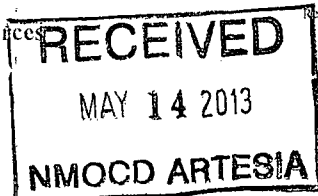


District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
311 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis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



Amended

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

| | | |
|--|-------------------------------|----------------------------|
| Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210 | | OGRID Number 025575 |
| | | API Number 30-015-28557 |
| Property Code 14393 | Property Name Boyd X State | Well No. 11 |

7. Surface Location

| UL Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|--------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P | 16 | 19S | 25E | | 810 | South | 730 | East | Eddy |

8. Pool Information

| | |
|--------------------------------|-------|
| N. Seven Rivers; Glorieta-Yeso | 97565 |
|--------------------------------|-------|

Additional Well Information

| | | | | |
|-----------------------|-----------------------|--|---------------------|------------------------------------|
| Work Type P | Well Type O | Cable/Rotary N/A | Lease Type State | Ground Level Elevation 3485' GL |
| Multiple N | Proposed Depth N/A | Formation Wolfcamp | Contractor N/A | 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. Run a GR/JB to +/-7625'. Set a CIBP at 7614' with 35' cement on top. RIH with tubing to 6043' and circulate hole with salt gel mud and spot a 35 sx Class "C" cement plug across DV tool and Wolfcamp top from 5835'-6043'. WOC and tag; reset if necessary. Spot a 25 sx Class "C" cement plug across Bone Spring from 3619'-3769'. Pressure test casing to 3000 psi. Perforate Yeso 2294'-2430' (82). Frac as attached. Flow well back and allow well to clean up. TIH with tubing to check for fill and to ensure that the perforations are not covered. TIH with tubing, swab well until it cleans up then TIH with pumping equipment and turn well over to production. Wellbore schematics attached. Well name will change back to Boyd X State #11 when recompleted.

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 NMOC guidelines ☐ a general permit ☐ or an (attached) alternative OCD-approved plan ☐ YPC uses steel tanks only.

Signature: *Tina Huerta*

Printed name: Tina Huerta

Title: Regulatory Reporting Supervisor

E-mail Address: tina.h@yatespetroleum.com

Date: February 26, 2013

Phone: 575-748-4168

OIL CONSERVATION DIVISION

Approved By:

R. Wade

Title: *Dis. R. Supervisor*

Approved Date: *5/14/2013*

Expiration Date: *5/14/2015*

Conditions of Approval Attached

Subsequent to w/o provide amended C102 with well name change

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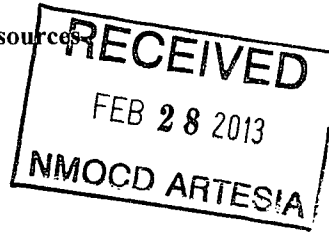
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Form C-101
Revised December 16, 2011

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 30-015-28557 |
| ⁴ Property Code 34689 | ⁵ Property Name NDDUP Unit | ⁶ Well No. 44 |

⁷ Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|------------------|-------------------|------------------|------------------|----------------|
| UL - Lot P | Section 16 | Township 19S | Range 25E | Lot Idn | Feet from 810 | N/S Line South | Feet From 730 | E/W Line East | County Eddy |
|---------------|---------------|-----------------|--------------|---------|------------------|-------------------|------------------|------------------|----------------|

⁸ Pool Information

| | |
|--------------------------------|-------|
| N. Seven Rivers; Glorieta-Yeso | 97565 |
|--------------------------------|-------|

Additional Well Information

| | | | | |
|-----------------------------|-------------------------------------|--|-----------------------------------|---|
| ⁹ Work Type P | ¹⁰ Well Type O | ¹¹ Cable/Rotary N/A | ¹² Lease Type State | ¹³ Ground Level Elevation 3485'GL |
| ¹⁴ Multiple N | ¹⁵ Proposed Depth N/A | ¹⁶ Formation Wolfcamp | 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. Run a GR/JB to +/-7625'. Set a CIBP at 7614' with 35' cement on top. RIH with tubing to 6043' and circulate hole with salt gel mud and spot a 35 sx Class "C" cement plug across DV tool and Wolfcamp top from 5835'-6043'. WOC and tag, reset if necessary. Spot a 25 sx Class "C" cement plug across Bone Spring from 3619'-3769'. Pressure test casing to 3000 psi. Perforate Yeso 2294'-2430' (82). Frac as attached. Flow well back and allow well to clean up. TIH with tubing to check for fill and to ensure that the perforations are not covered. TIH with tubing, swab well until it cleans up then TIH with pumping equipment and turn well over to production. Wellbore schematics attached. Well name will change back to Boyd X State Com #11 when recompleted.

