

RECEIVED

JAN 11 2011

HOBBSUCD

## OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

WELL API NO.

30-025-39947

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil &amp; Gas Lease No.

VB-845

7. Lease Name or Unit Agreement Name

Quijote "BQJ" State

8. Well Number

001H

9. OGRID Number

025575

10. Pool name or Wildcat

Wildcat; Bone Spring

## SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia NM 88210

4. Well Location

Unit Letter N : 480 feet from the South line and 1650 feet from the East line; Surface HoleUnit Letter P : 330 feet from the North line and 1650 feet from the East line, Bottom HoleSection 2 Township 26S Range 32E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3262' GR

## 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

## NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐TEMPORARILY ABANDON ☐ CHANGE PLANS ☒PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐OTHER: ☒ Move location of well

## SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐COMMENCE DRILLING OPNS. ☐ P AND A ☐CASING/CEMENT JOB ☐OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Yates Petroleum Corporation wishes to move the surface hole from 480' FNL & 1980' FEL to **480' FSL & 1650' FEL**. Yates would also wish to move the bottom hole from 330' FSL & 1980' FEL to **330' FNL & 1650' FEL**. Attached is a new C-102 and drilling diagrams with a Contingency Casing plan.

See attached sheet for additional changes.

Thank you.

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

SIGNATURE Clifton May TITLE Land Regulatory Agent DATE January 10, 2011

Type or print name Clifton May E-mail address: Yates Petroleum Corporation PHONE: 575-748-4347

**For State Use Only**

**PETROLEUM ENGINEER**

APPROVED BY: [Signature] TITLE \_\_\_\_\_ DATE JAN 12 2011

Conditions of Approval (if any): \_\_\_\_\_

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED

JAN 11 2011  
HOBBS CO

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised July 16, 2010

Submit one copy to appropriate  
District Office

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

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

☐ AMENDED REPORT

API Number <b>30-025-39947</b>	Pool Code <b>96403</b>	Pool Name <b>Wildcat; Bone Spring</b>
Property Code <b>38375</b>	Property Name <b>QUIJOTE "BQJ" STATE COM</b>	Well Number <b>1H</b>
OGRID No. <b>025575</b>	Operator Name <b>YATES PETROLEUM CORP.</b>	Elevation <b>3262'</b>

