

**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 137261

**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 30-025-40296
4. Property Code 19982	5. Property Name TRICK ARK STATE	6. Well No. 0#2H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	18	22S	35E	P	330	S	660	E	LEA

**8. Pool Information**

WILDCAT;BONE SPRING	96403
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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 3591
14. Multiple N	15. Proposed Depth 10705	16. Formation 1st Bone Spring Sand	17. Contractor	18. Spud Date
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	17.5	13.375	48	1200	910	0
Int1	12.25	9.625	40	5800	1900	0
Prod	8.75	5.5	20	10705	1410	5300

**Casing/Cement Program: Additional Comments**

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**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 <input type="checkbox"/> a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	<b>OIL CONSERVATION DIVISION</b>	
	Approved By: Paul Kautz	
Printed Name: Electronically filed by Monti Sanders	Title: Geologist	
Title:	Approved Date: 9/19/2011	Expiration Date: 9/19/2013
Email Address: montis@yatespetroleum.com		
Date: 9/13/2011	Phone: 575-748-4244	Conditions of Approval Attached

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**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 137261

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-40296	2. Pool Code 96403	3. Pool Name WILDCAT;BONE SPRING
4. Property Code 19982	5. Property Name TRICK ARK STATE	6. Well No. 0#2H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3591

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	18	22S	35E		330	S	660	E	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	18	22S	35E	I	2310	S	660	E	LEA
12. Dedicated Acres 80.00		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**

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# Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** TRICK ARK STATE #0#2H

**API:** 30-025-40296

Created By	Comment	Comment Date
clif	Pilot hole drilled vertically to 9750'. Well will be plugged back with 500' kick off plug with KOP at approx. 8453'. Well will be directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9203' MD (8930' TVD). Hole size will then be reduced to 8 1/2" and drilled to 10705' MD (8930') where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 807' FSL and 660' FEL, 18-22S-35E. Deepest TVD in the well is 9750' in the pilot hole. Deepest TVD in the lateral is 8930'.	9/13/2011
clif	C-144 for a Closed Loop System, Casing Contingency Plan, Drilling Plan and H2S Contingency Plan to follow by mail.	9/13/2011
clif	MUD PROGRAM: 0'-1200' Fresh Water; 1200'-5800' Brine Water; 5800'-9750' Cut Brine; 8453'-10705' Cut Brine.	9/13/2011
clif	PRESSURE CONTROL EQUIPMENT: 3000 psi system will be nipped up and tested on 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0'- 1200' 575 psi; 1200'-5800' 3075 psi; 5800'-9750' 4665 psi.	9/13/2011
pkautz	Land s/s	9/13/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-03725.	9/19/2011



# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: TRICK ARK STATE #0#2H

API: 30-025-40296

OCD Reviewer	Condition
pkautz	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