Bed Mud/Oil, 3650'-7200' Cut Brine, 7200'-10500' SW Gel/Starch; 10500'-11000' SW Gel/Starch/4-6% DCL; 11000'-11300'/TD SW Gel/Starch/4-6% KCL

H2S is not anticipated

A Closed Loop System will be used, C-144 Attached.

Previously Approved

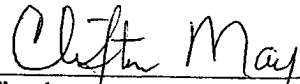
**Permit Expires 2 Years From Approval  
Date Unless Drilling Underway**

<sup>23</sup> 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: Land Regulatory Agent		Approval Date: OCT 30 2009	Expiration Date:
E-mail Address: cy@yatespetroleum.com			
Date: 10/15/09	Phone: 575-748-4347	Conditions of Approval Attached <input type="checkbox"/>	

☐ **AMENDED REPORT**


**OPERATOR CERTIFICATION**

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



\_\_\_\_\_  
Signature

\_\_\_\_\_  
Clifton May  
Printed Name

\_\_\_\_\_  
Land Regulatory Agent  
Title

\_\_\_\_\_  
10/15/09  
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.*

**REFER TO ORIGINAL PLAT**

Date Surveyed \_\_\_\_\_

Signature & Seal of Professional Surveyor \_\_\_\_\_

Certificate No. \_\_\_\_\_

1650'	B-0419-05		

990'

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RECEIVED

OCT 19 2009

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised October 12, 2005

Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

HOBBSOIL

CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name PATSY STATE UNIT	Well Number 6
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4446'

Surface Location

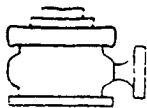
UL or lot No. N	Section 2	Township 12 S	Range 31 E	Lot Idn	Feet from the 990	North/South line SOUTH	Feet from the 1650	East/West line WEST	County CHAVES
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320 S/2	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

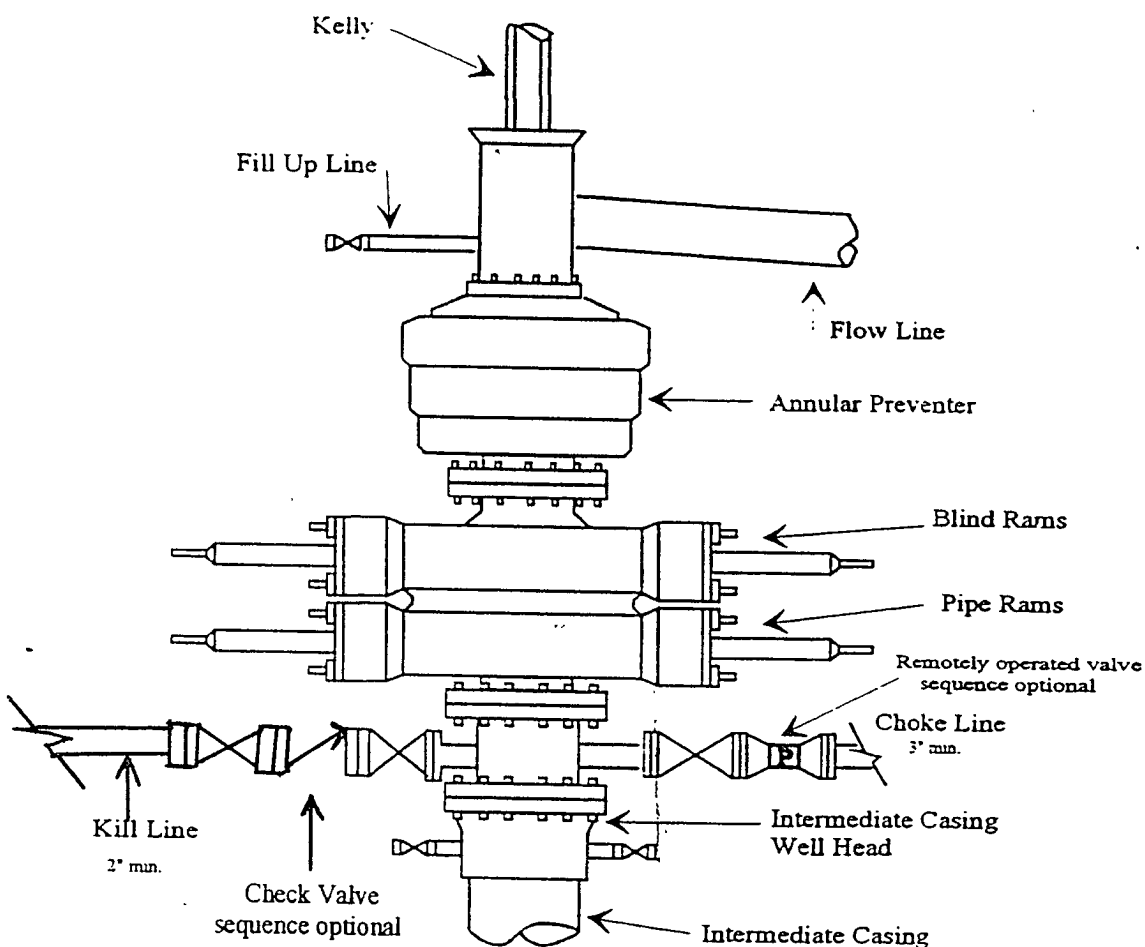
	<b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location pursuant 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> 10/17/07 <i>Debbie L. Caffall</i> Signature Date Debbie L. Caffall Printed Name Regulatory Agent
	<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> OCTOBER 12 2007 Date Surveyed <i>Gary L. Jones</i> Signature & Seal Professional Surveyor 7977 Certificate No. Gary L. Jones 7977 BASIN SURVEYS



