

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

HOBBS OCD Energy Minerals and Natural Resources

Oil Conservation Division

Permit

MAY 09 2013

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

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

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-025-35842
⁴ Property Code 36435	⁵ Property Name New Grass BJV State Com	⁶ Well No. 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	22	15S	34E		660	North	660	East	Lea

⁸ Pool Information

Wildcat; Atoka	
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type G	¹¹ Cable/Rotary N/A	¹² Lease Type S	¹³ Ground Level Elevation 4074'GR
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Atoka	¹⁷ Contractor N/A	¹⁸ Spud Date N/A
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
REFER TO ORIGINAL COMPLETION						

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to plugback and recomple this well as follows: MIRU any safety equipment as needed. Release packer. Set a CIBP at 13,400' with 35' cement on top. Perforate Atoka 12,304'-12,322' (108). Acidize with 1500g 7-1/2% Morrow type acid and 200 ball sealers. Flow back and swab. If frac is warranted (see attached). RIH with blanking plug and set in profile on/off tool. Release 3-1/2" tubing from packer and TOH. TIH with tubing and latch on to packer. Retrieve blanking plug. Flow well to clean up and turn over to production. Wellbore schematics attached.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
PLUGBACK
OIL CONSERVATION DIVISION

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 ☐. YPC uses steel tanks only.

Signature: 

Printed name: Tina Huerta

Title: Regulatory Reporting Supervisor

E-mail Address: tinah@yatespetroleum.com

Date: May 7, 2013

Phone: 575-748-4168

Approved By:

Title:

Petroleum Engineer

Approved Date:

MAY 10 2013

Expiration Date:

Conditions of Approval Attached

MAY 20 2013

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HOBBS OCD

MAY 09 2013

RECEIVED

State of New Mexico

Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-35842	² Pool Code	³ Pool Name Wildcat; Atoka
⁴ Property Code 36435	⁵ Property Name New Grass BJV State Com	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4074'GL

¹⁰ Surface Location

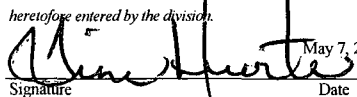
UL or lot no. A	Section 22	Township 15S	Range 34E	Lot Idn	Feet from the 660	North/South line North	Feet from the 660	East/West line East	County Lea
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¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 320	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.

¹⁶				N 0° 0' E 660' E	¹⁷ OPERATOR CERTIFICATION <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 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>  Signature May 7, 2013 Date Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address
					¹⁸ SURVEYOR CERTIFICATION <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> Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

