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

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

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	[2] OGRID Number / [3] API Number
Yates Petroleum Corporation 105 S. 4th Street Artesia, NM 88210	025575 30-015-39207

[5] Property Code	[5] Property Name	[6] Well No.
37254	Team BKV State	1H

[9] Proposed Pool 1	[10] Proposed Pool 2
COTTONWOOD CREEK ~~Wildcat~~ Wolfcamp (GAS)	

[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
D	17	16S	25S		760	North	285	West	Eddy

[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
D	18	16S	25S		760	North	760	West	Eddy

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	Fee	3545'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	TVD 4730' & MD 9347'	Wolfcamp		ASAP

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 ¼"	8 5/8"	24#	1000'	500	Surface
7 7/8"	5 ½'	17#	9347' TMD	1374	Surface

[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 and test the Wolfcamp and intermediate formations. A vertical hole will be drills to 1000' and 8 5/8" casing will be set and cementes to surface. Will continue to drill a 7 7/8" hole to a vertical depth of 4150'. At this pponitg the well will be directionally drilled at 12 degrees per 100' until horizontal The lateral will be drilled to a TVD of 4730' with a measured depth of 9347' where 5 ½" will be set and cemented back to surface.

MUD PROGRAM. 0-1000' with Fresh Water Gel, 1000'-4150' with Cut Brine, 4150'- 9347' with Cut Brine (Horizontal Section).

BOPE PROGRAM A 3000 PSI system will be nippled up and tested on the 8 5/8" casing The BOPE will be tested daily for operational

H2S is not anticipated
Previously approved: 30-015-36418 ✓

RECEIVED
JUN 08 2011
NMOCD ARTESIA

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

Signature: Clifton May

Printed name. Clifton May

Title. Land Regulatory Agent

E-mail Address cliff@yatespetroleum.com

Date 06-07-2011 | Phone. (575) 748- 4347

OIL CONSERVATION DIVISION

Approved by

Title **Geologist**

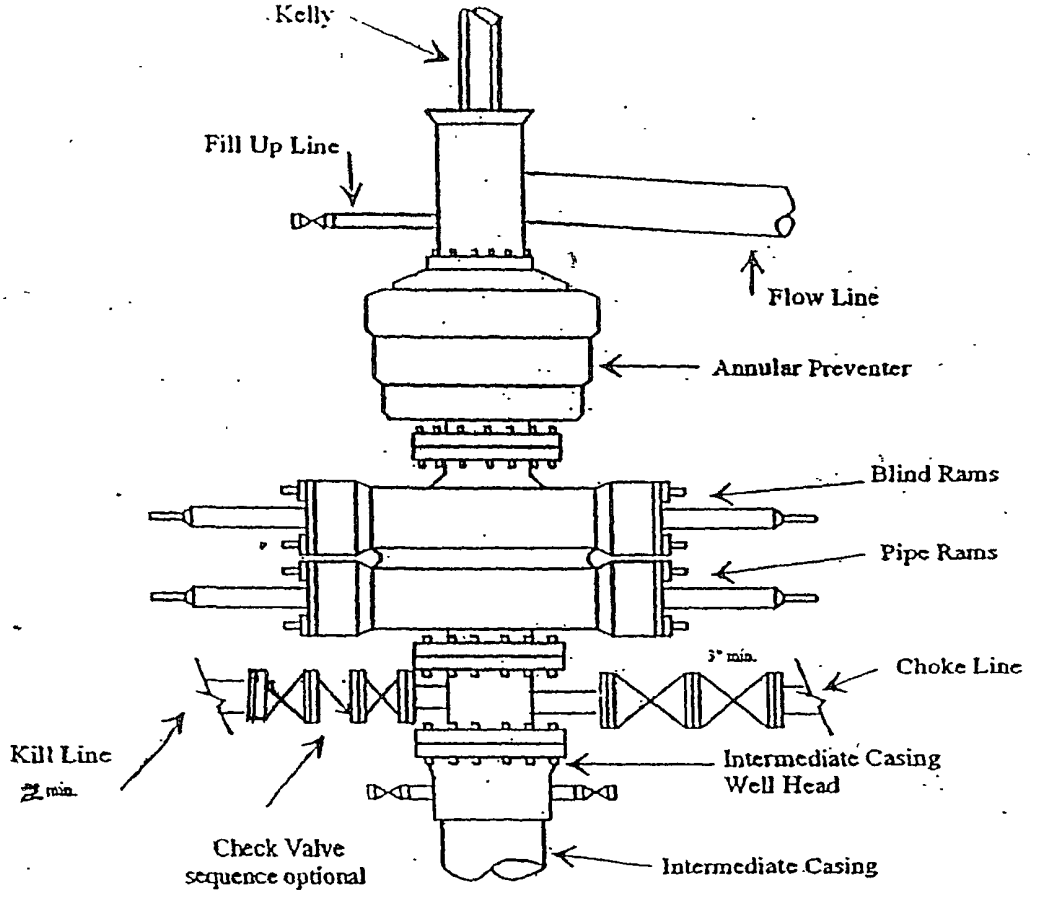
Approval Date 07/15/11 | Expiration Date 07/15/13