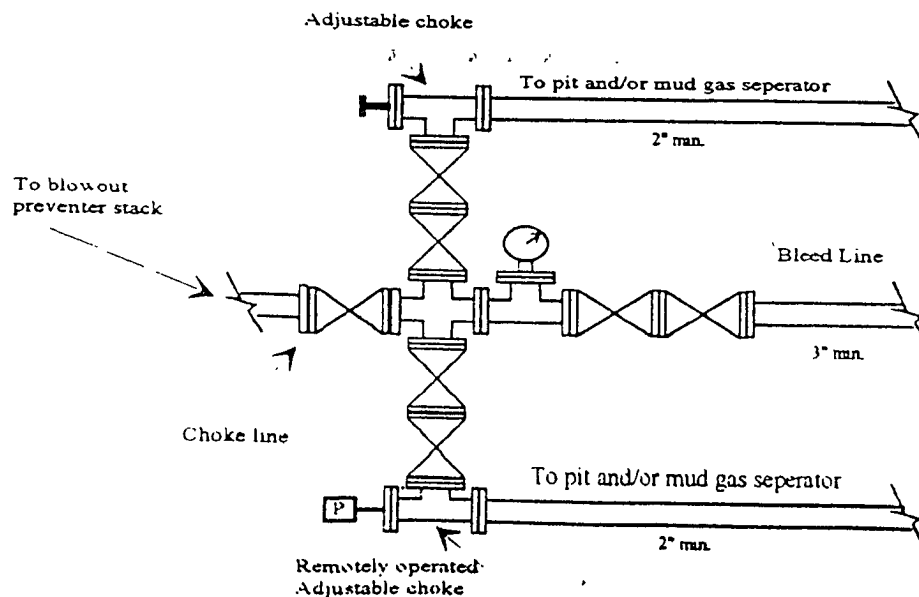
# Yates Petroleum Corporation

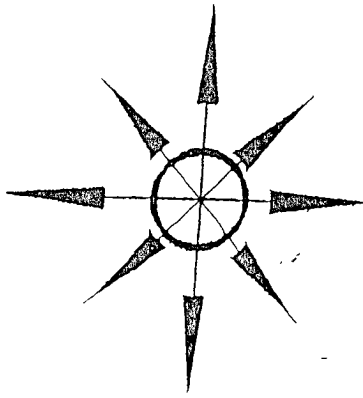
BOP-4

## 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

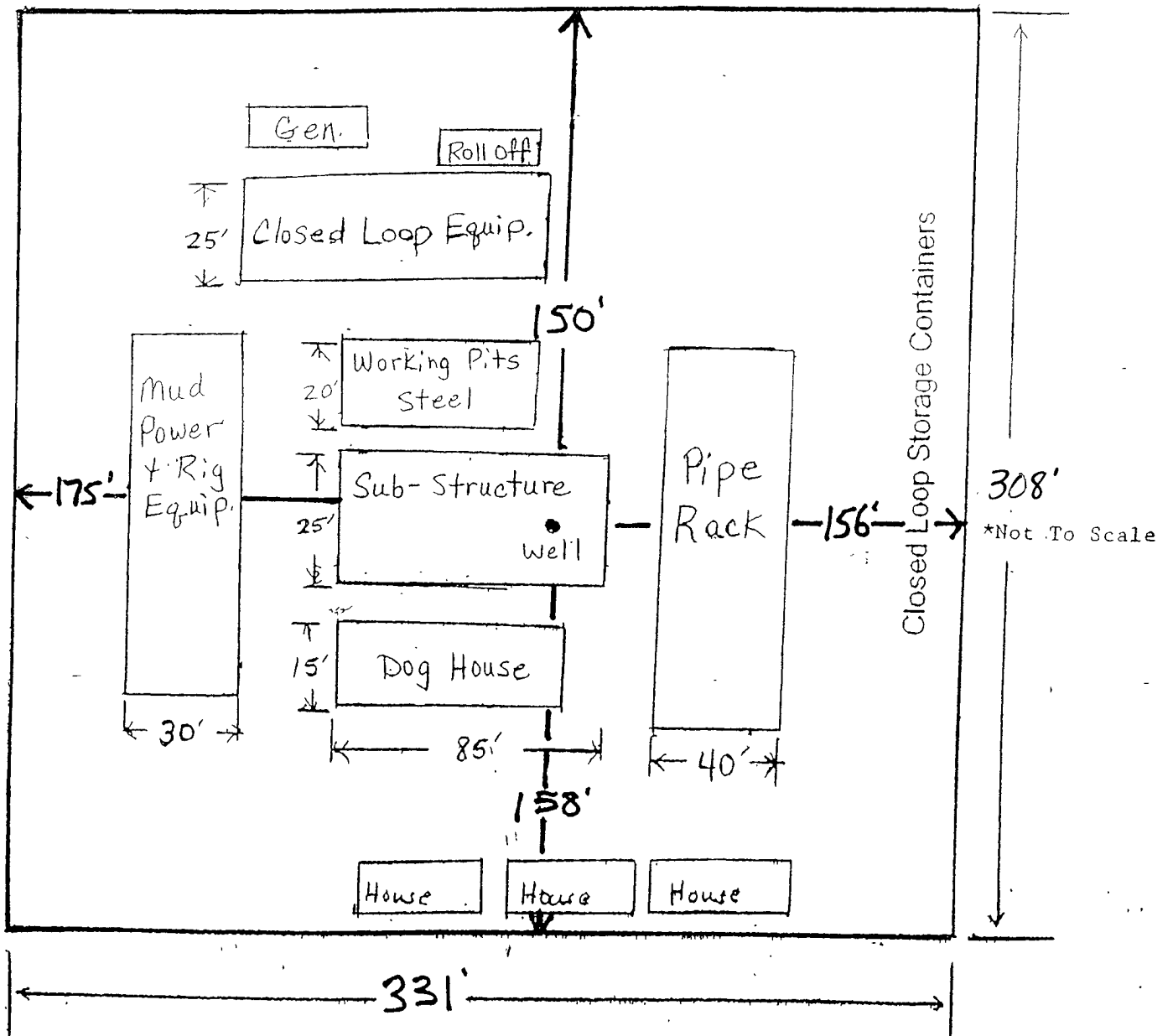




# Yates Petroleum Corporation

Location Layout for Permian Basin

## Closed Loop Design Plan



YATES PETROLEUM CORPORATION  
Piping from Choke Manifold  
to the Closed-Loop Drilling Mud System

