

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

SEP 30 2008 Form C-101
June 16, 2008

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

OCD-ARTESIA

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 Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210	² OGRID Number 025575
	³ API Number 30 - 015 - 36684

³ Property Code 37413	⁵ Property Name Beginner BLB Federal Com.	⁶ Well No 2H
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⁹ Proposed Pool 1 Wolfcamp	¹⁰ Proposed Pool 2
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⁷ Surface Location									
UL or lot no E	Section 19	Township 16S	Range 28E	Lot Idn	Feet from the 1650	North/South line North	Feet from the 250	East/West line West	County Eddy

⁸ Proposed Bottom Hole Location If Different From Surface									
UL or lot no H	Section 19	Township 16S	Range 28E	Lot Idn	Feet from the 2280	North/South line North	Feet from the 330	East/West line East	County Eddy

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code State&Federal	¹⁵ Ground Level Elevation 3522
¹⁶ Multiple No	¹⁷ Proposed Depth TVD 6445' & MD 11005'	¹⁸ Formation Wolfcamp	¹⁹ Contractor Undetermined	²⁰ Spud Date ASAP

²¹ 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#	400'	425	Surface
11'	8 5/8"	24#	1750'	535	Surface
7 7/8"	5 1/2"	17#	11005' MD	1925	TOC-1250'

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 proposed to drill and test the Wolfcamp/Intermeditate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set at 1850' and cement circulated to surface. If the well is determined that it maybe commercial, production casing will be ran to TD and cemented back to approximately 1350', perforated and stimulated as needed to gain production

MUD PROGRAM: 0 to 400' w/Fresh Water Gel; 400' to 1850' w/Brine Water; 1850' to 6697' w/Cut Brine; 6044' to 11125 w/Cut Brine (Horizontal Section).

BOP PROGRAM: A 3000 psi BOP will be nipped up on the 8 5/8" casing.

H2S IS NOT ANTICIPATED

***Also being submitted to BLM as we will be producing both State & Federal minerals

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

Signature:

[Signature]

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

District II Supervisor

Approval Date

10/9/08

Expiration Date:

10/9/10

Current Form C-144 must be approved
prior to commencement of drilling
activities

Date:

9/5/08

Phone:

(575) 748-4372

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-36684	Pool Code 17970	Pool Name Wolfcamp
Property Code 37413	Property Name BEGINNER "BLB" FEDERAL COM	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3522'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	19	16 S	28 E	2	1650	NORTH	250	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
H	19	16 S	28 E		2280	NORTH	330	EAST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	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

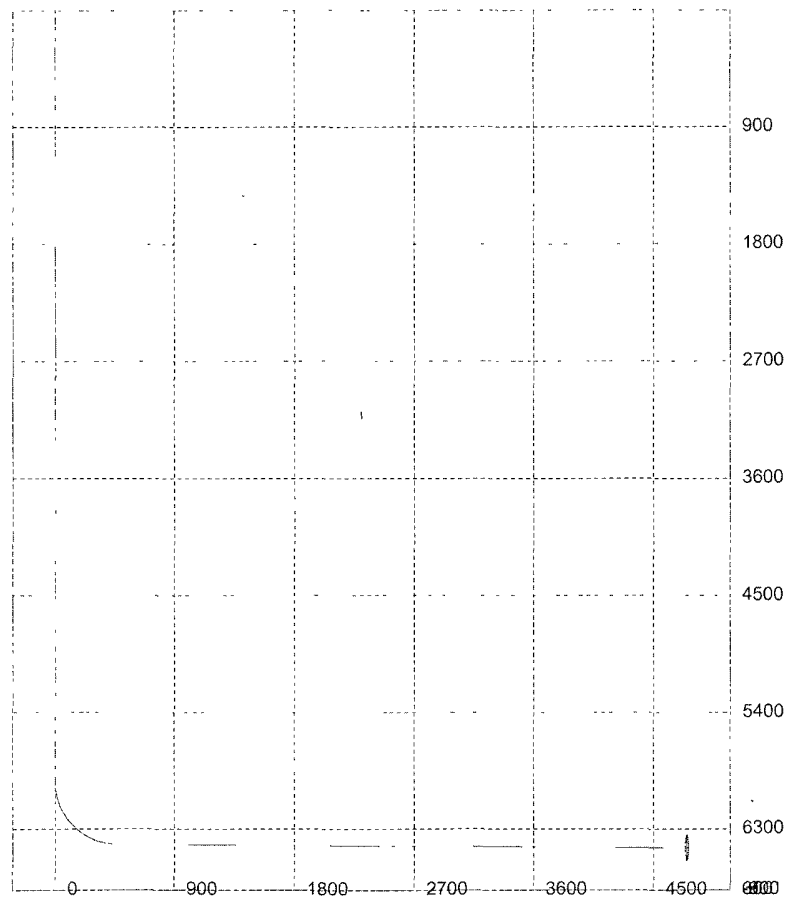
SURFACE LOCATION Lat - N32°54'38.18" Long - W104°13'22.37" SPC- N.: 695029.17 E.: 575234.02 (NAD-83)		OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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. Signature _____ Date _____ Cy Cowan Printed Name	
BOTTOM HOLE LOCATION Lat - N32°54'32.36" Long - W104°12'26.95" SPC- N.: 694447.026 E.: 579958.531 (NAD-83)		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. MAY 17, 2008 Date Surveyed Signature _____ Seal Professional Surveyor W.O. Jones Certificate No. Gary L. Jones 7977 BASIN SURVEYS	

