

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised March 17, 1999
Instructions on back
Submit to appropriate District Office

DISTRICT II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

State Lease - 6 Copies
Fee Lease - 5 Copies

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

PO BOX 2088
Santa Fe, NM 87504-2088

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87501

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 30-025-33792
⁴ Property Code 19431	⁵ Property Name Field APK State Com.	⁶ Well No. 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
H/Lot 8	2	16S	35E	8	2390	North	640	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
⁹ Proposed Pool 1 Atoka					¹⁰ Proposed Pool 2				

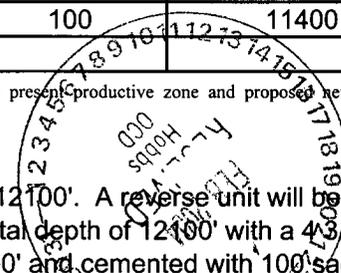
¹¹ Work Type Code D	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3984'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,100	¹⁸ Formation Atoka	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
14.75	11.75	42	439'	325	0
11	8.625	32	4692'	1625	0
7.875	5.5	17	11,800'	1450	1770
4.75	3.5	9.1	11,400' - TD	100	11400

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 plan is to deepen this well from 11800' to 12100'. A reverse unit will be used to drill out the shoe joint in the 5 1/2" casing and deepen the hole to a total depth of 12100' with a 4 3/4" bit. At that point, 3 1/2", 9.1" P110 liner will be run from 12100' back to 11700' and cemented with 100 sacks of cement. The well will be completed with a pulling unit in the Atoka at approximately 11950'. The mud program will be 9.5 to 10.0 ppg brine water with viscosity of 55-70 cp. BOP PROGRAM: 5000#



Permit Expires 1 Year From Approval Date Unless Drilling Underway Deepen

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Clifton R. May</i>		OIL CONSERVATION DIVISION	
Printed name: Clifton R. May		Approved by: <i>[Signature]</i>	
Title: Regulatory Agent/Land Department		Title: <i>[Signature]</i>	
Date: 02/16/04	Email: debbiec@ypcnm.com	Approval Date: FEB 17 2004	Conditions of Approval: PETROLEUM ENGINEER
Phone: (505) 748-1471		Attached: FEB 17 2004	

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

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised August 15, 2000

District II
811 South First, Artesia, NM 88210

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

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

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-33792		² Pool Code 96763		³ Pool Name Shoe Bar Atoke North	
⁴ Property Code 19431		⁵ Property Name Field APK State Com.			⁶ Well Number 2
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3984'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	2	16S	35E	8	2390	North	640	East	Lea

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 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

Lot 4	Lot 3	Lot 2	Lot 1
Lot 5	Lot 6	Lot 7	Lot 8
			VA-604

2390'
640'

LG-478

¹⁷ OPERATOR CERTIFICATION

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

Clifton R. May
Signature

Clifton R. May
Printed Name

Regulatory Agent
Title

02/16/2004
Date

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 ORIGINAL PLAT

Date of Survey

Signature and Seal of Professional Surveyor:

Certificate Number

Section 2

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 PO Drawer DD, Artesia, NM 88211-0719
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 PO Box 2088
 Santa Fe, NM 87504-2088

Form C-102
 Revised February 10, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 4 Copies
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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code		Pool Name	
Property Code		Property Name			Well Number
		FIELD "APK" STATE COM			2
GRID No.		Operator Name			Elevation
		YATES PETROLEUM CORPORATION			3984

10 Surface Location

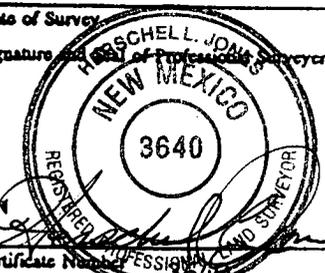
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
LOT 8	2	16S	35E		2390	NORTH	640	EAST	LEA

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		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				2390'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Clifton R. May Signature Printed Name Title Date
Lot 4	Lot 3	Lot 2	Lot 1		
Lot 5	Lot 6	Lot 7	Lot 8	640'	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. 1/09/97 Date of Survey Signature of Registered Professional Surveyor:  Certificate No. 3640
Lot 12	Lot 11	Lot 10	Lot 9		
SECTION 2					