

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 140608

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 30-025-40374
4. Property Code 17549	5. Property Name BERRY APN STATE	6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	5	21S	34E	13	2957	S	660	W	LEA

8. Pool Information

BERRY;BONE SPRING, NORTH	5535
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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 3723
14. Multiple N	15. Proposed Depth 15420	16. Formation 2nd Bone Spring Carbonate	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	550	450	0
Int1	12.25	9.625	36	5780	730	0
Prod	8.5	5.5	17	15420	925	10000
Prod	8.5	5.5	17	10000	750	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

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"/> . Printed Name: Electronically filed by Monti Sanders Title: Email Address: montis@yatespetroleum.com Date: 11/28/2011 Phone: 575-748-4244	OIL CONSERVATION DIVISION	
	Approved By: Paul Kautz	
	Title: Geologist	
	Approved Date: 12/15/2011	Expiration Date: 12/15/2013
	Conditions of Approval Attached	

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Form C-102
August 1, 2011
Permit 140608

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40374	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 17549	5. Property Name BERRY APN STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3723

10. Surface Location

UL - Lot E	Section 5	Township 21S	Range 34E	Lot Idn 13	Feet From 2957	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

11. Bottom Hole Location If Different From Surface									
UL - Lot D	Section 5	Township 21S	Range 34E	Lot Idn 5	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County LEA
12. Dedicated Acres 159.42		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

<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: 11/28/2011</p>	<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: 10/25/2011 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BERRY APN STATE #002H

API: 30-025-40374

Created By	Comment	Comment Date
clif	C-144 for a Closed Loop System, and a Drilling Plan to follow by mail.	11/28/2011
clif	Pressure Control Equipment: 5000 psi system nipped up and tested on 13 3/8" and 9 5/8" casing.	11/28/2011
clif	There is no pilot hole planned for this well.	11/28/2011
clif	H2S is not anticipated	11/28/2011
clif	Well will be drilled with a 17.5" surface casing to 550'. Well will then be drilled with a 12.25" hole and set the intermediate casing at 5,780'. An 8.75" hole will be drilled to the estimated KOP at 10,300', the curve will be built on 12 deg/100' to an estimated landing at 11,000' MD (10,798' TVD). Penetration point of the zone of interest estimated at 730' FSL & 660' FWL of Sec. 5, Township 21S-Range 34E in Lea County, New Mexico. Deepest TVD in the lateral section will be 10,801'.	11/28/2011
clif	If hole condition dictate the need, a second intermediate string of 7" casing will be set and cemented in the well bore. Then a 6.125" hole will then be drilled with 4.5" casing set in it to lateral TD at 15,420'.	11/28/2011
clif	The Penetration point listed above is incorrect, the correct Penetration point is 3357' FSL & 660' FWL of Sec. 5, Township 21S-Range 34E in Lea County, New Mexico.	11/28/2011
clif	Please note the correct BHL is in Lot 4, instead of Lot 5.	11/28/2011
pkautz	Land s/S	11/30/2011
DMULL	OCD Hobbs office has received form C-144CLEZ. OCD Permit Number P1-04009.	12/15/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BERRY APN STATE #002H

API: 30-025-40374

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