M.D.	Inclination	Azimuth	T.V.D.	N/S	E/W	D.L.S.	ToolFace	T.F. Ref. [HS/GN]	
0	0	0	0	0	0	0			
189	0	0	189	0	0	0			YATES
359	0	0	359	0	0	0			SEVEN RIVERS
885	0	0	885	0	0	0			QUEEN
1059	0	0	1059	0	0	0			GRAYBURG
1665	0	0	1665	0	0	0			SAN ANDRES
3143	0	0	3143	0	0	0			GLORIETA
4427	0	0	4427	0	0	0			TUBB
5147	0	0	5147	0	0	0			ABO
5941	0	0	5941	0	0	12	98	GN	KOP
5950	1 08	97 56	5950	-0.01	0.08	12	0	HS	
5975	4 08	97 56	5974 97	-0 16	1.2	12	0	HS	
6000	7 08	97 56	5999 85	-0 48	3 61	12	0	HS	
6025	10 08	97 56	6024 57	-0 97	7 31	12	360	HS	
6050	13 08	97 56	6049 06	-1 63	12 28	12	0	HS	
6075	16 08	97 56	6073 25	-2 46	18 52	12	0	HS	
6100	19 08	97 56	6097 08	-3 45	26	12	0	HS	
6125	22 08	97 56	6120 48	-4 6	34.71	12	0	HS	
6150	25 08	97 56	6143 39	-5 92	44 63	12	0	HS	
6175	28 08	97 56	6165 75	-7 39	55 71	12	0	HS	
6200	31 08	97 56	6187 48	-9.01	67 95	12	0	HS	
6225	34 08	97 56	6208 55	-10 78	81 29	12	360	HS	
6250	37 08	97 56	6228 88	-12 69	95.71	12	360	HS	
6275	40 08	97 56	6248 42	-14 74	111 16	12	0	HS	
6300	43 08	97 56	6267.12	-16.92	127.61	12	0	HS	
6325	46 08	97 56	6284 92	-19 23	145	12	360	HS	
6350	49 08	97 56	6301.78	-21 66	163 29	12	0	HS	
6375	52 08	97 56	6317.66	-24 2	182 44	12	0	HS	
6400	55 08	97 56	6332 5	-26 84	202.38	12	0	HS	
6425	58 08	97 56	6346 27	-29 58	223 06	12	0	HS	
6450	61 08	97 56	6358 92	-32 42	244 43	12	0	HS	
6475	64 08	97 56	6370.43	-35 34	266.42	12	360	HS	
6500	67 08	97 56	6380 77	-38 33	288 99	12	0	HS	
6525	70 08	97 56	6389 9	-41.39	312 06	12	0	HS	
6550	73 08	97 56	6397 8	-44 51	335 57	12	0	HS	
6575	76 08	97 56	6404 44	-47 68	359 45	12	0	HS	
6600	79 08	97 56	6409 82	-50 88	383 65	12	360	HS	
6625	82 08	97 56	6413 91	-54 13	408 1	12	360	HS	
6650	85 08	97 56	6416 71	-57 39	432 73	12	360	HS	
6675	88 08	97 56	6418 2	-60 67	457 46	12	0	HS	
6688 06	89 65	97 56	6418 46	-62 39	470.41	0			Producing Zone
11005 21	89.65	97.56	6445	-630	4750	0			Lateral TD

Pilot hole will be drilled to 6587' Well will then be plugged back and kicked off at approx 5941' at 12 degrees per 100' to 11,005' MD with a TVD of 6,445'
Penetration point of producing formation will be encountered at 1712' FNL and 720' FWL, 19-16S-28E
Deepest TVD of the well will be in the pilot hole @ 6,587' Deepest TVD on the lateral is prognosed @ 6,445'.

