

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

Submit to appropriate District Office

RECEIVED

☐ AMENDED REPORT

DEC 07 2010

HOBBSOCD

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

¹ Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30 - 025-39978
³ Property Code 12519	⁵ Property Name Lotus ALT State	⁶ Well No. 10
⁹ Proposed Pool 1 Wildcat; Bone Spring		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
N	32	22S	32E		480	South	1650	West	Lea

⁸ Proposed Bottom Hole Location If Different From Surface

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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code Oil	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3542'
¹⁶ Multiple N	¹⁷ Proposed Depth 8600'	¹⁸ Formation Bone Spring	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#	850'	800 sx	0
11"	8.625"	32#	4500'	1400 sx	0
7.875"	5.5"	17#	8600'	1475 sx	0

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/test the Bone Spring/intermediate formations. Approximately 850' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run/cemented; will perforate/stimulate as needed for production.

MUD PROGRAM: 0-850' FW/Native Mud; 850'-4500' Brine Water; 4500'-8400' Cut Brine; 800'-TD Cut Brine/Starch.

BOPE PROGRAM: A 3,000# BOPE will be placed on the 8 5/8" casing and tested daily for operational.

H2S is not anticipated.

Previously Approved

C-102 Attached

C-144 Attached

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

Signature:

Monti Sanders

Printed name:

Monti Sanders

Title:

Land Regulatory Technician

E-mail Address:

montis@yatespetroleum.com

Date:

12/6/10

Phone:

575-748-4244

OIL CONSERVATION DIVISION

Approved by:

PETROLEUM ENGINEER

Title:

Approval Date:

DEC 10 2010

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
 500 N. French St., Hobbs, NM 88240
 DISTRICT II
 811 South First, Azusa, NM 88210
 DISTRICT III
 1608 Rio Grande Rd., Azusa, NM 87418
 DISTRICT IV
 3329 South Phoenix, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources Department

FORM C-100
 Revised March 17, 1989
 Instructions 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

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-79978	Pool Code 96403	Pool Name Wildcat Bone Springs
Property Code 12519	Property Name LOTUS "ALT" STATE	Well Number 10
CGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3542

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
N	32	22S	32E		480	SOUTH	1650	WEST	LEA

Bottom Hole Location if Different From Surface

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Initial	Consolidation Code	Order No.						

NO ALLOWABLE WELL 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 contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title 1/23/2006 Date</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>2/23/2004 Date Surveyed Signature Professional Certified by the Honorable L. Jones, RLS 3640 1/23/10 Date OGDEN, STANFORD AND COMPANY</p>	

0 320' 640' 960' 1280' 1600' 1920' 2240' 2560' 2880' 3200' 3520' 3840' 4160' 4480' 4800' 5120' 5440' 5760' 6080' 6400'