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 NMOC D 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 26, 2013

Phone: 575-748-4168

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

Treating Schedule

| Sta. # | Fluid | Stg. Type | Cln. Vol. (gals) | Rate (bpm) | Proppant | Conc. (lb/gal) | Stage Prop. (lbs) | Cum. Prop. (lbs) |
|--------|-------------|-----------|---------------------|---------------|-------------|-------------------|-------------------------|------------------------|
| 1 | Slick Water | Prepad | 100 | 20 | | 0.0 | 0 | 0 |
| 2 | 15% HCL | Acid | 2,000 | 30 | | 0.0 | 0 | 0 |
| 3 | Slick Water | Prepad | 2,000 | 75 | | 0.0 | 0 | 0 |
| 4 | Slick Water | Pad | 56,000 | 75 | | 0.0 | 0 | 0 |
| 5 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.2 | 900 | 900 |
| 6 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 900 |
| 7 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.3 | 1,350 | 2,250 |
| 8 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 2,250 |
| 9 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.4 | 1,800 | 4,050 |
| 10 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 4,050 |
| 11 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.5 | 2,250 | 6,300 |
| 12 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 6,300 |
| 13 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.6 | 2,700 | 9,000 |
| 14 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 9,000 |
| 15 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.7 | 3,150 | 12,150 |
| 16 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 12,150 |
| 17 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.8 | 3,600 | 15,750 |
| 18 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 15,750 |
| 19 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 0.9 | 4,050 | 19,800 |
| 20 | Slick Water | Sweep | 4,500 | 75 | | 0.0 | 0 | 19,800 |
| 21 | Slick Water | Slurry | 4,500 | 75 | 100 Mesh | 1.0 | 4,500 | 24,300 |
| 22 | Slick Water | Pad | 10,700 | 75 | | 0.0 | 0 | 24,300 |
| 23 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.2 | 4,000 | 28,300 |
| 24 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 28,300 |
| 25 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.3 | 6,000 | 34,300 |
| 26 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 34,300 |
| 27 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.4 | 8,000 | 42,300 |
| 28 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 42,300 |
| 29 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.5 | 10,000 | 52,300 |
| 30 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 52,300 |

| | | | | | | | | |
|----|-------------|--------|---------|----|-------------|-----|---------|---------|
| 31 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.6 | 12,000 | 64,300 |
| 32 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 64,300 |
| 33 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.7 | 14,000 | 78,300 |
| 34 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 78,300 |
| 35 | Slick Water | Slurry | 20,000 | 75 | 40/70 Brady | 0.8 | 16,000 | 94,300 |
| 36 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 94,300 |
| 37 | Slick Water | Slurry | 23,000 | 75 | 40/70 Brady | 0.9 | 20,700 | 115,000 |
| 38 | Slick Water | Sweep | 6,000 | 75 | | 0.0 | 0 | 115,000 |
| 39 | Slick Water | Slurry | 24,000 | 75 | 40/70 Brady | 1.0 | 24,000 | 139,000 |
| 40 | Slick Water | Pad | 17,000 | 75 | | 0.0 | 0 | 139,000 |
| 41 | Slick Water | Slurry | 17,000 | 75 | 16/30 Brady | 1.0 | 17,000 | 156,000 |
| 42 | Slick Water | Slurry | 24,000 | 75 | 16/30 Brady | 2.0 | 48,000 | 204,000 |
| 43 | Slick Water | Slurry | 32,000 | 75 | 16/30 Brady | 3.0 | 96,000 | 300,000 |
| 44 | Slick Water | Flush | 2,388 | 75 | | 0.0 | 0 | 300,000 |
| 45 | 15% HCL | Acid | 1,000 | 75 | | 0.0 | 0 | 300,000 |
| 46 | Slick Water | Flush | 3,900 | 75 | | 0.0 | 0 | 300,000 |
| | Totals | | 479,588 | | | | 300,000 | |

Estimated Surface Treating Pressure = 2,320 psig.

