

**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 149161

**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 30-025-40604
4. Property Code 39101	5. Property Name IGLOO BRR 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
A	19	20S	35E	A	200	N	660	E	LEA

**8. Pool Information**

LEA;BONE SPRING, SOUTH	37580
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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 3677
14. Multiple N	15. Proposed Depth 15234	16. Formation 3rd 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	450	465	0
Int1	12.25	9.625	40	5500	1845	0
Prod	8.5	5.5	17	15234	1480	8380
Prod	8.75	5.5	17	8380	635	5000

**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 LORI FLORES	Title: Geologist	
Title: Land Regulatory Technician	Approved Date: 6/4/2012	Expiration Date: 6/4/2014
Email Address: lorif@yatespetroleum.com		
Date: 5/22/2012	Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102  
 August 1, 2011  
 Permit 149161

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-40604	2. Pool Code 37580	3. Pool Name LEA;BONE SPRING, SOUTH
4. Property Code 39101	5. Property Name IGLOO BRR STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3677

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	19	20S	35E		200	N	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
P	19	20S	35E	P	330	S	660	E	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**

	<b>OPERATOR CERTIFICATION</b>	
	<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>	
	E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 5/22/2012	
	<b>SURVEYOR CERTIFICATION</b>	
<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>		
Surveyed By: Gary Jones Date of Survey: 4/30/2012 Certificate Number: 7977		

# Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** IGLOO BRR STATE #002H

**API:** 30-025-40604

Created By	Comment	Comment Date
LFLORES	C-144 and C-102 to follow by mail.	5/22/2012
LFLORES	H2S is not anticipated.	5/22/2012
LFLORES	Samples every 30' to 3,000', samples every 10' from 3,000' to TD.	5/22/2012
LFLORES	Maximum anticipated BHP (depths are TVD): 0' to 450' is 215 PSI, 450' to 5500' is 2917 PSI, 5500' to 10856' is 5064 PSI.	5/22/2012
LFLORES	Pilot hole will be drilled vertically to 11,600'. An isolation plug will be set at bottom pilot hole from 11,600' to 11,400' and a kick off plug from 10,600' to 10,000'. Well will be kicked off at approx 10,203' and directionally drilled at 12 degrees per 100' with an 8.75" hole to 10,933'MD (10,680'TVD). Hole size will then be reduced to 8.5" and drilled to Lateral TD 15234'MD (10,856'TVD). Penetration point of producing zone will be encountered at 658'FNL & 657'FEL, Sec 19 20S-35E. Deepest TVD in the well is 11,600' in the pilot hole, 10,856'TVD in the lateral.	5/22/2012
pkautz	Land p/S	5/23/2012
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT #P1-04709	6/5/2012



# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** IGLOO BRR STATE #002H

**API:** 30-025-40604

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
pkautz	Well is located within the CCA area of restrictions. Must follow SLO requirements concern priere chickens and sand dune lizard.