

HIGH CAVELAND

Form 3160-3
(March 2012)

Split Estate

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD Artesia

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0137
Expires October 31, 2014

5. Lease Serial No.
NM-1372

6. If Indian, Allottee or Tribe Name

7/31/2012
JES

7. If Unit or CA Agreement, Name and No.

8. Lease Name and Well No.
Warren ANW Federal #8H

<131087

9. API Well No.

30-015-40536

10. Field and Pool, or Exploratory

Undesignated Yeso Penasco Draw

11. Sec., T. R. M. or Blk. and Survey or Area

Section 9-T19S-R25E <502700 SA-4850

12. County or Parish
Eddy County

13. State
NM

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☒ Oil Well ☐ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator YATES PETROLEUM CORPORATION

3a. Address 105 South 4th Street, Artesia, NM 88210

3b. Phone No. (include area code)
575-748-4347

4. Location of Well (Report location clearly and in accordance with any State requirements *)

At surface 400' FSL & 230' FWL, Unit Ltr M

At proposed prod. zone 400' FSL & 330' FEL, Unit Ltr P

14. Distance in miles and direction from nearest town or post office*
20 miles Southwest of Artesia, New Mexico

15. Distance from proposed* location to nearest property or lease line, ft
(Also to nearest drg. unit line, if any) 230'

16. No. of acres in lease
682

17. Spacing Unit dedicated to this well
S2S2 Sec. 9-19S-25E

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft 260'

19. Proposed Depth
MD 6842 & TVD 2460'

20. BLM/BIA Bond No. on file
#NMBOOO434

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
3523 GL

22. Approximate date work will start*
08/30/2012

23. Estimated duration
65 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature

Cy Cowan

Name (Printed/Typed)
Cy Cowan

Date

6/21/12

Title

Land Regulatory Agent

Approved by (Signature)

/s/ Don Peterson

Name (Printed/Typed)

Date

JUL 26 2012

Title

FIELD MANAGER

Office

CARLSBAD FIELD OFFICE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

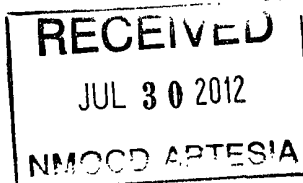
APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

Roswell Controlled Water Basin



Approval Subject to General Requirements
& Special Stipulations Attached

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

DISTRICT I
1825 N. French Dr., Hobbs, NM 88240
Phone (575) 393-6161 Fax: (575) 393-0720

DISTRICT II
1301 W. Grand Avenue, 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) 476-3480 Fax: (505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised August 1, 2011

Submit one copy to appropriate
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-40536	Pool Code 50270	Pool Name Undesignated Yeso PENASCO DRAW SA-4050
Property Code 13108	Property Name WARREN (FEDERAL ANW)	Well Number 8H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3523

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	9	19 S	25 E		400	SOUTH	230	WEST	EDDY

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
P	9	19 S	25 E		400	SOUTH	330	EAST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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>SURFACE LOCATION Lat - N 32°40'09.92" Long - W 104°29'51.10" NMSPCE- N 607306.61 E 490811.58 (NAD-83)</p> <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°40'09.70" Long - W 104°28'56.40" NMSPCE- N 607277.76 E 495487.68 (NAD-83)</p>	<p>Penetration Point 397' FSL and 697' FWL</p> <p>Project Area</p> <p>Producing Zone</p>	<p>OPERATOR CERTIFICATION 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.</p> <p><i>Cy Cowan</i> 6/21/12 Signature Date</p> <p>Cy Cowan Printed Name cy@yatespetroleum.com Email Address</p> <p>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</p> <p>Date Surveyed Signature Professional Surveyor 7977</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS 26818</p>
--	--	---

YATES PETROLEUM CORPORATION

Warren ANW Federal #8H
 400 FSL & 230' FWL, Surface Hole
 400'FNL & 330' FEL, Bottom Hole
 Section 9 -T19S-R25-E
 Eddy County, New Mexico

1. THE ESTIMATED TOPS OF GEOLOGIC MARKERS ARE AS FOLLOW:

**In the 700' from surface to the top of the San Andres there would be Queen and/or Grayburg formation present.

Queen and/or Grayburg			Yeso	2250'--Oil	2297'--MD
San Andres	715'--Oil		Target Yeso	2270'--Oil	2632'--MD
Glorieta	2170--Oil	2189'--MD	TD	2460'--TVD	6842'--MD

2. THE ESTIMATED DEPTHS AT WHICH ANTICIPATED WATER, OIL OR GAS FORMATIONS ARE EXPECTED TO

Water: Approx 250' - 350'

Oil or Gas: See above--All Potential Zones

3. PRESURECONTROL EQUIPMENT:

A BOP with a minimum opening of 11" will be installed on the 9 5/8" and rated for 3000#. The BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventer controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report.

