

District I1625 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 148546

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 30-025-40915
4. Property Code 39211	5. Property Name PIRATE BRY 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
P	16	24S	34E	P	430	S	660	E	LEA

8. Pool Information

RED HILLS;BONE SPRING, NORTH	96434
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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 3532
14. Multiple N	15. Proposed Depth 13891	16. Formation Bone Spring	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	1100	415	0
Intl	12.25	9.625	40	5400	1809	0
Prod	8.5	5.5	20	13891	1855	4900

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
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 NMOC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by LORI FLORES		Approved By: Paul Kautz	
Title: Land Regulatory Technician		Title: Geologist	
		Approved Date: Expiration Date:	

JAN 14 2013

Email Address: lorif@yatespetroleum.com		
Date: 5/10/2012	Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102
August 1, 2011

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40915	2. Pool Code 96434	3. Pool Name RED HILLS;BONE SPRING, NORTH	
4. Property Code 39211	5. Property Name PIRATE BRY STATE		6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION		9. Elevation 3532

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	16	24S	34E		430	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
P	16	24S	34E		330	N	660	E	LEA

12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	15. 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

	OPERATOR CERTIFICATION		
	<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: 5/10/2012</p>		
	SURVEYOR CERTIFICATION		
	<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 Jone Date of Survey: 12/9/2011 Certificate Number: 7977</p>		

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PIRATE BRY STATE #002H

API: 30-025-40566

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

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PIRATE BRY STATE #002H

API:

Created By	Comment	Comment Date
CMAY	They will take 10' samples to TD. Mudlogging will be out from bottom intermediate casing. Logging will be Platform Hals, CMR. No DST's are planned. No coring is planned.	5/10/2012
CMAY	They do not anticipate H2S in this well.	5/10/2012
CMAY	Maximum anticipated bottom hole pressures are 0 to 400' is 191 psi, 400' to 5400' is 2864 psi and 5400' to 9577' is 4582 psi.	5/10/2012
CMAY	This well will be drilled vertically to 9099' and then kicked at at 12 degrees per 100' with a 8.75" hole and drilled to 9853' MD (9577' TVD). Hole size will then be reduced to 8.5" and drilled to 13891' MD (9550' TVD) where 5.5" casing will be set and cemented. Deepest TVD in the well is 9577'. Penetration point of the producing formation will be encountered at 911' FSL & 664' FEL, 16-24S-34E.	5/10/2012
pkautz	land s/S	5/11/2012