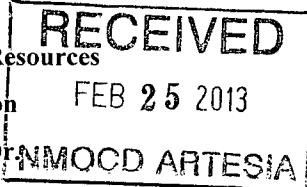


District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis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

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, NM 88210		² OGRID Number 025575
		³ API Number 30-015-37552
⁴ Property Code 38017	⁵ Property Name Osprey BPS State	⁶ Well No. 1H

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	32	25S	26E		660	South	330	West	Eddy

⁸ Pool Information

Wildcat, Delaware	COTTONWOOD DRAW; Delaware North	9672.0
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary N/A	¹² Lease Type S	¹³ Ground Level Elevation 3434'GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Delaware	¹⁷ Contractor N/A	¹⁸ Spud Date N/A
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
REFER TO ORIGINAL COMPLETION						

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to plugback and recomple this well as follows: NU BOP. Rig up all safety equipment as needed. Set an RBP at 5660' with 5 sx sand on top. Perforate Delaware 4972'-5018' (39). Frac well (attached). TIH with tubing and blade bit to wash sand. POOH with tubing. TIH with production equipment. Swab test well to ensure no sand is present in the tubulars. TIH with pump and rods. Turn well over to production. Wellbore schematics attached.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

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 ☐. YPC uses steel tanks only.

Signature:

Printed name: Tina Huerta

Title: Regulatory Reporting Supervisor

E-mail Address: tinah@yatespetroleum.com

Date: February 19, 2013

Phone: 575-748-4168

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

2/25/2013

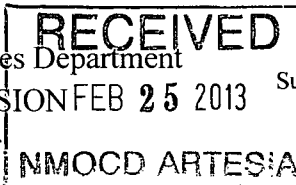
Expiration Date:

2/25/2015

Conditions of Approval Attached

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-37552	² Pool Code 96720	³ Pool Name Cottonwood Draw, Delaware North
⁴ Property Code 38017	⁵ Property Name Osprey BPS State	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	
		⁶ Well Number 1H
		⁹ Elevation 3434'GL

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
M	32	25S	26E		660	South	330	West	Eddy

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
P	32	25S	26E		634	South	370	East	Eddy

¹² Dedicated Acres 160	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.

¹⁶ <div style="border: 1px solid black; width: 100px; height: 100px; position: relative;"> 330'W Surface BHL 370'E 634'S </div>	¹⁷ OPERATOR CERTIFICATION 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. <div style="display: flex; justify-content: space-between;"> <div> Signature </div> <div> February 20, 2013 Date </div> </div> <div> Tina Huerta Printed Name </div> <div> tinah@yatespetroleum.com E-mail Address </div>	
	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. Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	

3. POOH with tubing and tools. MI RU casing saver and pumping equipment to fracture via the 5.5" casing at 65 BPM using the following schedule.

Treating Schedule

Stage number	Stage Description	Clean Stage Size (Gal)	Slurry Stage Size (Gal)	Clean Stage Size (BBLs)	Slurry Stage Size (BBLs)	Proppant Conc. Blender (PPA)	Clean Rate (Gal/M)	Time Stage (Min.)	Time Cum (Min.)	Total Prop (Lbs.)	% Prop Stage
1.0	1.0000000000000000		33,000	786	786		2.7	12.1	12.1	0	0.0
2.0	2.0000000000000000		10,228	238	244		2.7	3.7	3.7	5,000	2.2
3.0	3.0000000000000000		31,368	714	747		2.6	11.5	23.6	30,000	13.3
4.0	4.0000000000000000		43,648	952	1,039		2.5	16.0	39.6	80,000	35.6
5.0	5.0000000000000000		22,736	476	541		2.4	8.3	47.9	60,000	26.7
6.0	6.0000000000000000		3,790	79	90		2.4	1.4	49.3	10,002	4.4
7.0	7.0000000000000000		11,824	238	282		2.3	4.3	53.6	40,000	17.8
8.0	8.0000000000000000		4,972	198	118		2.7	1.8	55.4	0	0.0
	TOTALS	154,650	161,566	3,682	3,847			59		225,002	100.0

Estimated Surface Treating Pressure @ 65 BPM = 2,710 psig

Fluid Specifications: A 20# Borate Cross linked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the down hole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf.

YPC to furnish: 8 clean frac tanks with 480 BBL of 3% KCL water in each tank.

Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

4. TIH with tubing and blade bit to wash sand. POOH with tubing. TIH with production equipment as per the Production Departments recommendation, Swab test the well to ensure no sand is present in the tubulars.

