

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 159746

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 30-015-40986
4. Property Code 39601	5. Property Name HOMBRE BRH STATE COM	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
P	24	21S	31E	P	770	S	330	E	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	23	21S	31E	J	1980	S	2310	E	Eddy

9. Pool Information

LOST TANK, DELAWARE	40299
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3632
16. Multiple N	17. Proposed Depth 13665	18. Formation Delaware	19. Contractor	20. Spud Date 12/12/2013
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. 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	855	655	0
Int1	12.25	9.625	36	4581	1500	0
Prod	8.5	5.5	17	13665	1275	7500
Prod	8.75	5.5	17	8000	1405	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
DoubleRam	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION Approved By: Randy Dade
Printed Name: Electronically filed by LORI FLORES	Title: District Supervisor
Title: Land Regulatory Technician	Approved Date: 1/18/2013 Expiration Date: 1/18/2015
Email Address: lorif@yatespetroleum.com	
Date: 1/17/2013 Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 159746

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40986	2. Pool Code 40299	3. Pool Name LOST TANK,DELAWARE
4. Property Code 39601	5. Property Name HOMBRE BRH STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3632

10. Surface Location

UL - Lot P	Section 24	Township 21S	Range 31E	Lot Idn J	Feet From 770	N/S Line S	Feet From 330	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot J	Section 23	Township 21S	Range 31E	Lot Idn J	Feet From 1980	N/S Line S	Feet From 2310	E/W Line E	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

<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: LORI FLORES Title: Land Regulatory Technician Date: 1/17/2013</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: 10/31/2012 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HOMBRE BRH STATE COM #001H

API: 30-015-40986

Created By	Comment	Comment Date
THAHN	Hard copies of the C-102, C-144, and horizontal drilling plan will be turned in.	12/20/2012
THAHN	No H2S is anticipated for this well.	12/20/2012
THAHN	Samples will be taken every 30' to 4400' and then every 10' from 4400' to TD.	12/20/2012
THAHN	Maximum anticipated BHP: (Depths are TVD) 0'-850' is 407 PSI, 850'-4400' is 2334 PSI, 4400'-8350' is 3995 PSI.	12/20/2012
THAHN	Intermediate casing will be set at approximately 4581' MD (4400' TVD). Hole drilled on a tangent from 2000' to 8598' MD (8068' TVD) and kicked off at approximately 8598' MD (8068' TVD). Well will then be directionally drilled at 12 degrees per 100' with an 8.75" hole to 9154' MD (8350' TVD). At this point, the hole size will be reduced to 8.5" and drilled to 13665' MD (8280' TVD) where 5.5" casing will be set and cemented to the surface in three stages. DV tool placement will be at 7500' and 4500'. Penetration point will be encountered at 1716' FSL and 2192' FWL in Sec 24, T21S-R31E. Dee	12/20/2012
CSHAPARD	Reject; location within LMR and Buffer Zone	1/3/2013
CSHAPARD	Yates has BLM letter	1/18/2013
CSHAPARD	Land s/S	1/18/2013

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HOMBRE BRH STATE COM #001H

API: 30-015-40986

OCD Reviewer	Condition
CSHAPARD	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