

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

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

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-025-39712
4. Property Code 38072	5. Property Name ORANGE RAIDER BPV STATE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	35	24S	34E	M	330	S	660	W	LEA

8. Pool Information

RED HILLS;BONE SPRING, EAST	97369
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3389
14. Multiple N	15. Proposed Depth 13815	16. Formation Bone Spring	17. Contractor	18. Spud Date 3/31/2010
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1000	760	0
Int1	12.25	9.625	40	4300	1425	0
Prod	7.875	5.5	17	13815	2600	2800

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	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 ☐.

Printed Name: Electronically filed by Monti Sanders

Title:

Email Address: montis@yatespetroleum.com

Date: 3/12/2010

Phone: 575-748-4244

OIL CONSERVATION DIVISION

Approved By: Paul Kautz

Title: Geologist

Approved Date: 3/16/2010

Expiration Date: 3/16/2012

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Santa Fe, NM 87505

Form C-102
 Permit 110739

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-39712	2. Pool Code 97369	3. Pool Name RED HILLS;BONE SPRING, EAST
4. Property Code 38072	5. Property Name ORANGE RAIDER BPV STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3389

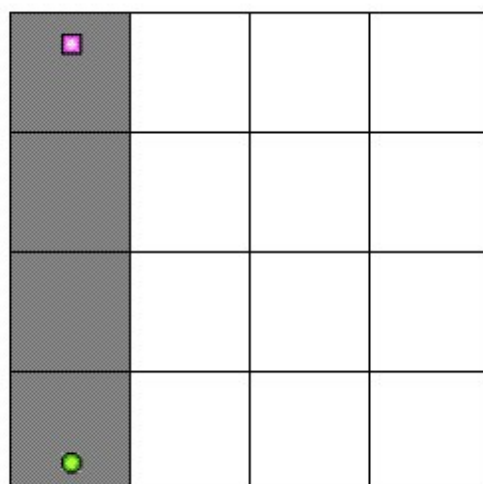
10. Surface Location

UL - Lot M	Section 35	Township 24S	Range 34E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 35	Township 24S	Range 34E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County LEA
12. Dedicated Acres 160.00		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



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(s) 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.

E-Signed By: Monti Sanders

Title:

Date: 3/12/2010

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.

Surveyed By: Gary Jones

Date of Survey: 3/6/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ORANGE RAIDER BPV STATE #001H

API: 30-025-39712

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 10600'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at approx. 8923' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 13815' MD(9400' TVD) where 5 1/2" casing will be set and cemented.	3/12/2010
MSANDERS	Penetration point of producing zone will be encountered at 807' FSL and 660' FWL, 35-24S-34E. Deepest TVD in the well is 10600' in the pilot hole. Deepest TVD in the lateral will be 9400'.	3/12/2010
MSANDERS	Maximum anticipated BHP: 0-100 478 psi; 1000-4300 2281 psi; 4300-10600 5016 psi.	3/12/2010
MSANDERS	3000 psi system nipples up on 13 3/8" and 9 5/8" casing.	3/12/2010
MSANDERS	MUD PROGRAM: 0-1000' Fresh Water; 1000'-4300' Brine Water; 4300'-10600' Cut Brine; 8923'-13815' Cut Brine(lateral).	3/12/2010
MSANDERS	C-144 and Directional Drilling Plan to follow by mail.	3/12/2010
DMULL	OCD Hobbs has received form C-144 "Pit Registration". OCD Permit Number P1-01858.	3/15/2010