

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
JAN 25 2010
HOBBSOCD

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 88210		² OGRID Number 025575
		³ API Number 30 - 025-29141
⁴ Property Code 38003	⁵ Property Name Red Raider "BKS" State	⁶ Well No 001
⁹ Proposed Pool 1 Red Hills Wildcat Bone Spring North (96434)		¹⁰ Proposed Pool 2 Wildcat Delaware

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
J	25	24S	33E		1980	South	1980	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 Re-Entry	¹² Well Type Code Oil	¹³ Cable/Rotary Rotary-workover rig	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3533.5
¹⁶ Multiple No	¹⁷ Proposed Depth 12868	¹⁸ Formation Bone Spring	¹⁹ Contractor Not Chosen	²⁰ Spud Date

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 5"	13 375"	61#	620'-in place	515	Surface
12 25"	9 625"	36# & 40#	5157'-in place	2475	Surface
8 75"	7"	26#	Splice @ 6050'	225	500' into 9 625 casing
8.75"	7"	26#	6050-13290'-in place	1200	6050' +/-
6 125"	4 5"	13 5#	12868-15360'-in place	325	12868' +/-

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

See attached papers for description of the proposed program and blowout prevention program.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature

Clifton May

Printed name: Clifton May

Title: Land Regulatory Agent

E-mail Address: cliff@yatespetroleum.com

Date: January 22, 2010

Phone: (575)748-4347

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title: PETROLEUM ENGINEER

Approval Date: JAN 27 2010

Expiration Date:

Conditions of Approval Attached ☐

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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

RECEIVED

JAN 25 2010

HOBBSOCD

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 30-025-29141	² Pool Code 96434	³ Pool Name Red Hills Wildcat Bone Spring North
⁴ Property Code 38003	⁵ Property Name Red Raider "BKS" State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3533.5

¹⁰ Surface Location

UL or lot no J	Section 25	Township 24S	Range 33E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 1980	East/West line East	County Lea
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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 40	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 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 May</u> Date <u>1/22/10</u> Printed Name <u>Clifton May</u> Land Regulatory Agent	
						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. Refer to the Original Plat Date of Survey Signature and Seal of Professional Surveyor	
							Certificate Number

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

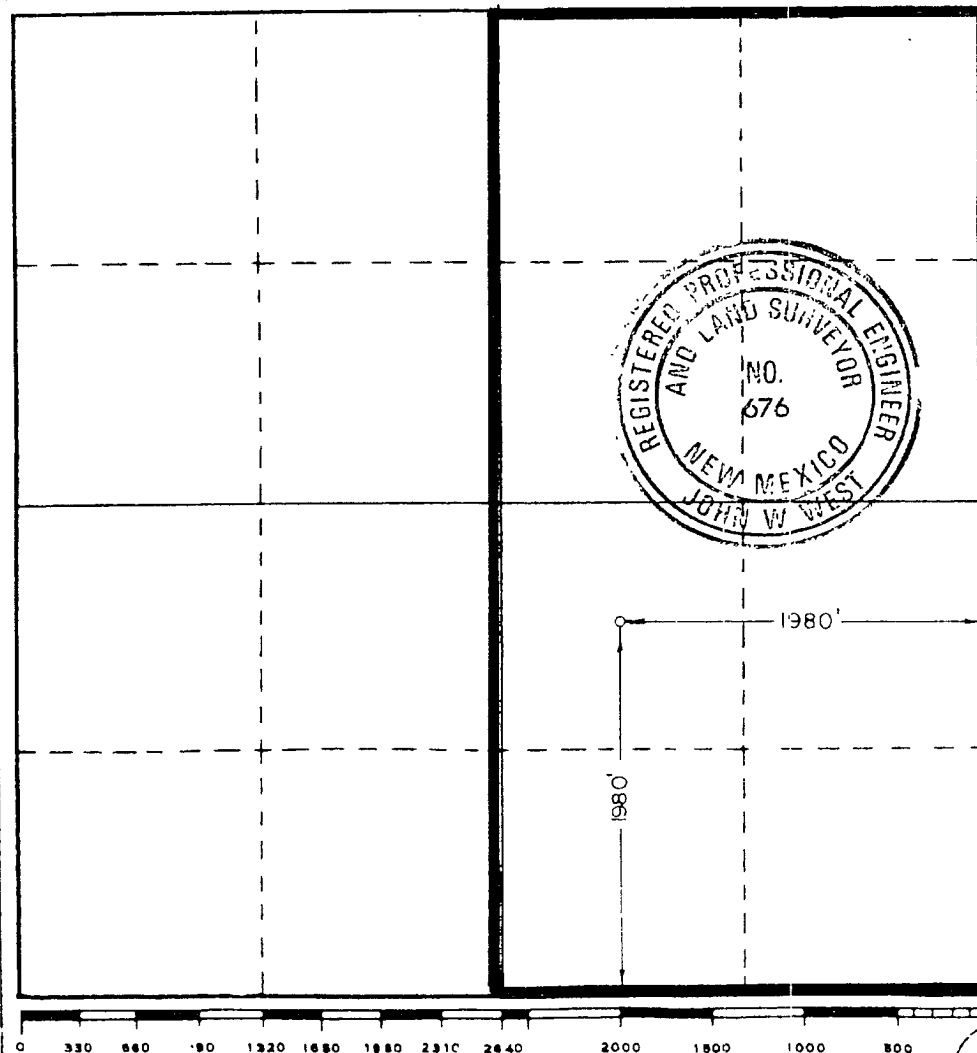
Operator H.N.G. OIL CO.			Lease RATTLESNAKE GULCH 25 State		Well No. 1
Unit Letter J	Section 25	Township 24S	Range 33E	County LEA	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line					
Ground Level Elev. 3533.5	Producing Formation Morrow		Pool Pitchfork Ranch		Dedicated Acreage, 320 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