Maximum Surface Treating Pressure = 2,800 psig.

Fluid Specifications:

Slick Water - fresh water with 1.0 gal/M liquid friction reducer, 1 gal/M gas Surfactant, liquid biocide agent and an oxidizing breaker.

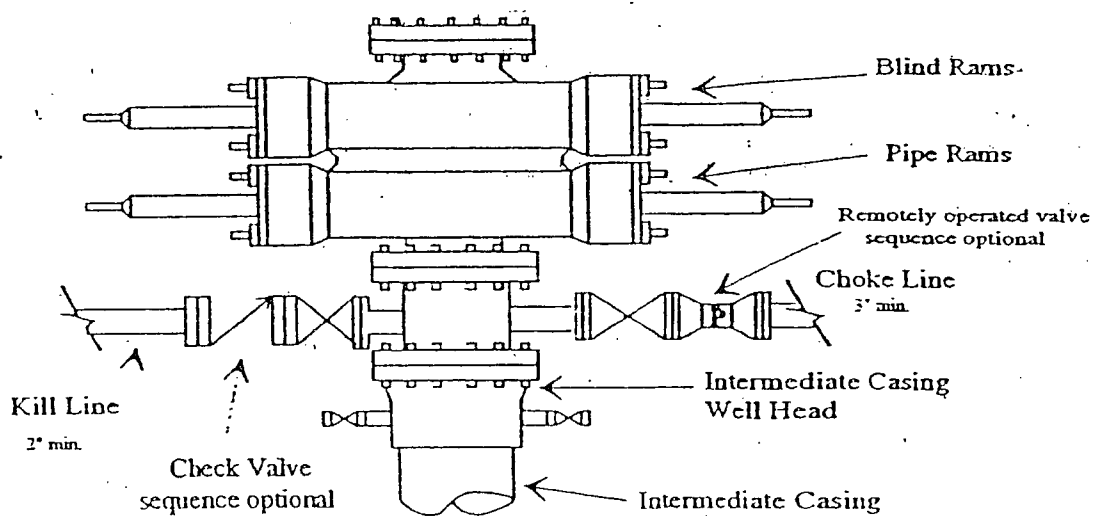
YPC will provide:

25 clean frac tanks with 480 barrels of Fresh water in each tank for treatment and flush.

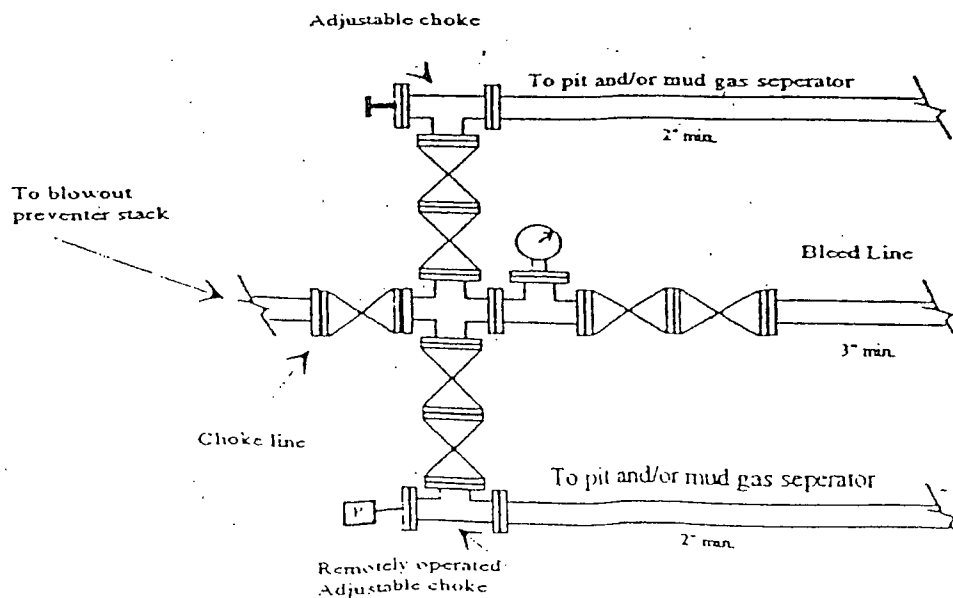
Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