See Exhibit B.

A Auxiliary Equipment:

Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when Kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:**A. Casing Program: (All New)**

CASING STRING	HOLE SIZE	CASING SIZE	WT./FT.	GRADE	COUPLING	INTERVAL	LENGTH
Conductor	26"	20"	94#	H-40	ST&C	0'-40'	40'
Surface	14 3/4"	9 5/8"	36#	J-55 or K-55	LT&C	0'- 700' 750'	700'
Production	8 3/4"	7"	26#	L-80	LT&C	0'-2050'	2050'
Production	8 1/2"	5 1/2"	17#	L-80	Buttress	2050'-6842'	4792'

Minimum Casing Design Factors: Burst 1.0, Tensile 1.8, Collapse 1.125

B. CEMENTING PROGRAM:

Conductor Casing: Will use ready mix to cement to surface

Surface Casing: Lead with 340 sacks Class 35:65:6PzC (Wt. 12.50 Yld. 2.00). Tail in with 200 sacks Class C with 2% CaCl (Wt. 14.80 Yld. 1.34). Cement designed with 100% excess. TOC surface.

Production Casing, Lead with 440 sacks 35:65:6PzC (Wt. 12.50 Yld. 2.00). Tail in 1025 sacks PecosVILt with D112, Fluid Loss 0.4%; D151, Calcium Carbonate 22.5 lb/sack; D174, Extender 1.5 lb/sack; D177, Retarder 0.01 lb/sack; D800, Retarder 0.6 lb/sack; D46, Antifoam Agent (Wt. 13.00 Yld. 1.41). Cement designed with 35% excess. TOC surface.

Well will be drilled vertically to 1892'. Well will be kicked off at approximately 1892' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 2632' MD (2370' TVD). Hole will then be reduced to 8 1/2" and drilled to 6842' MD (2460' TVD) where 7" casing will be set at approximately 2050' MD and 5 1/2" from 2050' MD to TD at 6842' MD. Production string will be cemented to surface and a packers and ports system will be utilized in the lateral. Penetration point of producing zone will be encountered at 397' FSL & 697' FWL, Section 9-19S-25E. Deepest TVD is 2460 in the lateral.

5. MUD PROGRAM AND EQUIPMENT::

INTERVAL	TYPE	WEIGHT	VISCOSITY	FLUID LOSS
0-700' <i>750</i>	Fresh Water	8.60-9.20	32-34	N/C
700'-6842'	Fresh Water	8.80-9.20	28-32	N/C

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 30' samples to 1000'. 10' samples from 1000' to TD.

See COA Logging: Horizontal-MWD-GR. No wire line logs will be ran. Running a Measure While Drilling (MWD) gamma ray.

Coring: As warranted.

DST's: As warranted.

Mudlogging from the surface to TD

7. ABNORMAL CONDITIONS, Bottom hole pressure and potential hazards:

Anticipated BHP:

DEPTH	ANTICIPATED BHP
0' TO 700'	335 PSI
700' TO 2460' TVD	1177 PSI

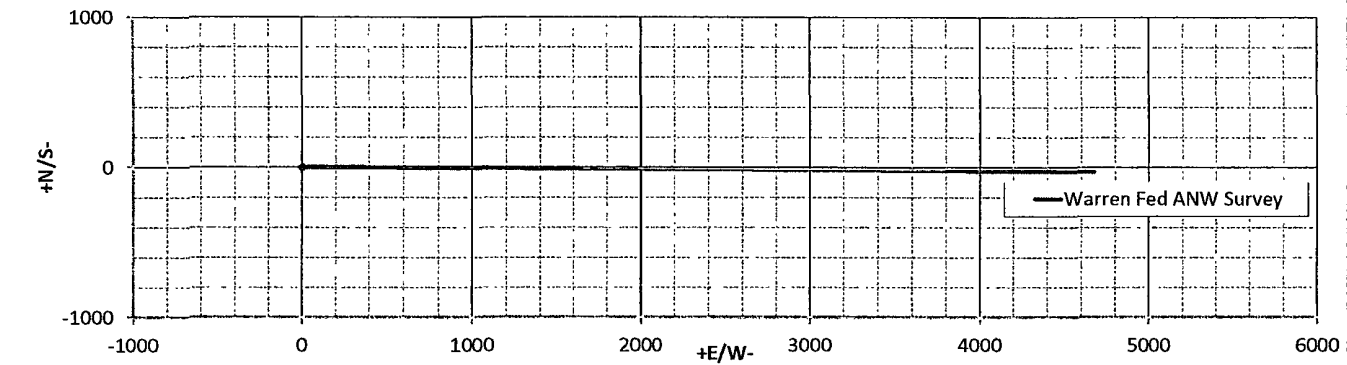
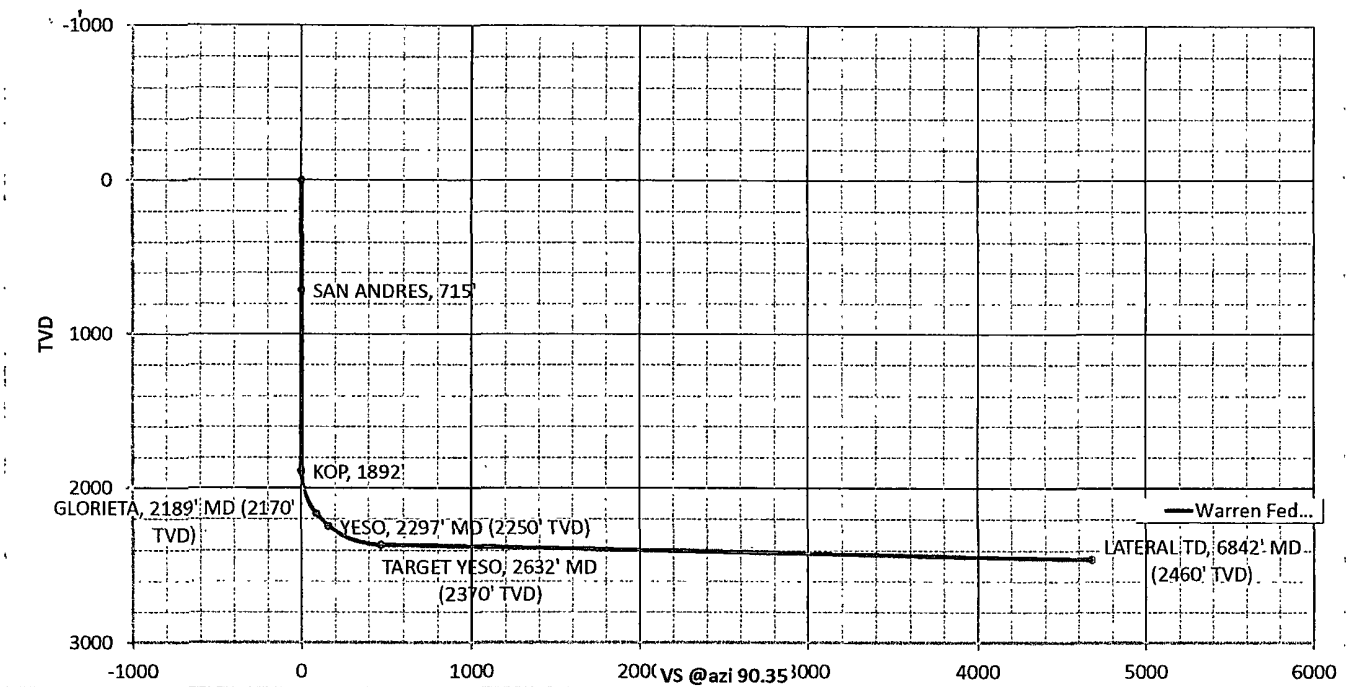
No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H2S is anticipated.

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 60 days to drill the well with completion taking another 30 days.



Operator Co.