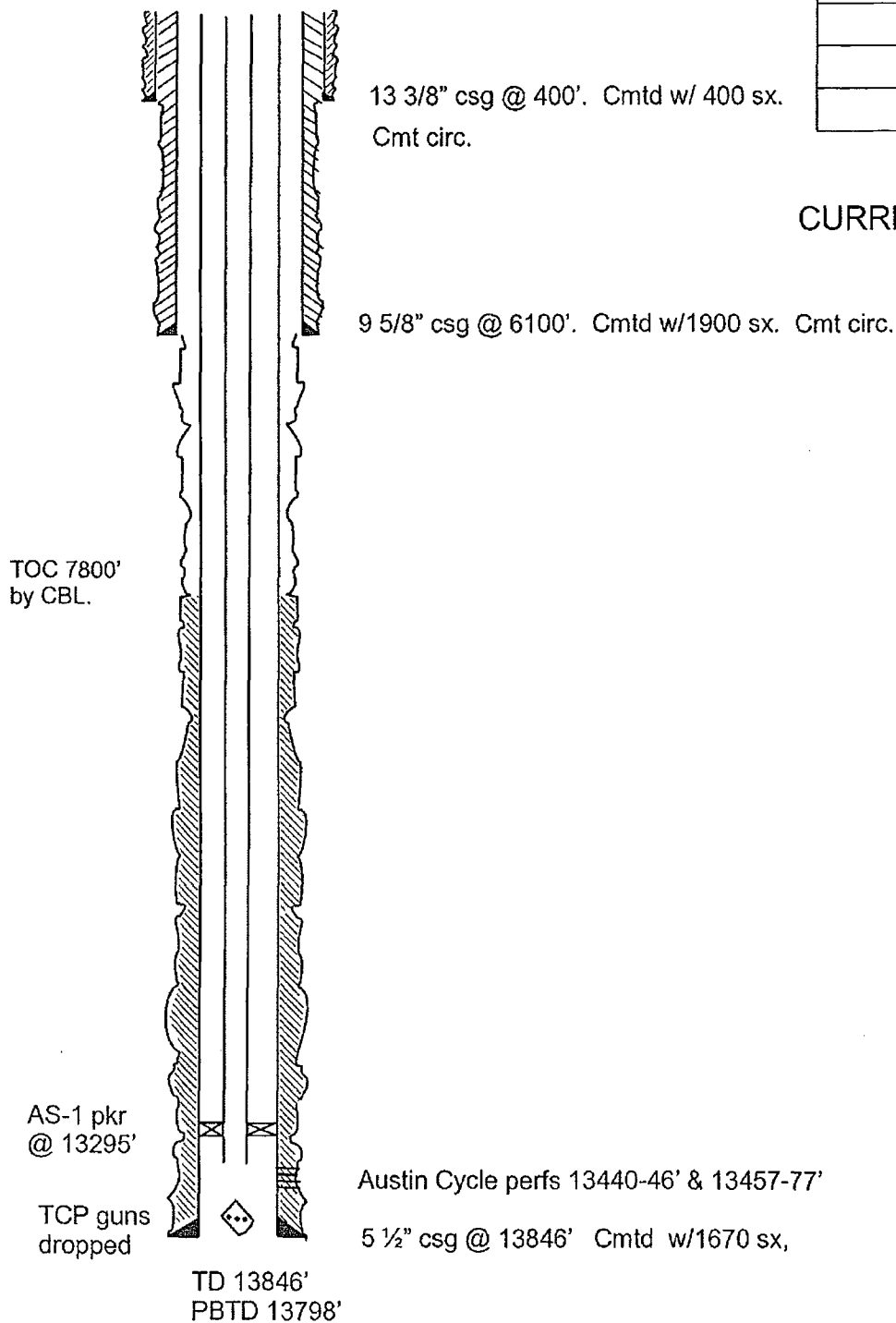
Rig up a service company and frac the Atoka down 3½" tubing at 25-30 BPM, max TP of 9000 psi with 36000 gallons and 36000# of prop (Versaprop or equivalent). Hold 2000 psi on backside. Do not exceed 12000 psi. NOTE: If pressure limit is approached, do not reduce rate below 15 BPM to attempt to flush. Just shut down and prepare to clean out sand. Make a determination during 1.5 ppg stage whether to increase to 2.0 ppg or stay on 1.5 ppg.

Stage	Fluid	Sand Conc.	Lbs of Sand
10500 gal.	CMHPG 40# gel Zr x-lnk + 40% CO ₂	pad	0
6500 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	0.5ppg	3250 lbs 20/40 Versaprop
7100 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	1.0 ppg	7100 lbs 20/40 Versaprop
8300 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	1.5 ppg	12450 lbs 20/40 Versaprop
9600 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	2.0 ppg	19200 lbs 20/40 Versaprop
4441 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	0 ppg	flush – no sand
36000 gallons + flush			36000# total

Leave frac shut-in while rigging down the frac equipment. Rig up flow back equipment. Shut in over night. Flow the frac back to remove all the frac fluids and gels.

Well Name: New Grass BJV		ate Com No. 1		Field:
Location: 660' FNL & 660' FEL Sec. 22-15S-34E Lea Co, NM				
GL: 4074'	Zero:	AGL:	KB: 4094'	
Spud Date:		Completion Date:		
Comments:				

Casing Program	
Size/Wt/Grade/Conn	Depth
13 3/8" 48# H40	400'
9 5/8" 36&40#J55	6100'
5 1/2" 17&20# L80 & P110	13846'