Conditions of Approval Attached ☐

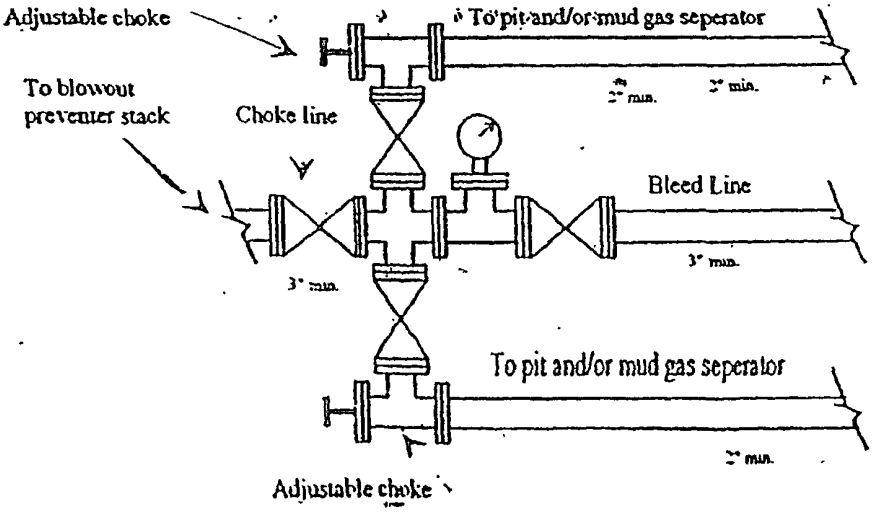
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimun features