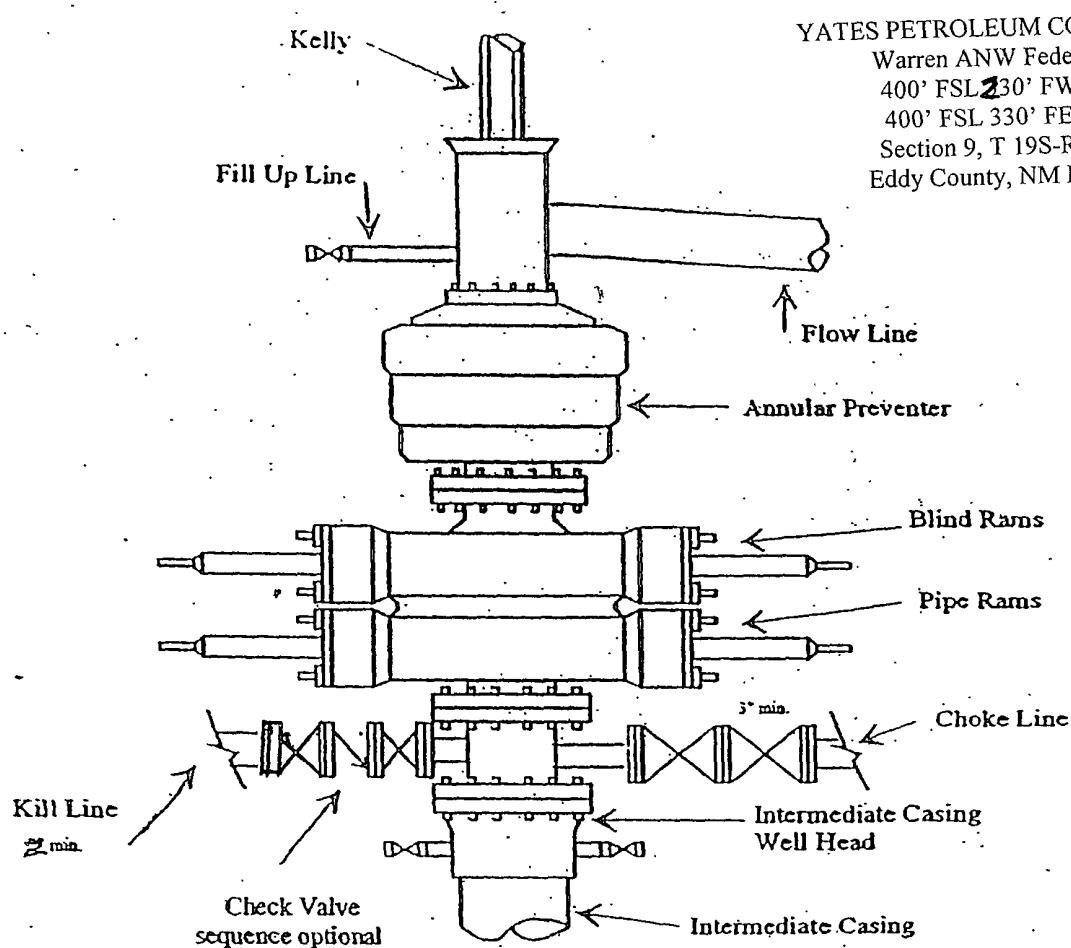
Your Co.

Survey/Planning Report									
Operator	Yates Petroleum Corp.	Northing Easting Elevation Latitude Longitude Units	Feet	Date	14-Jun-12	System	2 - St. Plane	Datum	1983 - NAD83
Dir. Co.	Yates Petroleum Corp.								
Well Name	Warren Fed ANW Survey								
Location	Sec. 9, 19S-25E								
Rig		Zone	4302 - Utah Central	Scale Fac.		Converg.			
Job									
MD	INC	AZI	TVD	+N/S-	+E/W-	VS@90.35°	BR	TR	DLS
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
715.00	0.00	0.00	715.00	0.00	0.00	0.00	0.00	0.00	0.00
715: SAN ANDRES; 715'									
1892.28	0.00	90.35	1892.28	0.00	0.00	0.00	0.00	4.77	0.00
1892.28: KOP, 1892'									
1900.00	0.93	90.35	1900.00	0.00	0.06	0.06	12.00	0.00	12.00
2000.00	12.93	90.35	1999.09	-0.07	12.10	12.10	12.00	0.00	12.00
2100.00	24.93	90.35	2093.51	-0.27	44.48	44.48	12.00	0.00	12.00
2188.67	35.57	90.35	2170.00	-0.55	89.08	89.08	12.00	0.00	12.00
2188.67: GLORIETA, 2189' MD (2170' TVD)									
2200.00	36.93	90.35	2179.13	-0.59	95.78	95.78	12.00	0.00	12.00
2296.64	48.52	90.35	2250.00	-0.99	161.23	161.23	12.00	0.00	12.00
2296.64: YESO, 2297' MD (2250' TVD)									
2300.00	48.93	90.35	2252.22	-1.01	163.76	163.76	12.00	0.00	12.00
2400.00	60.93	90.35	2309.58	-1.51	245.45	245.46	12.00	0.00	12.00
2500.00	72.93	90.35	2348.70	-2.08	337.28	337.29	12.00	0.00	12.00
2600.00	84.93	90.35	2367.87	-2.68	435.24	435.25	12.00	0.00	12.00
2632.02	88.77	90.35	2369.63	-2.88	467.21	467.22	12.00	0.00	12.00
2632.02: TARGET YESO, 2632' MD (2370' TVD)									
6841.97	88.77	90.35	2460.00	-28.85	4676.10	4676.19	0.00	0.00	0.00
6841.97: LATERAL TD, 6842' MD (2460' TVD)									