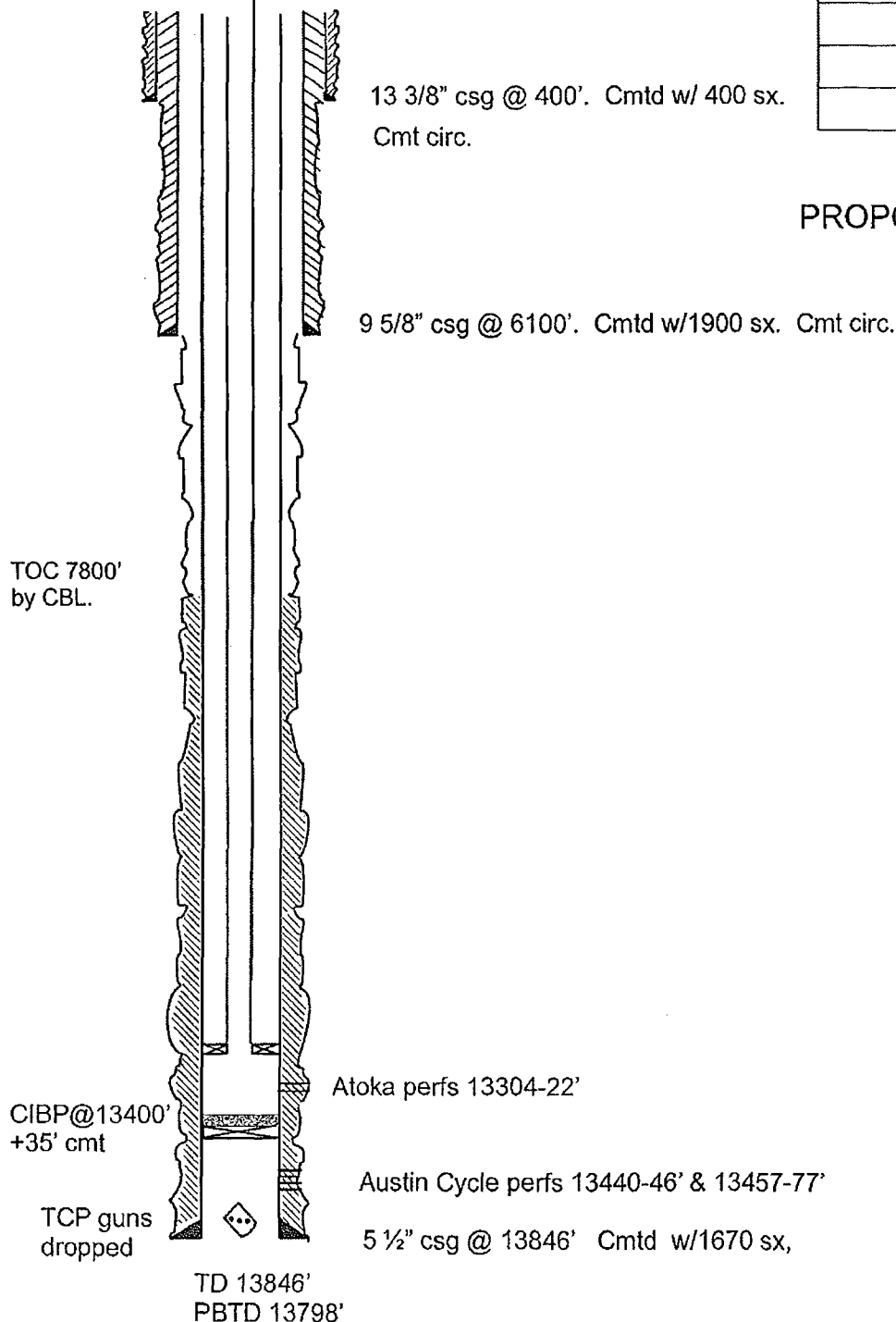
CURRENT CONFIGURATION

Date: 3/5/13

New Grass 1

Well Name: New Grass BJV Site Com No. 1		Field:	
Location: 660' FNL & 660' FEL Sec. 22-15S-34E Lea Co, NM			
GL: 4074'	Zero:	AGL:	KB: 4094'
Spud Date:		Completion Date:	
Comments:			

Casing Program	
Size/Wt/Grade/Conn	Depth
13 3/8" 48# H40	400'
9 5/8" 36&40#J55	6100'
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PROPOSED CONFIGURATION