

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 Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised December 16, 2011

Energy Minerals and Natural Resources

Oil Conservation Division

Permit

1220 South St. Francis Dr.

Santa Fe, NM 87505

HOBBS OCD
NOV 30 2012

RECEIVED

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-025-40878
⁴ Property Code 35240	⁵ Property Name Yarrow BHY State	⁶ Well No 2

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
H	32	23S	33E		2310	North	330	East	Lea

⁸ Pool Information

Triple X; Bone Spring	59900
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type Oil	¹¹ Cable/Rotary	¹² Lease Type S	¹³ Ground Level Elevation 3670'
¹⁴ Multiple N	¹⁵ Proposed Depth 9140'	¹⁶ Formation Bone Spring	¹⁷ Contractor	¹⁸ Spud Date ASAP
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 Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5"	13.375"	48#	700'	700	0
Intl	11"	8.625"	32#	5150'	1250	0
Prod	7.875"	5.5"	17#	9140'	1700	0

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Bone Spring and intermediate formations. Approximately 700' of surface casing will be set/cement circulated. Intermediate casing will be set at 5150', cement circulated to surface. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production.
MUD PROGRAM: 0-700' FW/Spud Mud; 700'-1270' Fresh Water; 1270'-5150' Brine; 5150'-9000' FW/ Cut Brine; 9000'-TD Cut Brine.
H2S is not anticipated.
C-144 Attached.
C-102 Attached.
Previously Approved.

Permit Expires 2 Years From Approval
Date Unless Drilling Underway

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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 ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Signature: Lori Flores

Printed name: Lori Flores

Title: Land Regulatory Technician

E-mail Address: lorif@yatespetroleum.com

Date: 11/27/2012

Phone: 575-748-4448

OIL CONSERVATION DIVISION

Approved By:

Title:

Petroleum Engineer

Approved Date:

DEC 11 2012

Expiration Date:

Conditions of Approval Attached

DEC 12 2012

DISTRICT I
1885 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 Rio Brases Rd., Artesia, NM 87410

DISTRICT IV
2940 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form L-106
Revised March 17, 1989
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40878	Pool Code 59900	Pool Name Triple X; Bone Spring
Property Code 35240	Property Name YARROW "BHY" STATE	Well Number 2
OCHD No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3670

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	23S	33E		2310	NORTH	330	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40 SENE	Joint or Infill	Consolidation Code	Order No.
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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

					2310'
				N.32°15'43.5" W.103°35'12.8" N.459823.7 E.730888.3 (NAD-27)	330'

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Clyde R. May
Signature

Printed Name

Title

Date

SURVEYOR CERTIFICATION

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.

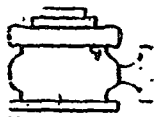
11/08/2005
Date Surveyed

HERSCHELL JONES
Signature of Professional Surveyor

HERSCHELL JONES
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
3640

Certifying for Herschell Jones RLS 3640
YARROW 2
GENERAL SURVEYING COMPANY

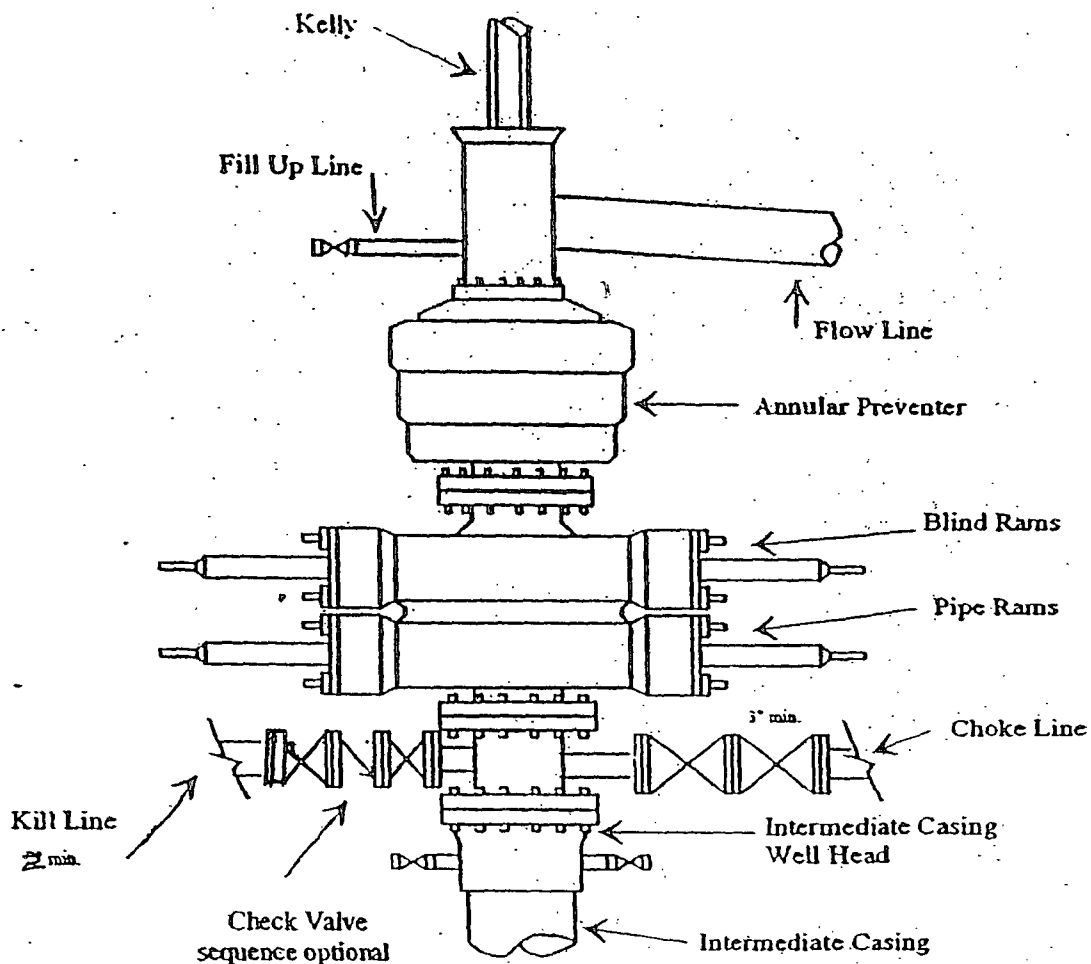
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