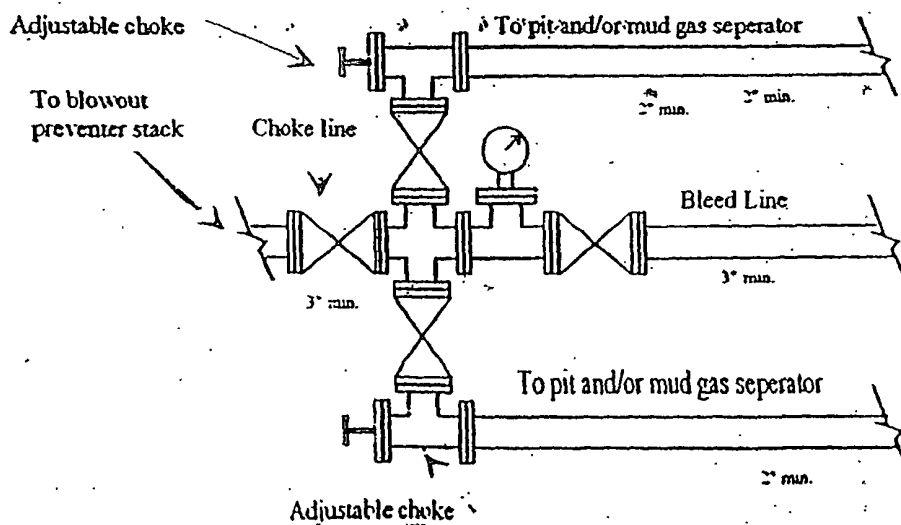
Yates Petroleum Corporation Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

BOP-3



YATES PETROLEUM CORPORATION
 Warren ANW Federal #8H
 400' FSL 230' FWL SHL
 400' FSL 330' FEL BHL
 Section 9, T 19S-R 25East
 Eddy County, NM Exhibit C