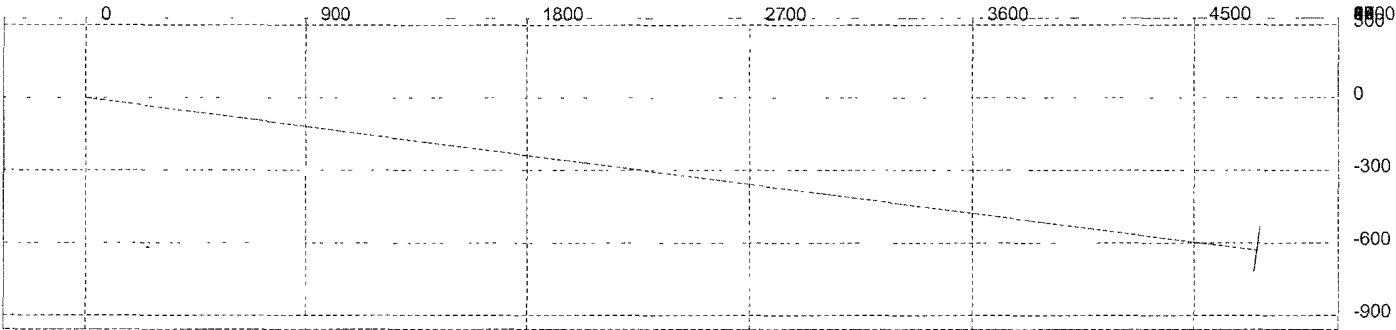
3D³ Directional Drilling Planner - 3D View

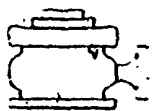
Company: **Yates Petroleum Corporation**
Well: **Beginner BLB Federal Com. #2H**



3D³ Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
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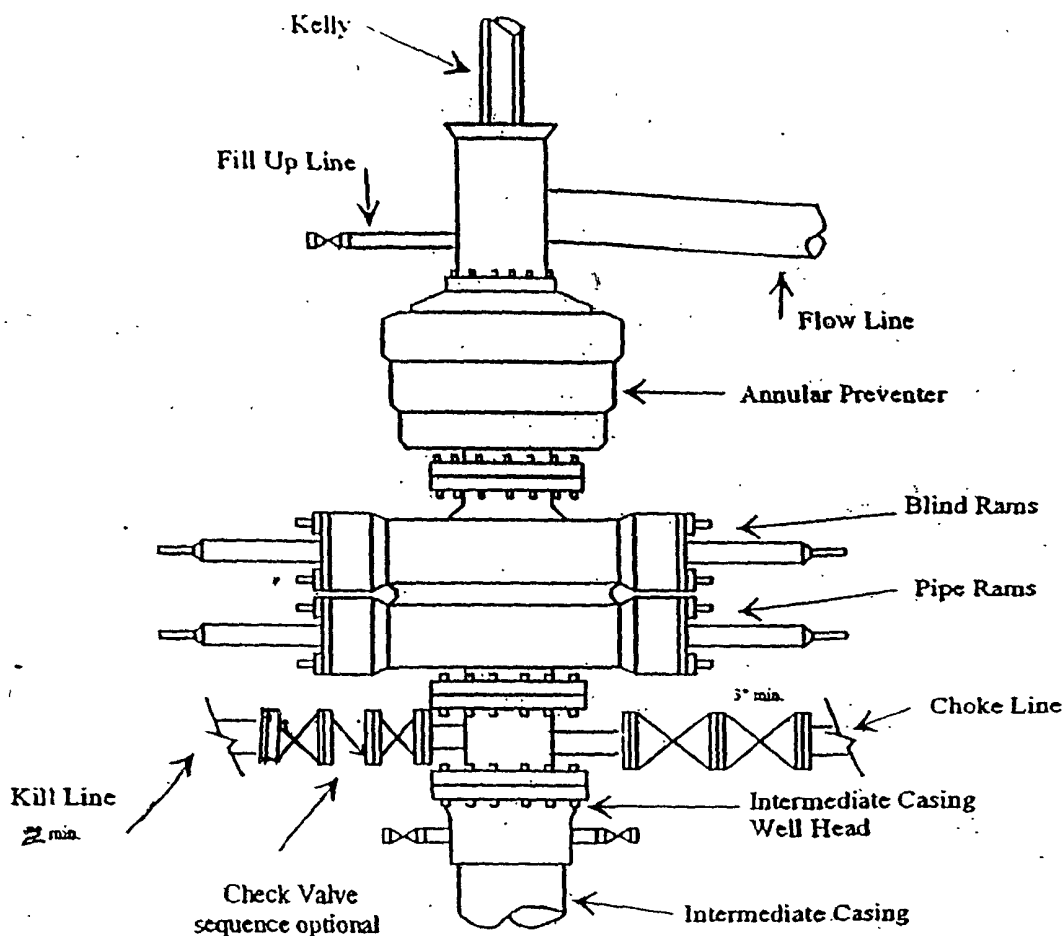




Yates Petroleum Corporation

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 minimum features