5. TIH with pump and rods and turn well over to the production department to pump.

Area Engineer

Mike Hill

date

12/3/12

gwp 12/3/12

Mike Hill

December 3, 2012

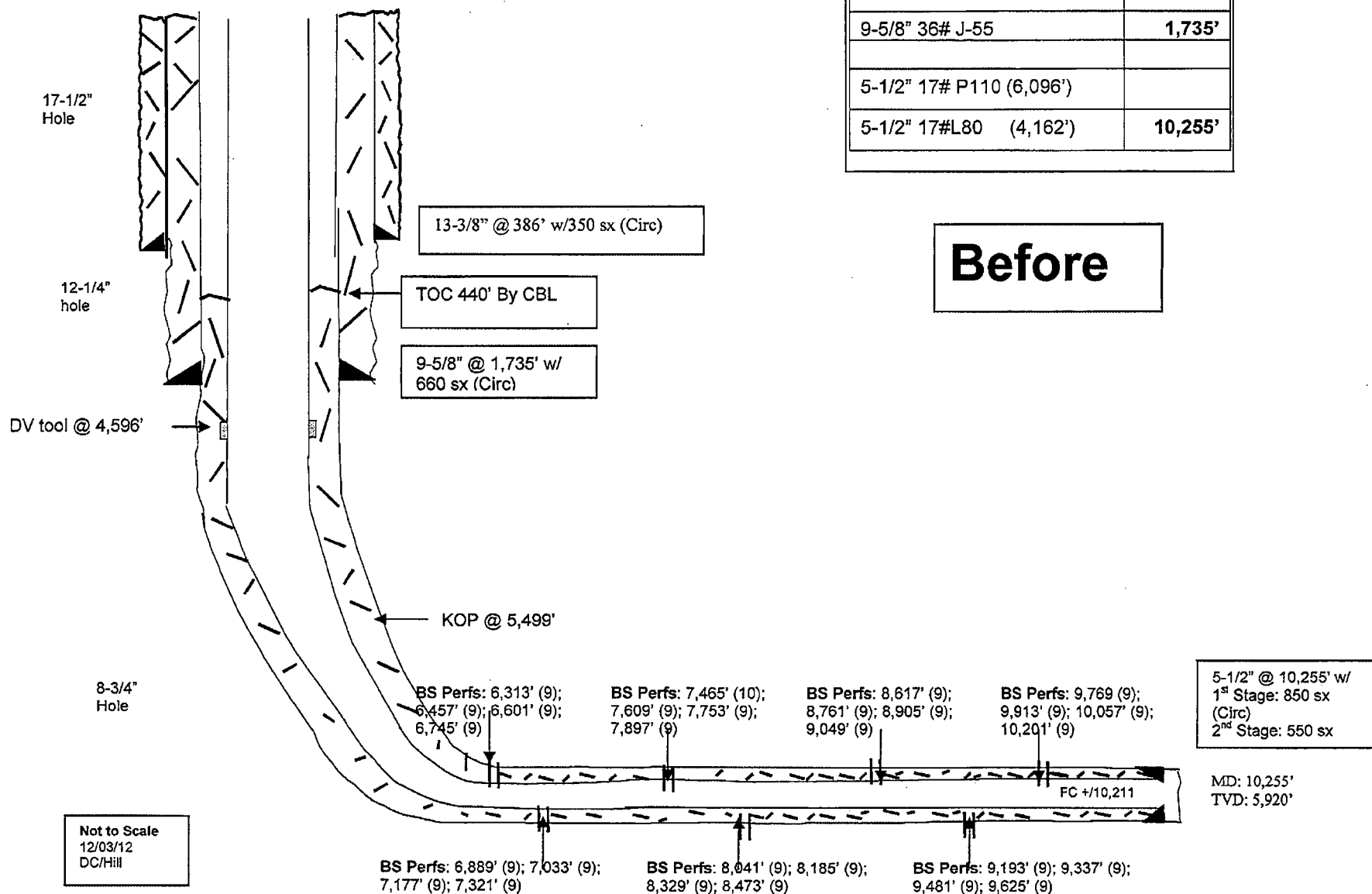
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WELL NAME: Osprey BPS State #1H FIELD
 LOCATION: 660' FSL and 330' FWL (Surf) Sec 23-24S-31E Eddy County
 GL: 3,562' ZERO: KB: 3,580'
 SPUD DATE: 6/20/08 COMPLETION DATE:
 COMMENTS: 660 FSL & 330 FEL (BHL) 32-25S-26E
API NO.: 30-015-37552

CASING PROGRAM

13-3/8" 48# H-40	386'
9-5/8" 36# J-55	1,735'
5-1/2" 17# P110 (6,096')	
5-1/2" 17#L80 (4,162')	10,255'