**Surface Location**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	2	26 S	32 E		480	SOUTH	1650	EAST	LEA

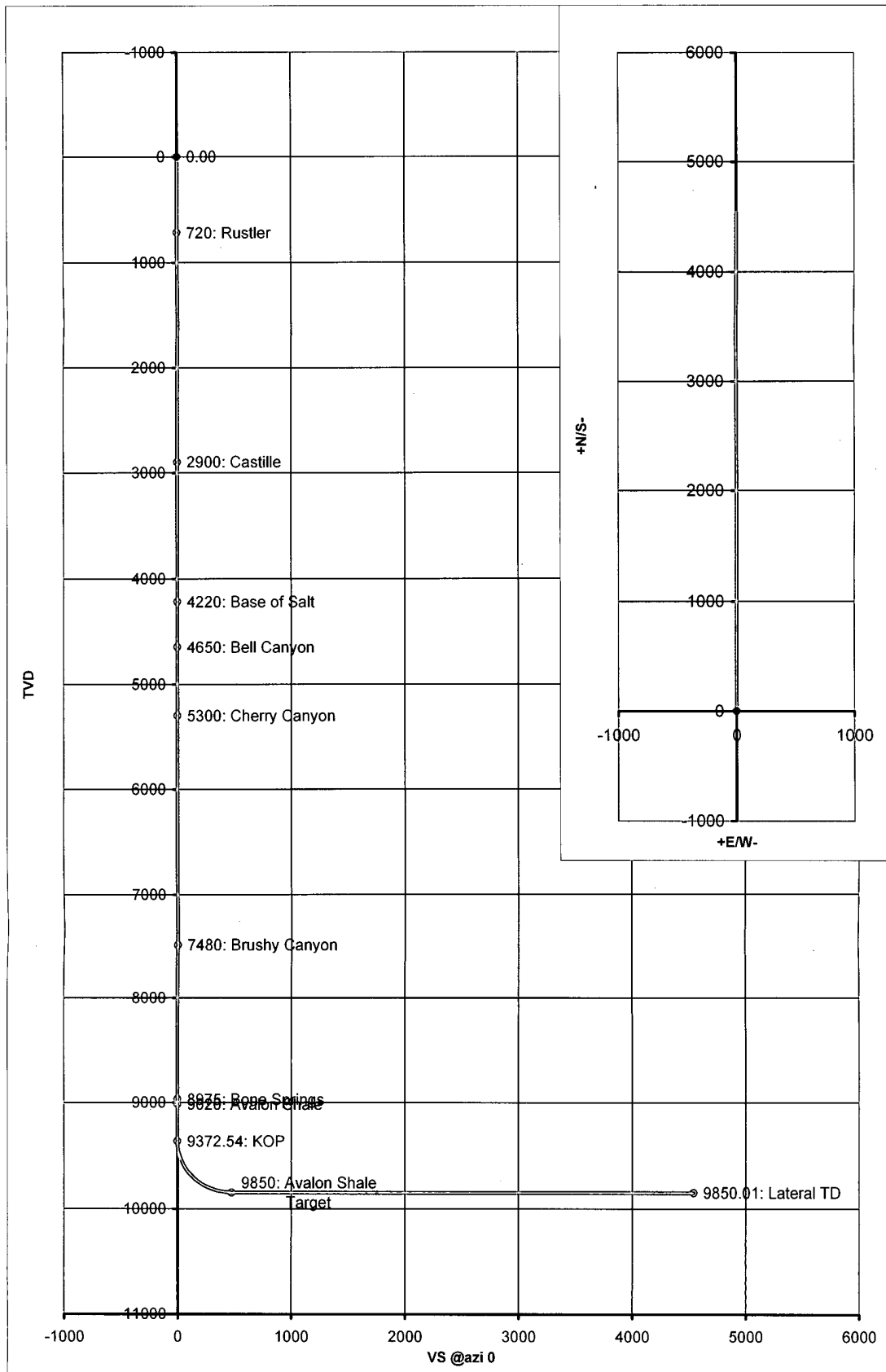
**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	2	26 S	32 E		330	NORTH	1650	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><b>PROPOSED BOTTOM HOLE LOCATION</b> Lat - N 32°04'43.705" Long - W 103°38'33.529" NMSPCE- N 393091.93 E 755260.96 (NAD-83)</p> <p>Project Area →</p> <p>Producing Zone →</p> <p>Penetration Point 957' FSL &amp; 1650 SURFACE LOCATION Lat - N 32°03'58.789" Long - W 103°38'32.292" NMSPCE- N 388553.85 E 755396.46 (NAD-83)</p>	<p>B.H.</p> <p>1650'</p> <p>4540.3'</p> <p>FEL</p> <p>S.L.</p> <p>480'</p> <p>1650'</p>	<p><b>OPERATOR CERTIFICATION</b></p> <p>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.</p> <p><i>Clifton May</i> 1/10/11 Signature Date</p> <p>Clifton May Printed Name</p> <p>cliff@yatespetroleum.com Email Address</p> <p><b>SURVEYOR CERTIFICATION</b></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>GARY L. JONES</i> Date Surveyed Signature Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 23893</p>
---	---	--



<b>Co: 0</b>	<b>Units: Feet, ° , 7100ft</b>	<b>VS Az: 0.00</b>	<b>Tgt TVD: 9850.00</b>
<b>Drillers: 0</b>	<b>Elevation:</b>	<b>Tgt Radius: 0.00</b>	<b>Tgt MD: 0.00</b>
<b>Well Name: Quijote BQJ State Com #1H</b>	<b>Northing:</b>	<b>Tgt N/S: 4540.00</b>	<b>Tgt Displ.: 0.00</b>
<b>Location: 0</b>	<b>Easting:</b>	<b>Tgt E/W: 0.00</b>	<b>Method: Minimum Curvature</b>

