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

Permit Expires 6 Months From Approval

State of New Mexico Energy, Minerals & Natural Resources Department

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

Form C-101 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 6 Copies Fee Lease - 5 Copies

### AMENDED REPORT

#### APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address. <sup>3</sup> OGRID Number YATES PETROLEUM CORPORATION 025575 105 South Fourth Street ' API Number Artesia, New Mexico 88210 30-025-3320 **Property Code** <sup>4</sup> Property Name • Well No. 7Ľ, Approve APV State 1 <sup>7</sup> Surface Location UL or lot no. Section Township Range Lot Ida Feet from the North/South line Fort from the East/West fine County С 8 21S 34E 330 North 1650 West Lea <sup>8</sup> Proposed Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line County Proposed Pool 1 " Proposed Pool 2 Undesignated North Grama Ridge Bone Spring Date Unless Drilling Underway Work Type Code <sup>11</sup> Well Type Code 13 Cable/Rotary 14 Lease Type Code " Ground Level Elevation Rotary S 3718 14 Multiple 17 Proposed Depth " Formation " Contractor 24 Spud Date No 10,000' Bone Spring Not Known ASAP <sup>21</sup> Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 17 1/2" 13 3/8" 48# 550' 550 sx Circulate 11 8 5/8" 32# 5600 1750 sx Circulate 7 7/8" 5 172" 15.5# & 17# TD 900 sx 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. Propose to drill and test the Bone Spring and intermediate formations. Approximately 550' of surface casing will be set and cement circulated. Approximately 5600' of intermediate casing will be set and cement circulated. If commerical, production casing will be run and cemented as warranted with adequate cover, perforated and stimulated as needed for production. MUD PROGRAM: FW Gel, Paper, LCM to 550'; Brine to 5600'; Cut Brine, Starch to TD. BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing. See Exhibit B. $\mathcal{M}$ <sup>29</sup> I hereby certify that the information given above is true and complete to the best of my knowledge OIL CONSERVATION DIVISION Signature: Approved by: ORIGINAL SIGNED BY JERRY SEXTON Printed name: Clifton R. May Title: DETRICT LANDERVISOR Title: Approval DanEC Regulatory Agent Expiration Date: Date: Phone Conditions of Approval : 11-30-95 505-748-1471 Attached



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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

Form C-102 Revised February 10, 1994 Instructions on back Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

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

AMENDED REPORT

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025575 YATES			S PETRO	LEUM CC						3718		
<sup>10</sup> Surface Location												
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11 Bottom Hole Location If Different From Surface												
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED												
WANNASTANDARD UNIT HAS BEEN APPROVED BY THE DIVISION												
			/				<sup>17</sup> OPERATOR			CERTIFICATION		
I hereby certify that the information contained true and complete to the best of my browled									contained herein is			
V-3594												
. V-33			517						Clifta R. May			
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# **YATES PETROLEUM CORPORATION**



typical choke manifold assumby for 14 rated working pressure service-surface installation

#### EXHIBIT B

#### THE FOLLOWING CONSTITUES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

- 1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- 2. Choke outlet to be a minimum of 3" diameter.
- 3. Kill line to be of all steel construction of 3" minimum diameter.
- 4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be a minimum of one inch in diameter.
- 5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- 6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- 7. Inside blowout preventer to be available on rig floor.
- 8. Operating controls to be located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing.

WILL BE RELEASED CONFIDENTIAL LOGS ABOVE DATE DOES NOT INDICATE WHEN ELF 1) E 4