Betty Gildon

Name

Betty Gildon

Position

Regulatory Analyst

Company

HNG OIL COMPANY

Date

2/11/85

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 knowledge and belief.

Date Surveyed

2/5/85

Registered Professional Engineer and/or Land Surveyor

John W West

Certificate No JOHN W WEST,

676

RONALD J. EIDSON,

3239

YATES PETROLEUM CORPORATION

Red Raider "BKS" State No. 1 Re-entry

1980' FSL & 1980' FEL

Section 25-T24S-R33E

Lea County, New Mexico

Lease VB-0651

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by HNG Oil Company as their Rattlesnake Gulch 25 State #1, which was spudded 3/29/85. The well was plugged 8/2/88. Yates will use a workover unit and a reverse unit to drill out the cement plugs using a 8.75" bit in the 9.625" casing to approximately 5157', then through open hole and drill the cement plug over the top of the cut 7" casing at 6050'. We plan to dress off the stub and splice 7" casing onto the stub and cement with 225 sacks of class C so as to tie cement back 500' into the 9.625 casing. Drill out cement and test the casing to 1000 psi. Continue to drill out plugs in the 7" casing down to 11800' to the top of the cut tubing. We will attempt to pull the tubing or cut it as deep as possible to gain access to the 3rd Bone Spring Sand. Planned PBTD is cement plug above the top of the liner @ 12868'.

The mud program will be 9.2 to 9.8 ppg brine water with viscosity of 35-40 cp. A 3,000 psi BOPE will be used.

