

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 143228

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 30-025-40408
4. Property Code 39024	5. Property Name UNDAUNTED BSD 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
B	2	25S	32E	2	175	S	2490	E	LEA

8. Pool Information

WILDCAT G-06 S253201M;BS UPPER SHAL	97784
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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 3515
14. Multiple N	15. Proposed Depth 14118	16. Formation Bone Spring	17. Contractor	18. Spud Date 2/10/2012
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	500	515	0
Int2	12.25	9.625	36	3200	0	0
Int1	12.25	9.625	40	100	0	0
Int3	12.25	9.625	40	4850	1575	0
Prod	8.5	5.5	20	14118	500	7000
Prod	8.75	5.5	20	9063	1603	4350

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

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"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Monti Sanders	Approved By: Paul Kautz
Title:	Title: Geologist
Email Address: montis@yatespetroleum.com	Approved Date: 1/20/2012 Expiration Date: 1/20/2014
Date: 1/18/2012 Phone: 575-748-4244	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 143228

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40408	2. Pool Code 97784	3. Pool Name WILDCAT G-06 S253201M;BS UPPER SHAL
4. Property Code 39024	5. Property Name UNDAUNTED BSD STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3515

10. Surface Location

UL - Lot B	Section 2	Township 25S	Range 32E	Lot Idn	Feet From 175	N/S Line S	Feet From 2490	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 2	Township 25S	Range 32E	Lot Idn O	Feet From 330	N/S Line N	Feet From 2200	E/W Line E	County LEA
12. Dedicated Acres 160.29		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

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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: UNDAUNTED BSD STATE COM #001H

API: 30-025-40408

Created By	Comment	Comment Date
MSANDERS	Well will be drilled vertically to 9063'. Well will then be kicked off at 9063' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9813' MD (9540' TVD). If hole conditions dictate, 7" casing will be set and cemented.	1/18/2012
MSANDERS	A 6 1/8" hole will then be drilled to 14118' MD (9540' TVD) and 4 1/2" casing will be set and cemented. If 7" is not set then hole will be reduced to 8 1/2" and drilled to 14118' MD (9540' TVD) where 5 1/2" casing will be set and cemented to 500' into intermediate casing.	1/18/2012
MSANDERS	Penetration point of the producing zone will be encountered at 652' FSL & 2204' FEL, 2-25S-32E. Deepest TVD in the well will be 9540' in the lateral.	1/18/2012
MSANDERS	PRESSURE CONTROL EQUIPMNT: A 3000 psi system will be nipped up and tested on 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-500' 239 psi; 500'-4850' 2572 psi; 4850'-9540' 4564 psi. Depths are TVD.	1/18/2012
MSANDERS	C-144 for a Closed Loop System, Contingency Casing Design and Drilling Plan to follow by mail.	1/18/2012
pkautz	Land s/S	1/18/2012
CHERRERA	OCD RECIEVED FORM C-144 CLEZ. OCD PERMIT #P1-04122	1/20/2012

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: UNDAUNTED BSD STATE COM #001H

API: 30-025-40408

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