No.	MD	CL	Inc.	Azi.	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments
0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
1	720.00	720.00	0.00	0.00	720.00	0.00	0.00	0.00	0.00	0.00	0.00	Rustler
2	2900.00	2180.00	0.00	0.00	2900.00	0.00	0.00	0.00	0.00	0.00	0.00	Castille
3	4220.00	1320.00	0.00	0.00	4220.00	0.00	0.00	0.00	0.00	0.00	0.00	Base of Salt
4	4650.00	430.00	0.00	0.00	4650.00	0.00	0.00	0.00	0.00	0.00	0.00	Bell Canyon
5	5300.00	650.00	0.00	0.00	5300.00	0.00	0.00	0.00	0.00	0.00	0.00	Cherry Canyon
6	7480.00	2180.00	0.00	0.00	7480.00	0.01	0.01	0.00	0.00	0.00	0.00	Brushy Canyon
7	8975.00	1495.00	0.00	0.00	8975.00	0.01	0.01	0.00	0.00	0.00	0.00	Bone Springs
8	9020.00	45.00	0.00	0.00	9020.00	0.01	0.01	0.00	0.00	0.00	0.00	Avalon Shale
9	9372.54	9372.54	0.00	0.00	9372.54	0.01	0.01	0.00	0.00	0.00	0.00	KOP
10	9400.00	27.46	3.30	0.00	9399.98	0.80	0.80	0.00	12.00	0.00	12.00	
11	9500.00	100.00	15.30	0.00	9498.49	16.92	16.92	0.00	12.00	0.00	12.00	
12	9600.00	100.00	27.30	0.00	9591.49	53.17	53.17	0.00	12.00	0.00	12.00	
13	9700.00	100.00	39.30	0.00	9674.93	107.97	107.97	0.00	12.00	0.00	12.00	
14	9800.00	100.00	51.30	0.00	9745.14	178.91	178.91	0.00	12.00	0.00	12.00	
15	9900.00	100.00	63.30	0.00	9799.07	262.91	262.91	0.00	12.00	0.00	12.00	
16	10000.00	100.00	75.30	0.00	9834.36	356.28	356.28	0.00	12.00	0.00	12.00	
17	10100.00	100.00	87.30	0.00	9849.47	454.95	454.95	0.00	12.00	0.00	12.00	
18	10122.53	750.00	90.00	0.00	9850.00	477.47	477.47	0.00	12.00	0.00	12.00	Avalon Shale Target
19	14185.07	4062.54	90.00	0.00	9850.01	4540.01	4540.01	0.00	0.00	0.00	0.00	Lateral TD

### Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 10,200' MD (9,850' TVD). A 6 1/8" hole will then be drilled to 14,185' MD (9,850' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 9300'.

#### 2nd Intermediate

0 ft to 300 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	L-80	LT&C	5110	3830	6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
5,410 psi	7,240 psi	511,000 #		604,000 #		6.151	

300 ft to 5,800 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
4,320 psi	4,980 psi	367,000 #		415,000 #		6.151	

5,800 ft to 8,100 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	L-80	LT&C	5110	3830	6390	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
5,410 psi	7,240 psi	511,000 #		604,000 #		6.151	

DV tools placed at 8900' & 7000'.

Stage I: Cemented w/275sx PVL (YLD 1.41 Wt 13) TOC= 8900'

Stage II: Cemented w/400sx PVL (YLD 1.41 Wt 13) TOC= 7000'

Stage III: Cemented w/250sx Lite Crete (YLD 2.66 Wt 9.9), tail w/100sx PVL (YLD 1.41 Wt 13) TOC= 4250'

#### Production

0 ft to 14,185 ft				Make up Torque ft-lbs			Total ft =
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength		Body Yield		Drift	
8,650 psi	10,690 psi	279,000 #		367,000 #		3.875	

DV tool placed at approx. 9300' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 9300'.

Cemented w/500sx PVL (YLD 1.83 Wt 13) TOC= 9300'