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



YATES PETROLEUM CORPORATION

Piping from Choke Manifold to the Closed Loop Drilling Mud System

YATES PETROLEUM CORPORATION

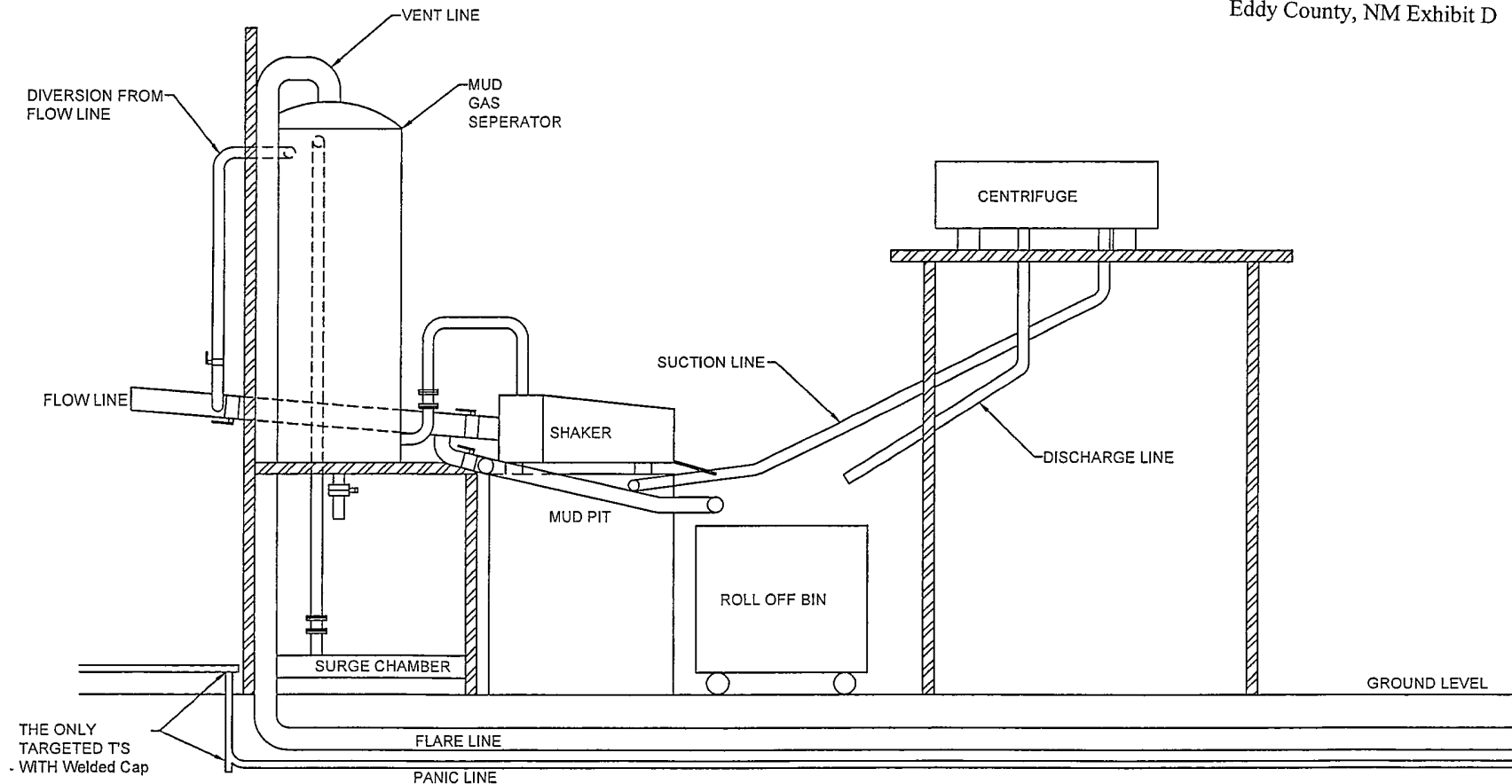
Warren ANW Federal #8H

400' FSL 230' FWL SHL

400' FSL 330' FEL BHL

Section 9, T 19S-R 25East

Eddy County, NM Exhibit D



The flare discharge must be 100' from wellhead for non H2S wells and 150' from wellhead for wells expected to encounter H2S.

Yates Petroleum Corporation

Closed Loop System

Equipment Design Plan

Closed Loop System will consist of:

1 – double panel shale shaker

1 – (minimum) Centrifuge, certain wells and flow rates may require 2 centrifuges

On certain wells, the Centrifuge will be replaced by a Clackco Settling Tank System

1 – minimum centrifugal pump to transfer fluids

2- 500 bbl. FW Tanks

1 – 500 bbl. BW Tank

1 – half round frac tank – 250 bbl. capacity as necessary to catch cement / excess mud returns generated during a cement job.

1 Set of rail cars / catch bins

Certain wells will use an ASC Auger Tank

Operation Plan

All equipment will be inspected at least hourly by rig personnel and daily by contractors' personnel.

Any spills / leaks will be reported to YPC, NMOCD, and cleaned up without delay.

Closure Plan

Drilling with Closed Loop System, haul off bins will be taken to Gandy Marley, Lea Land Farm, CRI or Sundance Services Inc.

Yates Petroleum Corporation

**105 S. Fourth Street
Artesia, NM 88210**

Hydrogen Sulfide (H₂S) Contingency Plan

For

Warren ANW Federal #8H

**400' FSL and 230' FWL
Section 9, T19S-R25E
Eddy County, NM**

Emergency Procedures

In the case of a release of gas containing H₂S, the first responder(s) must isolate the area and prevent entry by other persons into the 100 ppm ROE. Additionally the first responder(s) must evacuate any public places encompassed by the 100 ppm ROE. First responder(s) must take care not to injure themselves during this operation. Company and/or local officials must be contacted to aid in this operation. Evacuation of the public should be beyond the 100 ppm ROE.

All responders must have training in the detection of H₂S, measures for protection against the gas, equipment used for protection and emergency response. Additionally, responders must be equipped with H₂S monitors and air packs in order to control the release. Use the “buddy system” to ensure no injuries during the response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to Sulfur Dioxide (SO₂). Intentional ignition must be coordinated with the NMOCD and local officials. Additionally the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of the gas

Characteristics of H₂S and SO₂

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H ₂ S	1.189 Air = 1	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO ₂	2.21 Air = 1	2 ppm	N/A	1000 ppm

Contacting Authorities

YPC personnel must liaison with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available. The following call list of essential and potential responders has been prepared for use during a release. YPC Company response must be in coordination with the State of New Mexico’s ‘Hazardous Materials Emergency Response Plan’ (HMER)

Yates Petroleum Corporation Phone Numbers

YPC Office	(575) 748-1471
Pinson Mc Whorter/Operations Manager	(575) 748-4189
Wade Bennett/Prod Superintendent	(575) 748-4236
LeeRoy Richards/Assistant Prod Superintendent	(575) 748-4228
Mike Larkin/Drilling	(575) 748-4222
Paul Hanes/Prod. Foreman/Roswell	(575) 624-2805
Tim Bussell/Drilling Superintendent	(575) 748-4221
Artesia Answering Service	(575) 748-4302
(During non-office hours)	

Agency Call List

Eddy County (575)

Artesia

State Police	746-2703
City Police.....	746-2703
Sheriff's Office	746-9888
Ambulance	911
Fire Department	746-2701
LEPC (Local Emergency Planning Committee)	746-2122
NMOCD.....	748-1283

Carlsbad

State Police	885-3137
City Police.....	885-2111
Sheriff's Office.....	887-7551
Ambulance	911
Fire Department	885-2111
LEPC (Local Emergency Planning Committee).....	887-3798
US Bureau of Land Management.....	887-6544
New Mexico Emergency Response Commission (Santa Fe)	(505) 476-9600
24 HR	(505) 827-9126
New Mexico State Emergency Operations Center.....	(505) 476-9635
National Emergency Response Center (Washington, DC) ...	(800) 424-8802