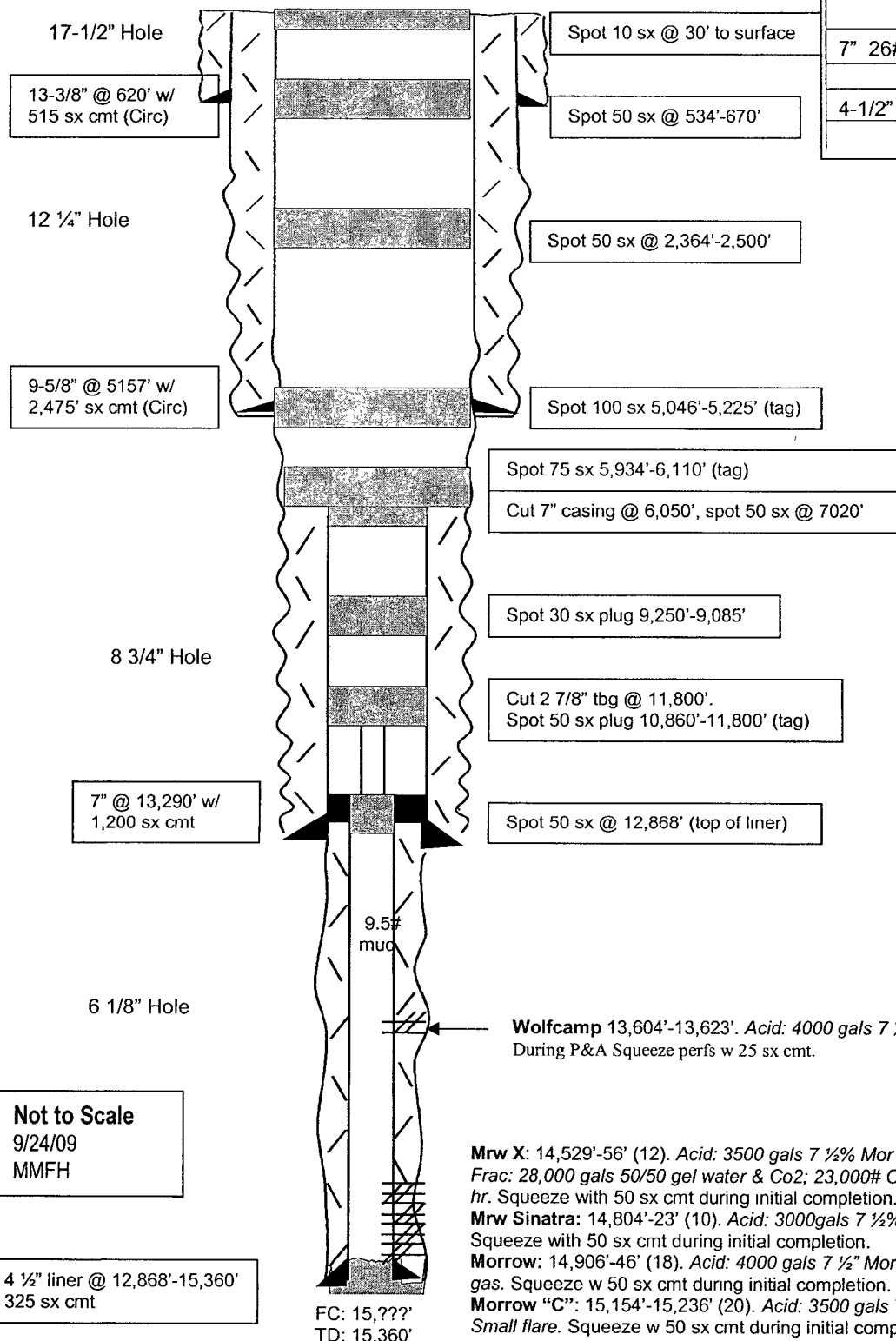
WELL NAME: Rattlesnake Gulch 25 St #1 FIELD: Undesignated Wolfcamp
 LOCATION: Unit J, 1980' FSL & 1980' FEL of Section 25-24S-33E Lea Co., NM
 GL: 3,533.5 ZERO: _____ KB: _____
 SPUD DATE: 3/29/85 COMPLETION DATE: _____
 COMMENTS: API No.: 30-025-29141
P&A 8/2/88

CASING PROGRAM

13-3/8" 61# K-55 ST&C	<u>620'</u>
9-5/8" 36# &40# K-55 LT&C	<u>5,157'</u>
7" 26# P-110 LT&C	<u>13,290'</u>
4-1/2" 13.5# P-110, SFJP	<u>15,360'</u>

Current

The four upper plugs was sat after they had to drill out the plugs they initial sat down to 5,934' as they had gas bubbling to surface



TOPS

Rustler	1,198'
Delaware snd	5,267'
Cherry Canyon	6,304'
Ch. Canyon mrkr	6,534'
Leonard	9,026'
Bone Spring lm	9,186'
1 st B.Spring snd	10,204'
3 rd B.Spring snd	10,906'
Wolfcamp lm	12,950'
Strawn	13,786'
Atoka	13,912'
Atoka lm	14,008'
Morrow lm	14,324'
Morrow Clastics	14,610'
"Sinatra"	14,800'
"B" snd interval	14,904'
L. Morrow shale	15,058'
"C" snd interval	15,116'

Oil or gas sands or zones

Morrow:	14,906'-15,236'
Sinatra:	14,804'-14,823'
X sand:	14,529'-14,556'

Mrw X: 14,529'-56' (12). Acid: 3500 gals 7 1/2% Mor Flo BC, w 24 balls & 500scf N2. Rec 16BW, 4'flare. Frac: 28,000 gals 50/50 gel water & Co2; 23,000# Carbo Prop. REc 143 BW, 2' flare 4 hrs, no flare last 2 hr. Squeeze with 50 sx cmt during initial completion.

Mrw Sinatra: 14,804'-23' (10). Acid: 3000gals 7 1/2% MS acid w 20 balls. Slight mist. Tot rec 1 BW. Squeeze with 50 sx cmt during initial completion.