WELL NAME: NDDUP Unit # 44 FIELD: Dagger Draw Upper Penn
 LOCATION: 810' FSL & 730' FEL of Section 16-19S-25E Eddy Co., NM
 GL: 3,485' ZERO: 14' KB: 3,499'
 SPUD DATE: 12/14/96 COMPLETION DATE: 02/13/97
 COMMENTS: API No.: 30-015-28557

CASING PROGRAM

| | |
|-------------------------|--------|
| 9-5/8" 36# J-55 | 1,165' |
| Top | |
| 7" 26# J-55 LT&C 906' | |
| 7" 23# J-55 LT&C 4,355' | |
| 7" 26# J-55 LT&C 2,004' | |
| 7" 26# N-80 LT&C 1,087' | 8,350' |
| Bottom | |

Before

TOPS

SA 748'
 Glorieta 2,306'
 Bone Springs 3,719'
 Wolfcamp 5,885'
 Canyon 7,640'

14-3/4" Hole

8-3/4" Hole

9-5/8" @ 1,165'
 w/ 1,200 sx
 1"ed to surface w/ 450 sx

DV tool @ 5,993'

Canyon Perfs: 7,664'-7,730'

7" @ 8,350'
 Stage #1 w/ 550 sx (Circ)
 Stage #2 w/ 900 sx (Circ)

FC: 8,308'
 TD: 8,350'