Other

Boots & Coots IWC	1-800-256-9688 or (281) 931-8884
Cudd Pressure Control.....	(915) 699-0139 or (915) 563-3356
Halliburton	(575) 746-2757
B. J. Services.....	(575) 746-3569
Flight For Life -4000 24th St, Lubbock, TX	(806) 743-9911
Aerocare -Rr 3 Box 49f, Lubbock, TX	(806) 747-8923
Med Flight Air Amb 2301 Yale Blvd SE #D3, Albuq, NM	(505) 842-4433
S B Air Med Svc 2505 Clark Carr Loop SE, Albuq, NM	(505) 842-4949

Yates Petroleum Corporation

Hydrogen Sulfide Drilling Operation Plan

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubular are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and H₂S Contingency Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operation Plan and the H₂S Contingency Plan. **The location of this well does not require a Public Protection Plan.**

II. H2S SAFETY EQUIPMENT AND SYSTEMS

NOTE: All H2S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H2S.

1. Well Control Equipment:

- A. Flare line
- B. Choke manifold
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit
- D. Auxiliary equipment may include if applicable: annular preventer & rotating head.

2. Protective equipment for essential personnel:

- A. Mark II Survive Air (or equivalent) 30-minute units located in the doghouse and at briefing areas, as indicated on well site diagram.

3. H2S detection and monitoring equipment:

- A. 3 portable H2S monitors positioned at: Shale Shaker, Bell Nipple, and Rig Floor. These units have warning lights and audible sirens when H2S levels of 10 PPM are reached.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram (attached).
- B. Caution/Danger signs (attached) shall be posted on roads providing direct access to location. Signs will be painted with high visibility yellow with black lettering of a sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud program:

- A. The mud program has been designed to minimize the volume of H2S circulated to the surface. Proper mud weight, safe drilling practices and the use of H2S scavengers will minimize hazards when penetrating H2S bearing zones.

6. Metallurgy:

- A. All drill strings, casings, tubing, wellhead, blowout preventer, drilling spool, kill lines, choke manifold and lines, and valves shall be suitable for H2S service.
- B. All elastomers used for packing and seals shall be H2S trim.

7. Communication:

- A. Cellular communications in company vehicles.
- B. Land line (telephone) communication at the Office.

8. Well testing:


- A. There will be no drill stem testing.


