

District II  
1301 W. Grand Ave., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 748-9720

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-101  
Permit 106946

**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 30 015-374103
4. Property Code 37955	5. Property Name PERFECTO BOX STATE COM	6. Well No. 001H

**7. Surface Location**

UL - Lot D	Section 14	Township 25S	Range 27E	Lot Idn D	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County EDDY
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**8. Pool Information**

Wildcat	0
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State <input checked="" type="checkbox"/>	13. Ground Level Elevation 3166
14. Multiple N	15. Proposed Depth 11395	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

**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	400	425	
Int1	12.25	9.625	36	2400	825	
Prod	7.875	5.5	17	11395	2075	1900

**Casing/Cement Program: Additional Comments**

H2S is not anticipated. Pressure Control Equipment: 3000 psi system nipped up on 13 3/8" and 9 5/8" casing.
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**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"/> . Printed Name: Electronically filed by Monti Sanders Title: Email Address: montis@yatespetroleum.com Date: 12/17/2009 Phone: 575-748-4244	<b>OIL CONSERVATION DIVISION</b>	
	Approved By:	
	Title:	
	Approved Date:	Expiration Date:

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St Francis Dr., Santa Fe, NM 87505

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
Permit 106946**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number	2. Pool Code	3. Pool Name Wildcat
4. Property Code 37959	5. Property Name PERFECTO BOX STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3166

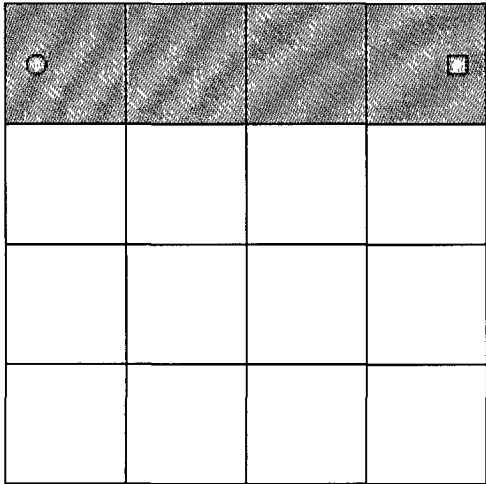
**10. Surface Location**

UL - Lot D	Section 14	Township 25S	Range 27E	Lot Idn	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot A	Section 14	Township 25S	Range 27E	Lot Idn	Feet From 660	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.00		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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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(s) 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></p> <p>E-Signed By: Monti Sanders  Title:  Date: 12/17/2009</p>
	<p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Gary Jones  Date of Survey: 12/9/2009  Certificate Number: 7977</p>

## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** PERFECTO BOX STATE COM #001H

**API:**

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 8500'. Well will be plugged back with 180' plug on bottom and 400'-500' kick off plug at approximately 6503' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7253' MD (6980 TVD). If hole conditions dictate, 7" casing will be set.	12/17/2009
MSANDERS	A 6 1/8" hole will then be drilled to 11395' MD (6980' TVD) where 4 1/2" casing will be set and cemented. If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 11395' MD (6980' TVD) where 5 1/2" casing will be set and cemented.	12/17/2009
MSANDERS	Penetration point of producing zone will be encountered at 660' FNL and 808' FWL, 14-25S-27E. Deepest TVD in the well is 8500' in the pilot hole. Deepest TVD in the lateral will be 6980'.	12/17/2009
MSANDERS	Maximum Anticipated BHP: 0-400' 191 psi; 400'-2400' 1248 psi; 2400'-8500' 4199 psi. Depths are TVD.	12/17/2009
MSANDERS	C-144, Casing Design Plan and Directional Drilling Plan to follow by mail.	12/17/2009