

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 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

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

Form C-101
August 1, 2011
Permit 135670

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 30-015-39301
4. Property Code 12870	5. Property Name WALDRIP JY	6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	34	18S	26E	D	180	N	960	W	EDDY

8. Pool Information

ATOKA;GLORIETA-YESO	3250
---------------------	------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type Private	13. Ground Level Elevation 3380
14. Multiple N	15. Proposed Depth 7514	16. Formation Yeso Formation	17. Contractor	18. Spud Date 8/12/2011
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 Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	1100	725	0
Int1	8.75	5.5	17	3300	0	0
Prod	8.5	5.5	17	7514	680	0

Casing/Cement Program: Additional Comments

H2S is possible for this well.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	2000	2000	

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 <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 8/11/2011	Expiration Date: 8/11/2013
	Email Address: montis@yatespetroleum.com	
Date: 8/9/2011	Phone: 575-748-4244	Conditions of Approval Attached

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 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

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

Form C-102
August 1, 2011
Permit 135670

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39301	2. Pool Code 3250	3. Pool Name ATOKA, GLORIETA-YESO
4. Property Code 12870	5. Property Name WALDRIP JY	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3380







10. Surface Location

UL - Lot D	Section 34	Township 18S	Range 26E	Lot Idn	Feet From 180	N/S Line N	Feet From 960	E/W Line W	County EDDY
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 34	Township 18S	Range 26E	Lot Idn M	Feet From 330	N/S Line S	Feet From 960	E/W Line W	County EDDY
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

<table border="1" style="width: 100%; border-collapse: collapse; height: 150px;"> <tr><td style="width: 25%; height: 40px; text-align: center; vertical-align: middle;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px; background-color: #cccccc; text-align: center; vertical-align: middle;"></td><td></td><td></td><td></td></tr> </table>																	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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(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.</i></p> <p>E-Signed By: Monti Sanders Title: Date: 8/9/2011</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Gary Jones Date of Survey: 7/18/2011 Certificate Number: 7977</p>
																	
																	

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: WALDRIP JY #003H

API: 30-015-39301

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-1100' Fresh Water; 1100'-2473' Cut Brine; 2473'-7514' Cut Brine.	8/9/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 2000 psi system nipples up and tested on 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-1100' 525 psi; 1000'-2950' 1425 psi.	8/9/2011
MSANDERS	Well will be drilled vertically to 2473' with a 8 3/4" hole. At 2473' well will be kicked off at 12 degrees per 100' with a 8 3/4" hole to approx. 3300' MD (2950' TVD). If hole conditions dictate 7" casing will be run. Hole will then be reduced to 6 1/8" and drilled to 7514' MD (2950' TVD), where a 4 1/2" line will be run with packer/port system. If 7" is not run, hole size will be reduced to 8 1/2" and drilled to 7514' MD (2950' TVD).	8/9/2011
MSANDERS	5 1/2" casing will then be run with a packer/port system in the lateral and a SF cementing tool at the top of the curve. Packers will be set then casing will be cemented from SF tool to surface. Penetration point of producing formation encountered at 657' FWL and 967' FWL, 34-18s-26E. Deepest TVD in the well will be in the lateral at 2950'.	8/9/2011
MSANDERS	C-144 for a Closed Loop System, Casing Contingency Plan, Drilling Plan and H2S Contingency Plan to follow by mail.	8/9/2011
MSANDERS	CORRECTION: Penetration Point of producing formation encountered at 657' FNL and 967' FWL, 34-18S-26E.	8/9/2011
Artesia	Land P/P	8/11/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: WALDRIP JY #003H

API: 30-015-39301

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string