

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-10

June 16, 2011

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 4 th Street Artesia, NM 88210		² OGRID Number 025575
³ Property Code 37650	⁵ Property Name Kruiser BLK State	³ API Number 30 - 005-29131
⁹ Proposed Pool 1 Tulk Wolfcamp SW		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
J	36	15S	30E		1980	S	2130	E	Chaves

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 PB - Re-enter/Deepen	¹² Well Type Code Oil	¹³ Cable/Rotary R	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4166'
¹⁶ Multiple N	¹⁷ Proposed Depth 6235'	¹⁸ Formation Wolfcamp	¹⁹ Contractor	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 3/8"	48	3702	In place	0
14.75	9 5/8"	40	7749	In place	0
7.875	4 1/2"	11.6	9800	350	7250'

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.

This well was drilled as the Mantis BQM State Com #1H. The well should now be known as the Kruiser BLK State #2.

This well will be re-entered with a pulling unit rigged up to also drill. Top of existing 4 1/2" liner is at 7597'. Existing 4 1/2" liner will be cut and pulled at a dept of 8035' MD. Cement plug will be spotted from 8035' to approx. 7750' in order to plug off lateral hole from vertical hole. Well will then be cleaned out vertically to 8700' (original pilot hole TD). Well will then be deepened vertically to 9800' with a 6 1/8" hole. A 4 1/2" liner will then be run from 9800' up to 7250' and cemented. If unable to cut and pull the existing 4 1/2" liner, a whipstock will be placed in the 7" casing and a hole will be milled and a 6 1/8" sidetracked hole will be drilled to 9800' where 4 1/2" liner will be sent and cemented.

BOPE PROGRAM: A 300# Double Ram BOPE will be installed on the 7" casing and tested daily for operational. MUD PROGRAM: 0-8700' Cut Brine; 8700'-9800' Cut Brine.

H2S is not anticipated. 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:

Printed name:

Clifton May

Title:

Land Regulatory Agent

E-mail Address:

cliff@yatespetroleum.com

Date:

1/24/11

Phone:

575-748-4347

OIL CONSERVATION DIVISION

Approved by:

Title:

PETROLEUM ENGINEER

Approval Date:

JAN 25 2011

Expiration Date:

Conditions of Approval Attached ☐

Permit Expires 2 Years From Approval
 Date Unless Drilling Underway
 Plug back

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-005-29131	Pool Code 60615	Pool Name Tulk Woldcamp; SW
Property Code 37650	Property Name KRUISER "BLK" STATE	Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4166'

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	36	15 S	30 E		1980	SOUTH	2130	EAST	CHAVES

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 40	Joint or Infill <input checked="" type="checkbox"/>	Consolidation Code	Order No.
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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

<div><p>SURFACE LOCATION</p><p>Lot - N 32°58'13.89" Long - W 103°52'36.49" NMSPCE - N 717115.707 E 681349.657 (NAD-83)</p></div> <div><p>VO-7395</p><p>4166.4' 4176.9'</p><p>4155.0' 4178.0'</p><p>1980'</p><p>2130'</p></div>	<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, 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> 1/24/11 Signature Date</p> <p>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>Date Surveyed Signature & Seal of Professional Surveyor 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>
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