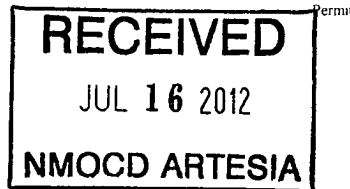


District I
1625 N French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St., Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr., Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised December 16, 2011



APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210		² OGRID Number 025575
⁴ Property Code 34164		³ API Number 30-015-40631
⁵ Property Name Independence BEI State Com		⁶ Well No 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
C	36	20S	28E		660	N	1980	W	Eddy

⁸ Pool Information

Chester	WILDCAT; CHESTER (GAS)	97825
---------	------------------------	-------

Additional Well Information

⁹ Work Type N	¹⁰ Well Type Gas	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3221'
¹⁴ Multiple N	¹⁵ Proposed Depth 11,950'	¹⁶ Formation Chester	¹⁷ Contractor	¹⁸ Spud Date ASAP
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5"	13 375"	48#	600'	650	0
Intl	12 25"	9 625"	36#	3,100'	1200	0
Prod	8.75"	5 50"	17#	11,950'	3150	TOC-2,600'

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Chester and intermediate formations. Approximately 600' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, well perforated and stimulate as needed for production.

MUD PROGRAM 0-600' FW/Paper, 600'-3100' FW/LCM, 3100'-9050' Cut Brine, 9050'-10,100' Cut Brine/Starch, 10,100'-TD Salt Gel/Starch/Driscap

H2S is not anticipated

C-144 Attached

C-102 Attached

Previously Approved

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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

I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature

Lori Flores

Printed name Lori Flores

Title Land Regulatory Technician

E-mail Address. lorif@yatespetroleum.com

Date 7/13/2012

Phone 575-748-4448

OIL CONSERVATION DIVISION

Approved By:

J. C. Shepard
Geologist

Approved Date

8/28/2012

Expiration Date

8/28/2014

Conditions of Approval Attached

File subsequent "as Drilled" C-102 on current form

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form O-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

RECEIVED

AUG 21 2012

NMOC DARTESIA ☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-40631	Pool Code 97825	Pool Name Wildcat Chester
Property Code 34164	Property Name INDEPENDENCE "BEI" STATE COM.	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3221

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	36	20S	28E		660	NORTH	1980	WEST	EDDY

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	Joint or Infill	Consolidation Code	Order No.
320			

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

VB-559 1980	N.32°32'07.6" W.104°08'00.7"		
VO-5190	N.558524.5 E.561729.2 (NAD 27)		

OPERATOR CERTIFICATION

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

Cy Cowan
Signature
Cy Cowan
Printed Name
Land Regulatory Agent
Title
August 16, 2012
Date

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.

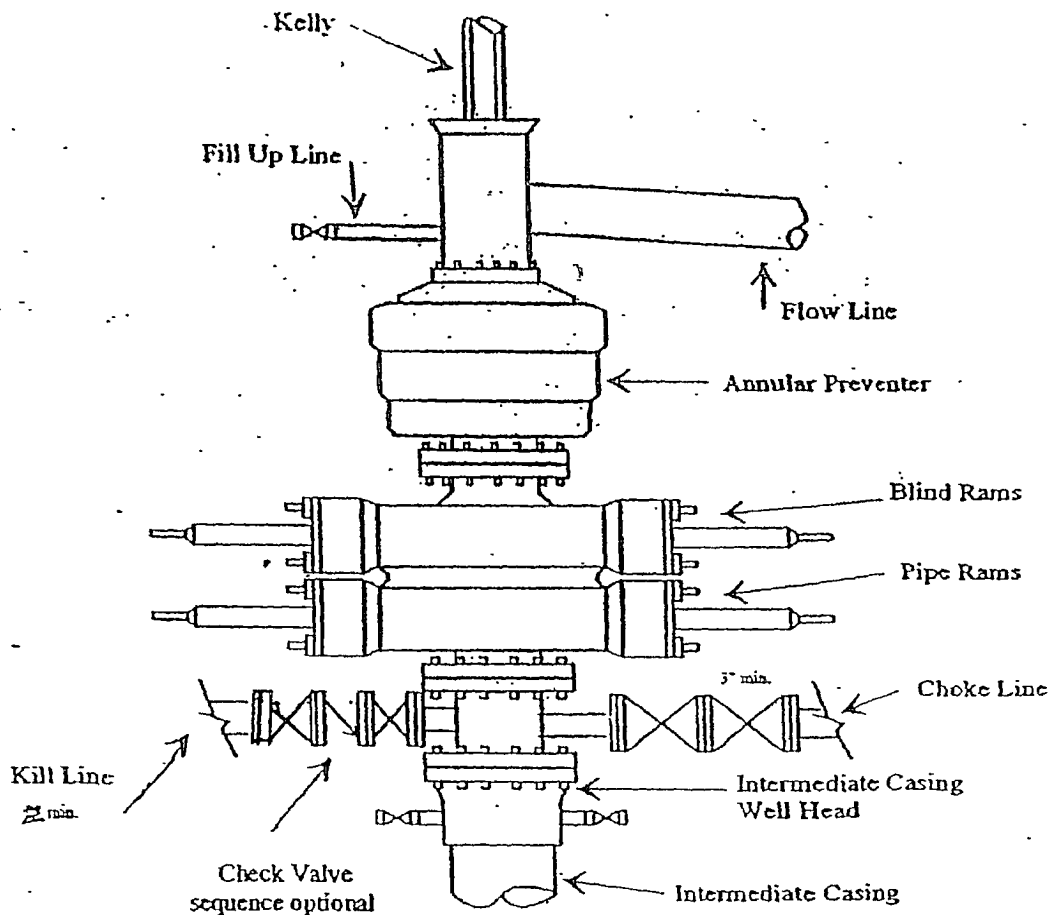
5/27/2004
Date Surveyed
[Signature]
Signature & Seal of Professional Surveyor
Certificate No. Hershel Jones RLS 3640
INDEPENDENCE
GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



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

BOP-3



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