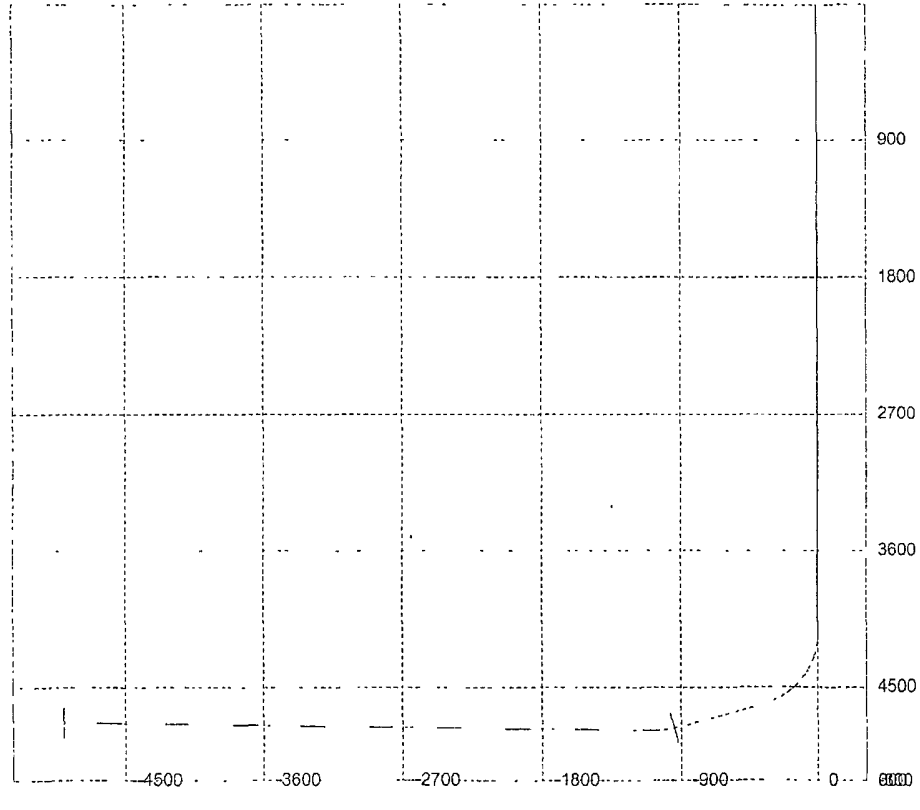


MD	Inclination	Azimuth	TVD	N+/S-	E+/W-	DLS	ToolFace	TFRef (HS/GN)	
0	0	0	0	0	0	0			
490	0	0	490	0	0	0			SAN ANDRES
1740	0	0	1740	0	0	0			GLORIETA
3040	0	0	3040	0	0	0			TUBB
3740	0	0	3740	0	0	0			ABO
4150	0	0	4150	0	0	12	270	GN	KOP
4175	3	270	4174 99	0	-0 65	12	0	HS	
4200	6	270	4199.91	0	-2.62	12	0	HS	
4225	9	270	4224.69	0	-5 88	12	0	HS	
4250	12	270	4249.27	0	-10.43	12	0	HS	
4275	15	270	4273 58	0	-16 27	12	0	HS	
4300	18	270	4297.54	0	-23 37	12	0	HS	
4325	21	270	4321.11	0	-31 71	12	0	HS	
4350	24	270	4344 2	0	-41 28	12	0	HS	
4375	27	270	4366.77	0	-52 04	12	0	HS	
4400	30	270	4388 73	0	-63.97	12	0	HS	
4425	33	270	4410.05	0	-77.03	12	0	HS	
4450	36	270	4430.65	0	-91.19	12	0	HS	
4475	39	270	4450.48	0	-106.4	12	0	HS	
4500	42	270	4469.49	0	-122.64	12	0	HS	
4525	45	270	4487 62	0	-139 85	12	0	HS	
4550	48	270	4504 83	0	-157 98	12	0	HS	
4575	51	270	4521.06	0	-176.99	12	0	HS	
4600	54	270	4536 28	0	-196.82	12	0	HS	
4625	57	270	4550 44	0	-217.42	12	0	HS	
4650	60	270	4563 5	0	-238 73	12	0	HS	
4675	63	270	4575.42	0	-260 7	12	0	HS	
4700	66	270	4586 19	0	-283 26	12	0	HS	
4725	69	270	4595.75	0	-306.36	12	0	HS	
4750	72	270	4604.1	0	-329.92	12	0	HS	
4775	75	270	4611 2	0	-353 89	12	0	HS	
4778.47	75.42	270	4612 08	0	-357 24	12	0	HS	
5385 79	75 42	270	4765	0	-945	0			WOLFCAMP
5385.79	75 42	270	4765	0	-945	12	0	HS	
5400	77 12	270	4768.37	0	-958 8	12	0	HS	
5425	80 12	270	4773 3	0	-983.31	12	0	HS	
5450	83.12	270	4776 95	0	-1008 04	12	0	HS	
5475	86 12	270	4779 29	0	-1032 92	12	0	HS	
5500	89 12	270	4780 33	0	-1057 9	12	0	HS	
5513 59	90 75	270	4780 34	0	-1071.49	12	0	HS	
9347 43	90 75	270	4730	0	4905	0			LATERAL TD

Well will be drilled vertically to 4150'. At 4150' the well will be directionally drilled at 12 degrees per 100' with a 7 7/8" hole until horizontal
The lateral will then be drilled to a TVD of 4730' with a MD of 9347' where 5 1/2" casing will be set and cemented.
Penetration point for wolfcamp formation is 760' FNL & 660' FEL of sect. 18, 16S-25E

3D³ Directional Drilling Planner - 3D View

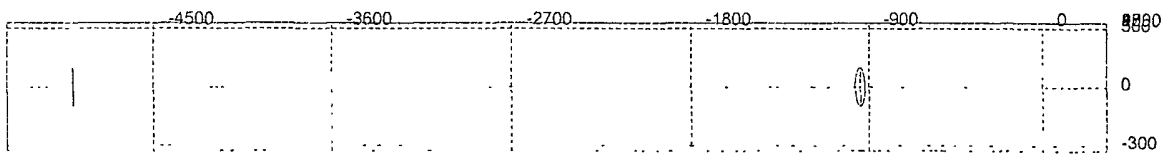
Company: **Yates Petroleum Corporation**
Well: **Team BKV [illegible] Com. #1H**



File: C:\Program Files\Drilling Toolbox 2001\Templates\Visual Wellbore\Horizontal\team1h.wpp

3D³ Directional Drilling Planner - 3D View

Company: **Yates Petroleum Corporation**
Well: **Team BKV [illegible] Com. #1H**



File: C:\Program Files\Drilling Toolbox 2001\Templates\Visual Wellbore\Horizontal\team1h.wpp