

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
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised August 1, 2011

Permit

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 <i>30-015-41325</i>
⁴ Property Code 12801	⁵ Property Name Stonewall EP State	⁶ Well No. 9

⁷ Surface Location

UL - Lot I	Section 19	Township 20S	Range 28E	Lot Idn I	Feet from 1980'	N/S Line South	Feet From 660'	E/W Line East	County Eddy
----------------------	----------------------	------------------------	---------------------	---------------------	---------------------------	--------------------------	--------------------------	-------------------------	-----------------------

⁸ Pool Information

Burton Flat: Morrow (Pro Gas)	73280
-------------------------------	-------

Additional Well Information

⁹ Work Type N	¹⁰ Well Type G	¹¹ Cable/Rotary	¹² Lease Type S	¹³ Ground Level Elevation 3269'
¹⁴ Multiple N	¹⁵ Proposed Depth 11500'	¹⁶ Formation Morrow	¹⁷ Contractor Not Determined	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
Surface	17.5	13.375	48#	600'	650 sx	0
Intermediate	12.25	9.625	36#	2600'	1025 sx	0
Production	8.75	5.5	17#	11500'	3600 sx	2100

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Morrow/intermediate formations. Approximately 600' of surface casing will be set/cement circulated. Intermediate casing will be set at 2600', cement circulated to surface. If commercial, production casing will be ran/cemented, perforated and stimulated as needed to gain production.

MUD PROGRAM: 0-600' FW Paper; 600'-2600' FW/LCM: 2600'-10300' Cut Brine; 10300'-11500' Salt Gel/Starch/4-6% KCL.

H2S is not anticipated.

Previously approved.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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 NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input checked="" type="checkbox"/> .	OIL CONSERVATION DIVISION	
<i>Lori Flores</i> Printed name: Lori Flores	Approved By: <i>T.C. Shepard</i> Title: <i>Geologist</i>	
Title: Land Regulatory Technician	Approved Date: <i>5/6/2013</i>	Expiration Date: <i>5/6/2015</i>
E-mail Address: lorif@yatespetroleum.com		
Date: 3/19/2013	Phone: 575-748-4448	Conditions of Approval Attached

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
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 30-015-413.25	² Pool Code 73280	³ Pool Name Burton Flat, Morrow (Pro Gas)
⁴ Property Code 12801	⁵ Property Name Stonewall EP State	
⁷ OGRID No. 25575	⁸ Operator Name Yates Petroleum Corporation	⁶ Well Number 9
		⁹ Elevation 3269'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	19	20S	28E		1980'	South	660	East	Eddy

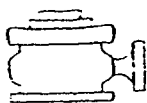
¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
---	-------------------------------	----------------------------------	-------------------------

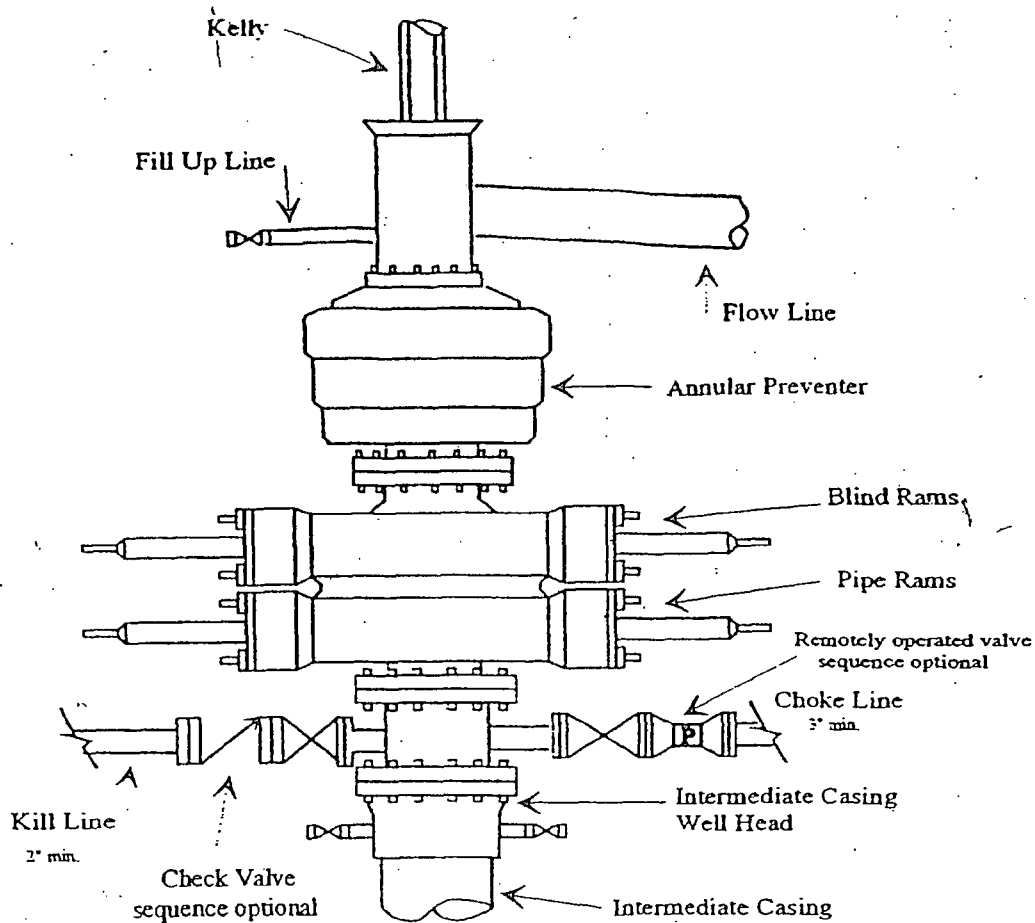
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

¹⁶ <div style="border: 1px solid black; width: 100px; height: 100px; margin: 10px auto;"></div>	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 10px auto;"></div>	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 10px auto;"></div>	<div style="border: 1px solid black; width: 100px; height: 100px; margin: 10px auto;"></div>	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> <div style="display: flex; justify-content: space-between;"> <div><i>Lori Flores</i></div> <div>3/19/13</div> </div> <div style="display: flex; justify-content: space-between;"> <div>Signature</div> <div>Date</div> </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Lori Flores Printed Name </div> <div style="border-top: 1px solid black; padding-top: 5px;"> lorif@yatespetroleum.com E-mail Address </div>	
				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> <div style="text-align: center; border-top: 1px solid black; padding-top: 5px;"> REFER TO ORIGINAL PLAT </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Date of Survey </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Signature and Seal of Professional Surveyor: </div> <div style="border-top: 1px solid black; padding-top: 5px;"> Certificate Number </div>	



Yates Petroleum Corporation
Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

BOP-4



Typical 5,000 psi choke manifold assembly with at least these minimum features