EXHIBIT


DANGER

POISONS GAS

HYDROGEN SULFIDE

 **NORMAL OPERATIONS**
(GREEN)

 **CAUTION POTENTIAL DANGER**
(YELLOW)

 **DANGER POISONS GAS ENCOUNTERED**
(RED) **AUTHORIZED PERSONAL ONLY.**
LOCATION SECURED.

1-575-746-1096

1-877-879-8899

EDDY COUNTY EMERGENCY NUMBERS

ARTESIA FIRE DEPT. 575-746-5050

ARTESIA POLICE DEPT. 575-746-5000

EDDY CO. SHERIFF DEPT. 575-746-9888

LEA COUNTY EMERGENCY NUMBERS

HOBBS FIRE DEPT. 575-397-9308

HOBBS POLICE DEPT. 575-397-9285

LEA CO. SHERIFF DEPT. 575-396-1196

STACKED PALLETES OF MUD

STACKED PIPE

PIPE RACKS

STACKED PIPE

FLARE PIT

SMILEY FACE

STACKED PIPE

PIPE RACKS

PIPE RACKS

GERONIMO LINE

BLOOGIE LINE

Top Drive Gen

Top Drive Tools

SUB-STRUCTURE

PIT 8 X 50

PIT 8 X 50

MUD COLLECTOR

MUD COLLECTOR

MUD COLLECTOR

MUD COLLECTOR

MUD COLLECTOR

MUD COLLECTOR

CENTRIFUGE

FRAC TANK

FRAC TANK

Mud Hopper

MUD HOUSE

TRAFFIC TRAILER

GENERATOR

WATER

WATER

FUEL

TOOLS

6" DIA

COMPANY MAN

TOOL PUSHER

H2O

RV

RV

RV

ROAD

PAD LAYOUT

Scale 1 inch = 50 feet

SMILEY FACE Safe Briefing Area with caution signs and breathing equipment

WIND DIRECTION INDICATORS Wind Direction Indicators

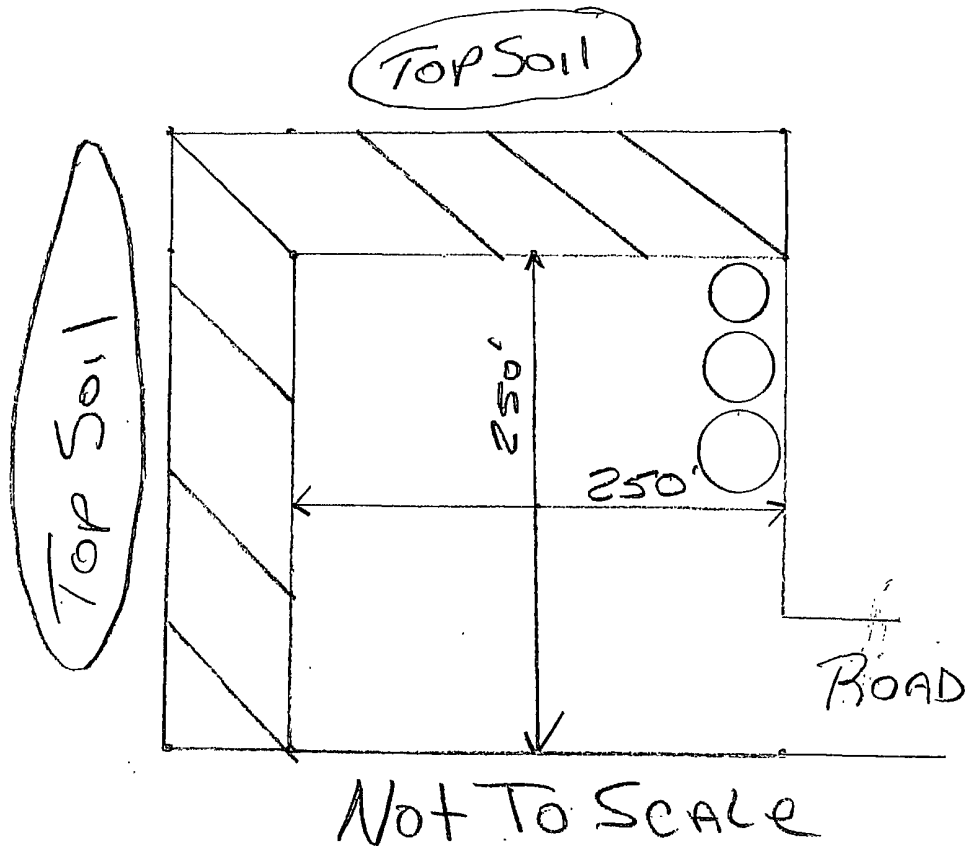
H2S MONITOR H2S Monitor with alarm at the bell nipple

direction

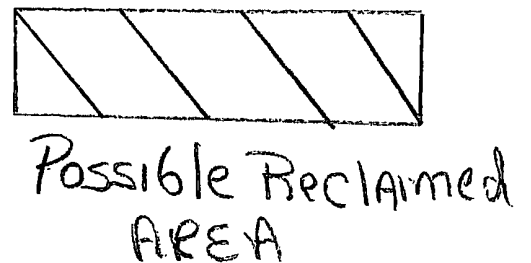
N

Wind Direction ☺

YATES PETROLEUM CORPORATION
Warren ANW Federal #8H
400' FSL 230' FWL SHL
Section 9, T 19S-R 25East
Eddy County, NM
RECLAMATION PLAT



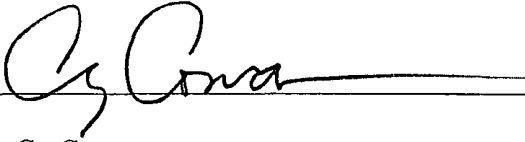
Final Reclamation
may Look Different
Than this PLAT.



CERTIFICATION
YATES PETROLEUM CORPORATION
Warren ANW Federal #8H

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 21st day of June, 2012

Signature 

Name Cy Cowan

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, New Mexico 88210

Telephone (505) 748-4372

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above.

Telephone (if different from above) (505) 748-4221

E-mail (optional) _____

PECOS DISTRICT CONDITIONS OF APPROVAL

OPERATOR'S NAME:	Yates Petroleum Corp
LEASE NO.:	NM1372
WELL NAME & NO.:	8H Warren ANW Federal
SURFACE HOLE FOOTAGE:	400' FSL & 230' FWL
BOTTOM HOLE FOOTAGE:	400' FSL & 330' FEL
LOCATION:	Section 9, T.19 S., R.25 E., NMPM
COUNTY:	Eddy County, New Mexico

TABLE OF CONTENTS

Standard Conditions of Approval (COA) apply to this APD. If any deviations to these standards exist or special COAs are required, the section with the deviation or requirement will be checked below.

- ☐ **General Provisions**
- ☐ **Permit Expiration**
- ☐ **Archaeology, Paleontology, and Historical Sites**
- ☐ **Noxious Weeds**
- ☐ **Special Requirements**
- ☐ **Construction**

- ☐ **Road Section Diagram**
- ☒ **Drilling**
 - Waste Material and Fluids
 - Logging Requirements
 - Medium Cave/Karst
- ☐ **Production (Post Drilling)**
 - Well Structures & Facilities
 - Pipelines
 - Electric Lines
- ☐ **Interim Reclamation**
- ☐ **Final Abandonment & Reclamation**