Not to Scale
 04/30/12
 JMH

WELL NAME: NDDUP Unit # 44 FIELD: Dagger Draw Upper Penn
 LOCATION: 810' FSL & 730' FEL of Section 16-19S-25E Eddy Co., NM
 GL: 3,485' ZERO: 14' KB: 3,499'
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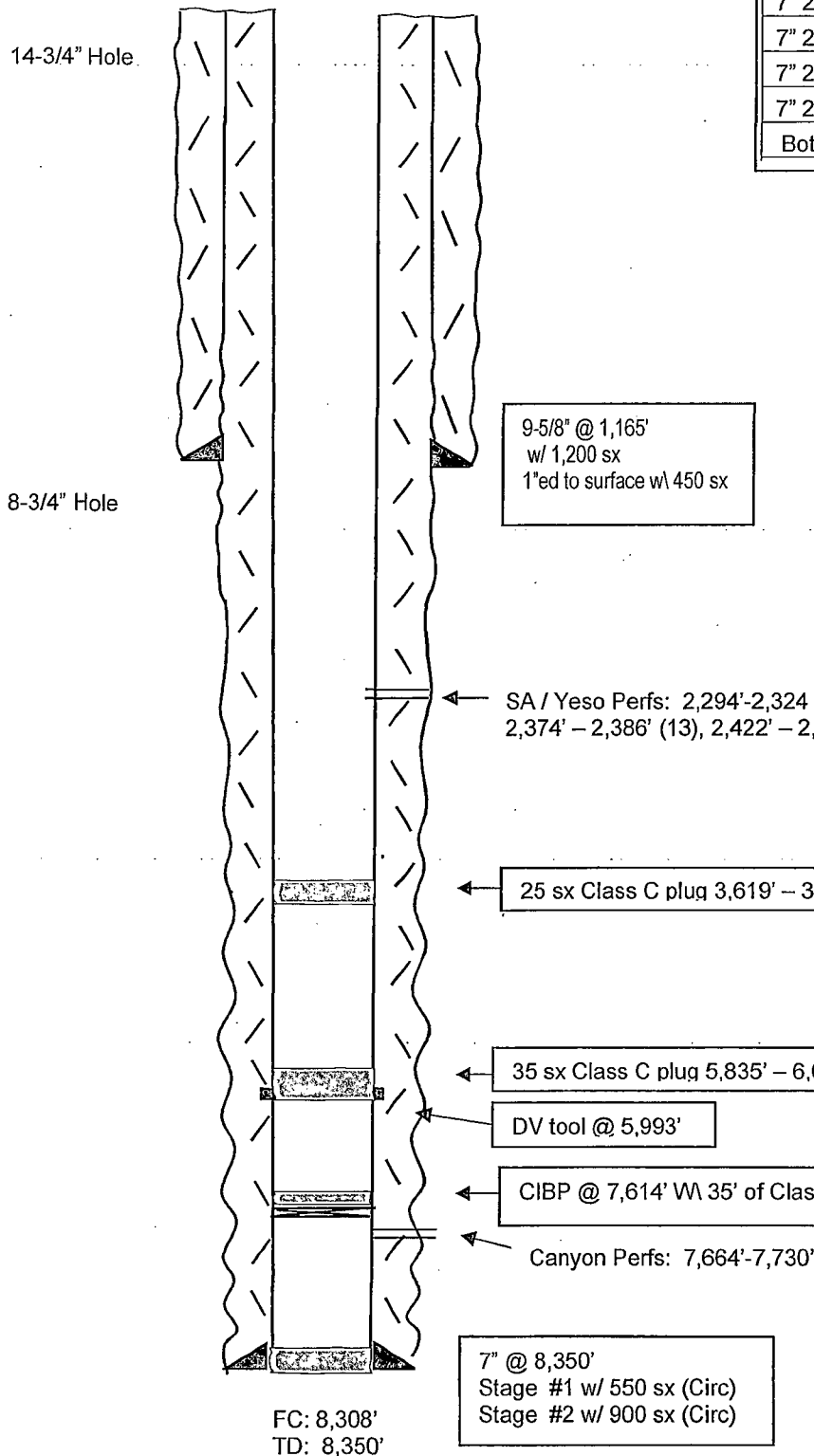
CASING PROGRAM

| | |
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| 7" 26# N-80 LT&C 1,087' | 8,350' |
| Bottom | |

After

TOPS

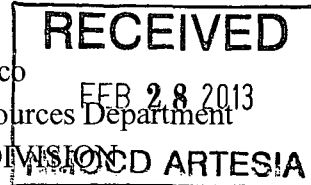
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 Canyon 7,640'



Not to Scale
 04/30/12
 JMH

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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

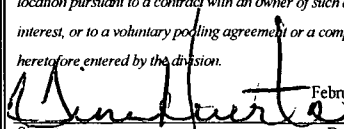
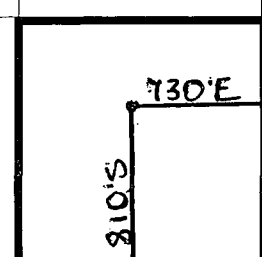
| | | |
|---|---|--|
| ¹ API Number 30-015-28557 | ² Pool Code 97565 | ³ Pool Name N. Seven Rivers; Glorieta-Yeso |
| ⁴ Property Code 34689 | ⁵ Property Name NDDUP Unit | ⁶ Well Number 44 |
| ⁷ OGRID No. 025575 | ⁸ Operator Name Yates Petroleum Corporation | ⁹ Elevation 3485' GL |

| ¹⁰ Surface Location | | | | | | | | | |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot no. P | Section 16 | Township 19S | Range 25E | Lot Idn | Feet from the 810 | North/South line South | Feet from the 730 | East/West line East | County 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 |

| | | | |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| ¹² Dedicated Acres 40 | 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 | | | | ¹⁷ OPERATOR CERTIFICATION <i>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.</i> | | |
| | | | |  Signature _____ Date February 26, 2013 Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address | | |
| | | | | ¹⁸ SURVEYOR CERTIFICATION <i>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.</i> | | |
| | | | | Date of Survey _____ Signature and Seal of Professional Surveyor: _____  | | |
| | | | | Certificate Number _____ | | |