

District I
1625 N. Frijolito Dr., Hobbs, NM 88240
Phone: (505) 393-6161 Fax: (505) 393-0720

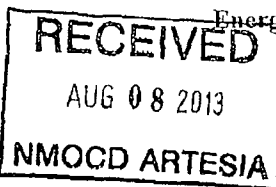
District II
811 S. First St., Artesia, NM 88210
Phone: (505) 748-1283 Fax: (505) 748-9720

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 July 18, 2013



Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

☐ AMENDED REPORT

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. OGRJD Number 25575
3. Property Code 36591	4. Property Name JERICO BKJ STATE COM	5. API Number 30-015-41626
		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
M	15	25S	27E		660	South	660	West	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name Hackberry Draw, Morrow, North	Pool Code <96785>
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Additional Well Information

11. Work Type N	12. Well Type Gas	13. Cable/Rotary R	14. Lease Type State	15. Ground Level Elevation 3139'
16. Multiple N	17. Proposed Depth 12,400'	18. Formation Morrow	19. Contractor	20. Spud Date ASAP
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

21. 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#	400'	420	Surface
Int1	12.25"	9.625"	36#	2300'	775	Surface
Int2	8.75"	7"	23# & 26#	8900'	1050	1800'
Prod	6.125"	4.5"	11.6#	12400'	450	8400'

Casing/Cement Program: Additional Comments

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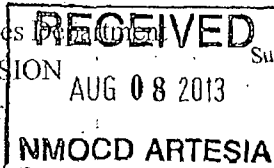
22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double RM	5000	5000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>Lori Flores</i>		OIL CONSERVATION DIVISION	
Printed name: Lori Flores		Approved By: <i>T.C. Shepard</i>	
Title: Land Regulatory Technician		Title: <i>Boyd</i>	
E-mail Address: lori@yatespetroleum.com		Approved Date: <i>9/5/2013</i>	Expiration Date: <i>9/5/2015</i>
Date: 8/8/2013	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
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 30-015-41626		² Pool Code <96785>		³ Pool Name Hackberry Draw; Morrow, North (G)	
⁴ Property Code 36591		⁵ Property Name Jericho "BKJ" State Com			⁶ Well Number 1
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3139'

¹⁰ Surface Location									
UL or lot no. M	Section 15	Township 25-S	Range 27-E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	County 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.

				¹⁷ 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 an undivided mineral interest in the land including the proposed bottom hole location or has a right to drill this well on 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 this division. Signature: <u>Clifton May</u> Date: <u>8/8/2013</u> Clifton May Printed Name cliff@yatespetroleum.com E-mail Address	
				¹⁸ 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. Refer to Original Plat (April 22, 2007) Date of Survey Signature and Seal of Professional Surveyor: 5412 Certificate Number	
VO-7319 		VO-9318			

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Barrera Rd., Artesia, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

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 October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APN Number	2 Pool Code	3 Pool Name
		Hackberry Draw Morrow / North
4 Property Code	5 Property Name	6 Well Number
	JERICO "BKJ" STATE COM.	1
7 OGRID No. 025575	8 Operator Name YATES PETROLEUM CORPORATION	9 Elevation 3139

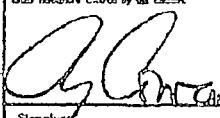

10 Surface Location

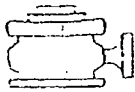
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	15	26-S	27-E		660	SOUTH	660	WEST	EDDY

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.						