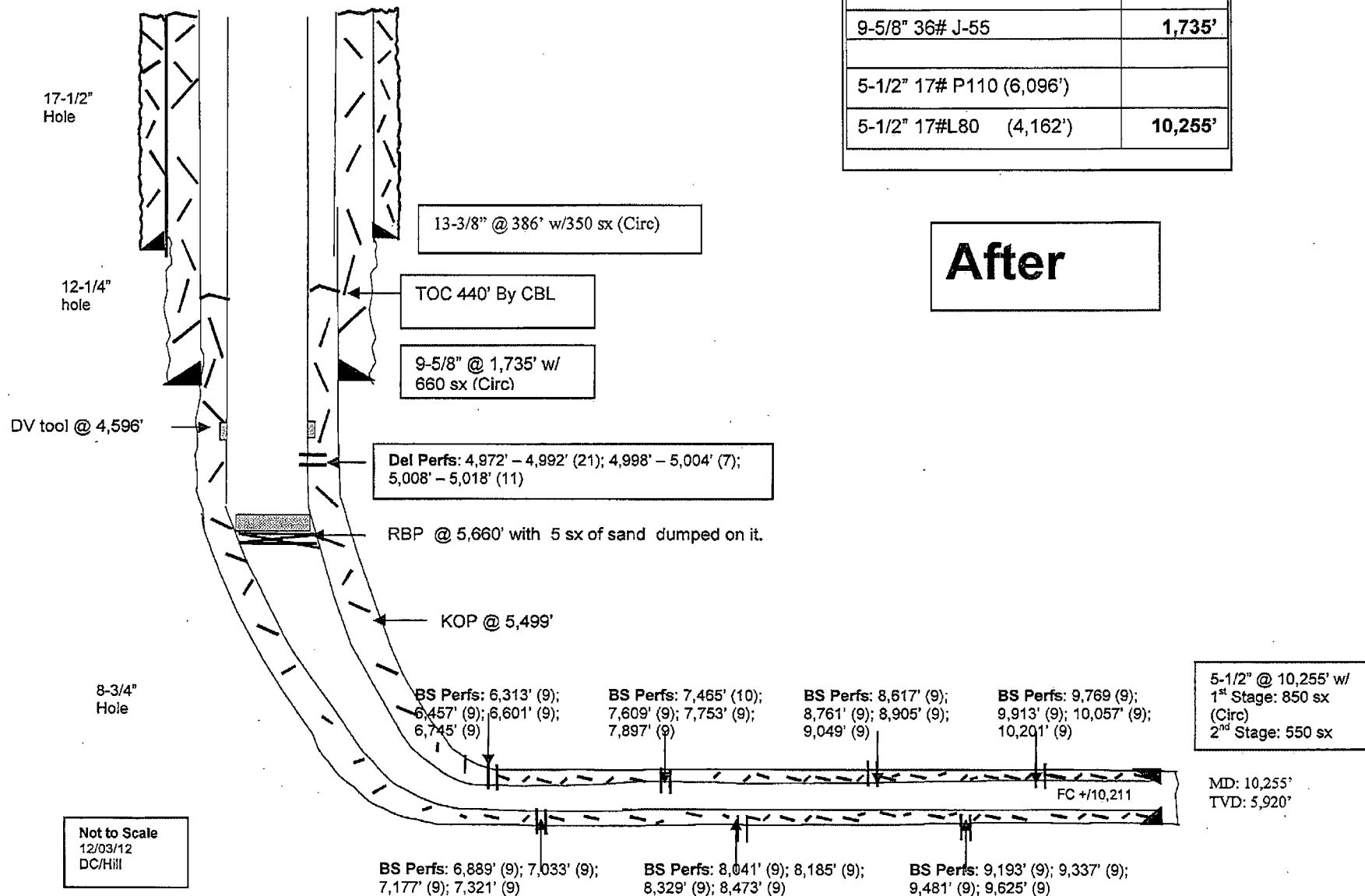
Before



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CASING PROGRAM

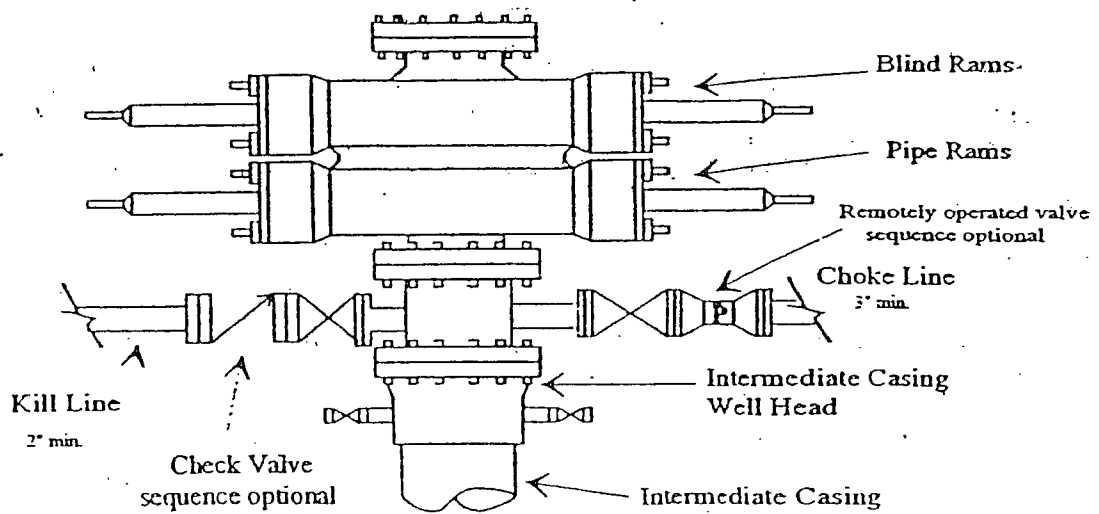
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5-1/2" 17# P110 (6,096')	
5-1/2" 17#L80 (4,162')	10,255'



After

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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