Morrow: 14,906'-46' (18). Acid: 4000 gals 7 1/2% Mor acid w 40 balls & w 500scf N2. Rec 5 BW, show of gas. Squeeze w 50 sx cmt during initial completion. Tagged top cmt @ 14,800'

Morrow "C": 15,154'-15,236' (20). Acid: 3500 gals 7 1/2% HCL w 40 balls & w 500scf N2. Rec 35BW. Small flare. Squeeze w 50 sx cmt during initial completion. Tagged top cmt @ 14,908'

WELL NAME: Rattlesnake Gulch 25 St #1

FIELD: Undesignated Wolfcamp

LOCATION: Unit J, 1980' FSL & 1980' FEL of Section 25-24S-33E

Lea Co., NM

GL: 3,533.5 ZERO: KB:

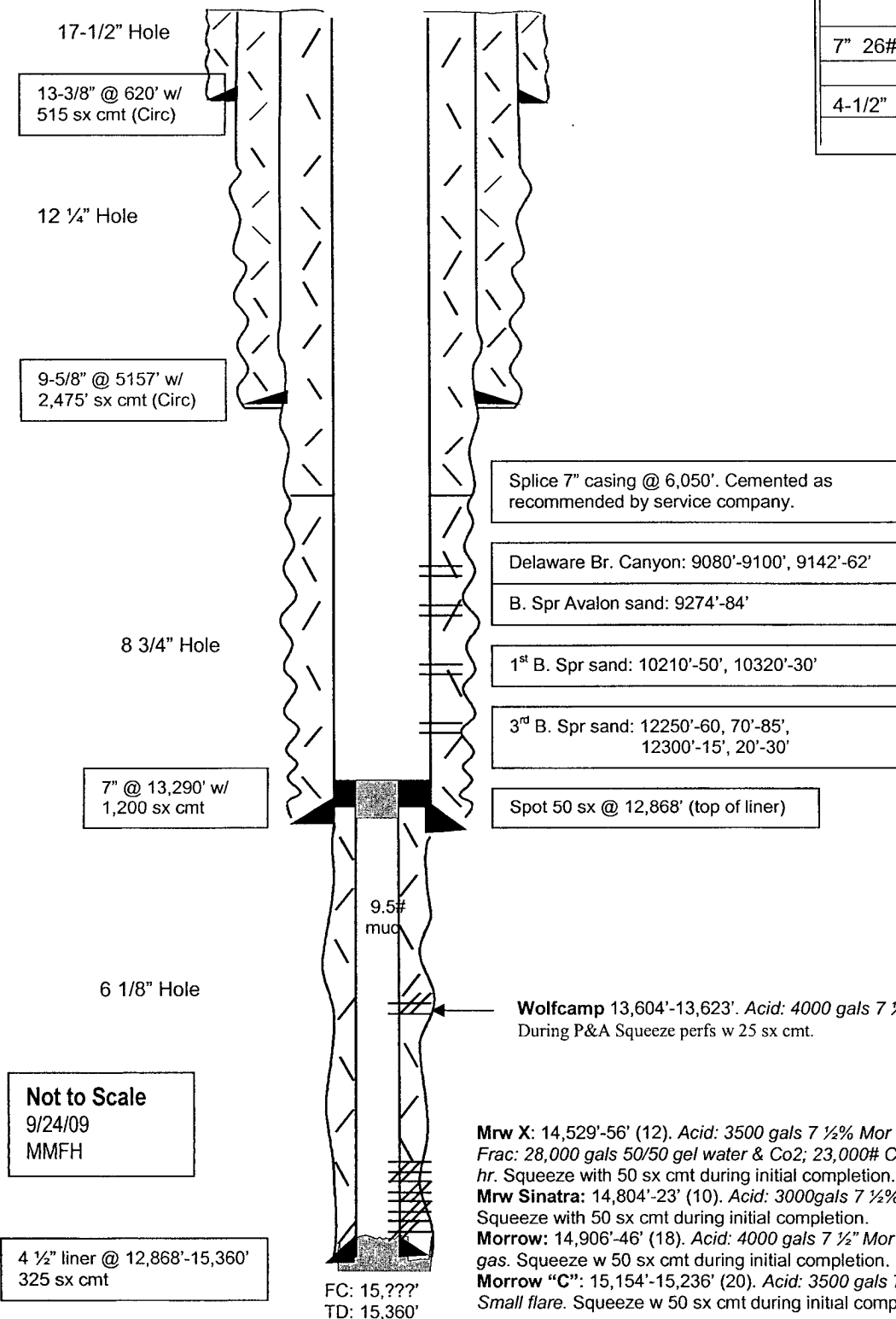
SPUD DATE: 3/29/85 COMPLETION DATE:

COMMENTS: API No.: 30-025-29141

P&A 8/2/88

CASING PROGRAM

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9-5/8" 36# & 40# K-55 LT&C	5,157'
7" 26# P-110 LT&C	13,290'
4-1/2" 13.5# P-110, SFJP	15,360'

AFTER

TOPS

Rustler	1,198'
Delaware snd	5,267'
Cherry Canyon	6,304'
Ch. Canyon mrkr	6,534'
Leonard	9,026'
Bone Spring lm	9,186'
1 st B.Spring snd	10,204'
3 rd B.Spring snd	10,906'
Wolfcamp lm	12,950'
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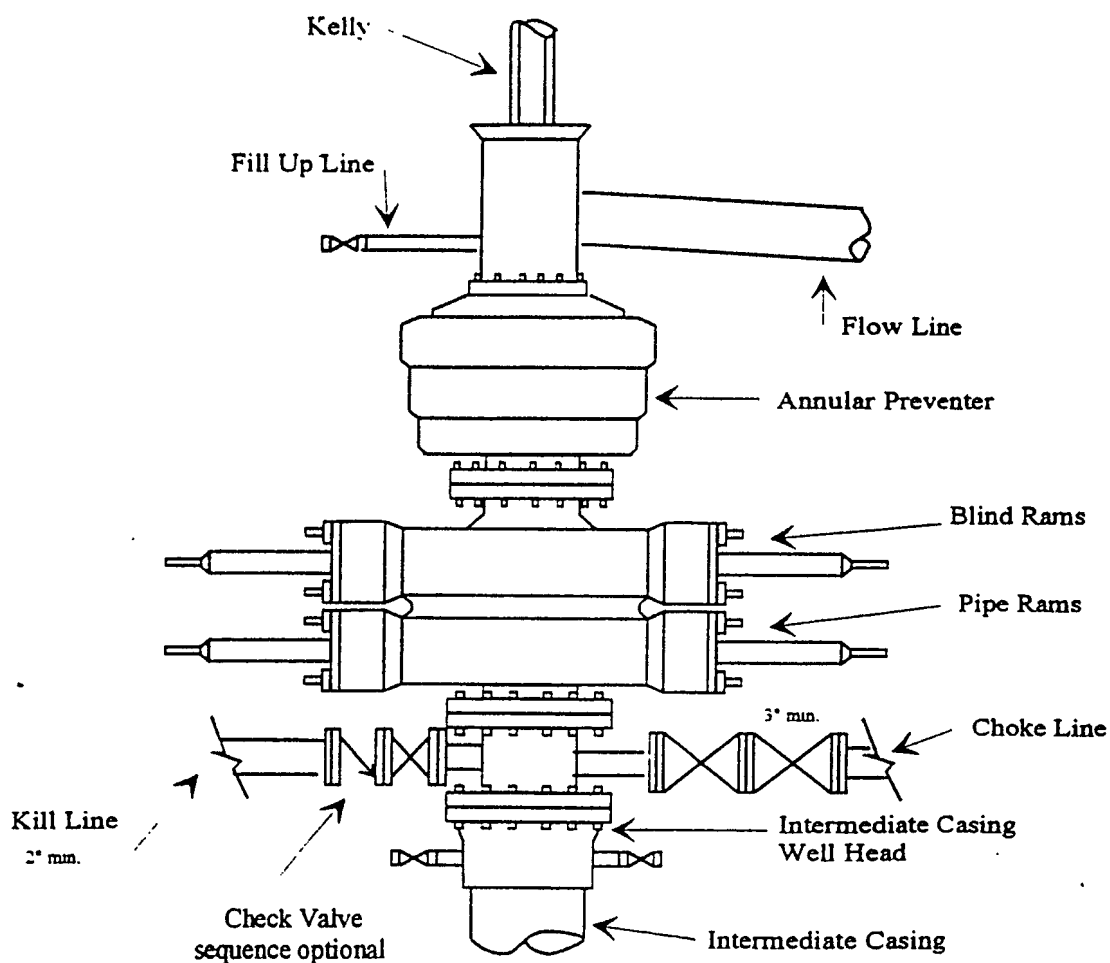
Morrow "C": 15,154'-15,236' (20). Acid: 3500 gals 7 1/2% HCL w 40 balls & w 500scf N2. Rec 35BW. Small flare. Squeeze w 50 sx cmt during initial completion. Tagged top cmt @ 14,908'



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