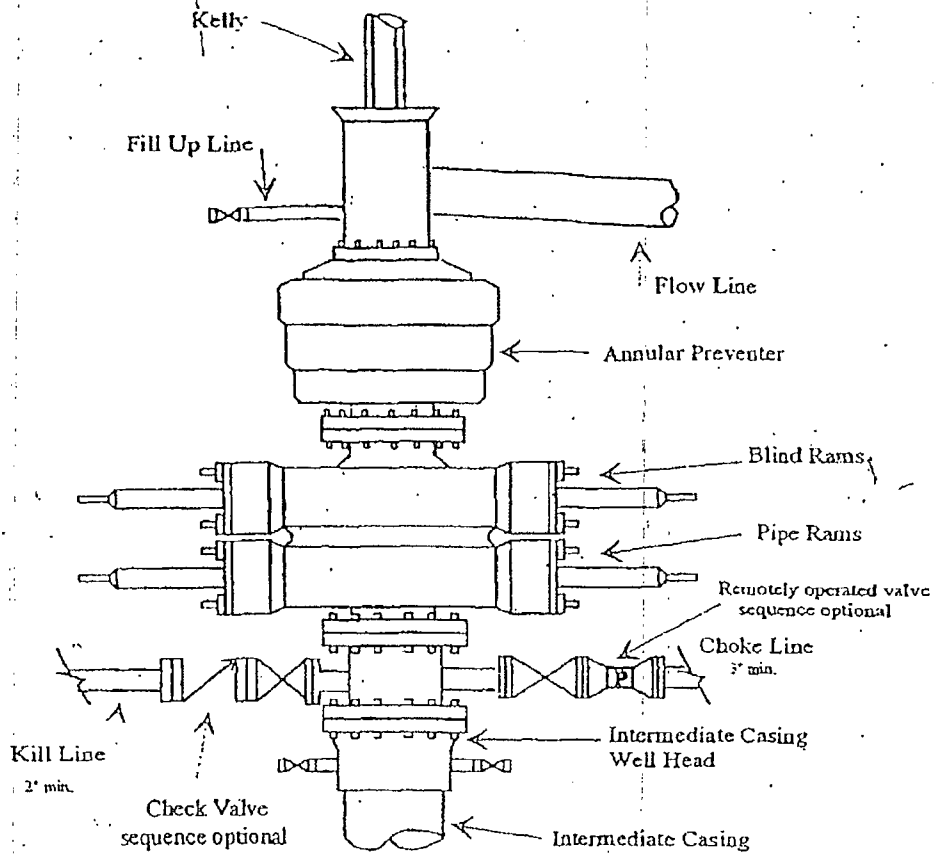
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

10-7319 LAT N32.12474 LON W104.18462 660' 660'					17 OPERATORS 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 a 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 mineral or working interest, or to voluntary pooling agreement or a secondary pooling order heretofore entered by the Division.  Signature: Cy Cowan, Regulatory Agent Date: 5/20/07
					18 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. APRIL 22, 2007 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number: DAN R. REDDY

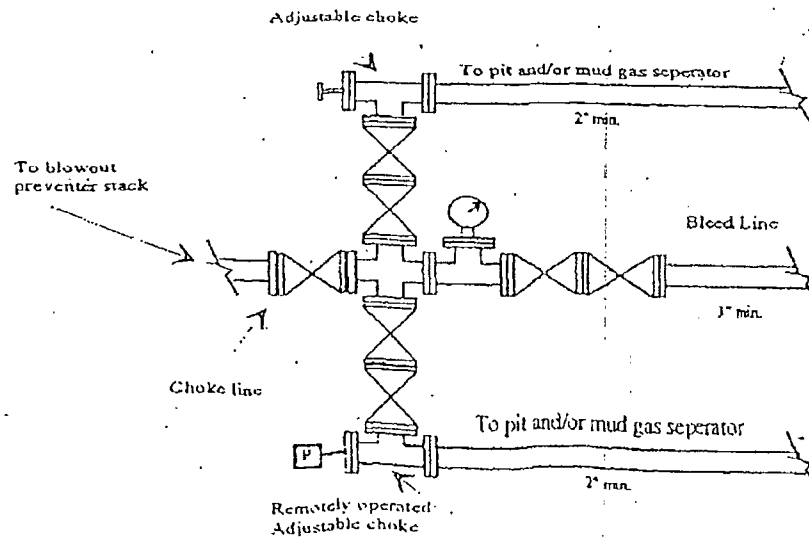


Yates Petroleum Corporation
 Typical 5,000 psi Pressure System
 Schematic
 Annular with Double Ram Preventer Stack

BOP-4



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



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.