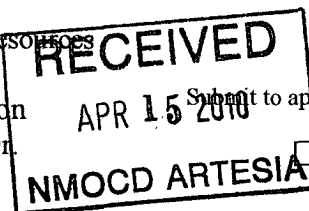


District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-101
June 16, 2003

Submit to appropriate District Office
AMENDED REPORT

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,
PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-15-37788
³ Property Code 12826	⁵ Property Name Terry FU	⁶ Well No. 2H
⁹ Proposed Pool 1 Cottonwood Creek; Wolfcamp (Gas) ✓		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no. L	Section 23	Township 16S	Range 25E	Lot Idn	Feet from the 1980'	North/South line South	Feet from the 660'	East/West line West	County Eddy
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8 Proposed Bottom Hole Location If Different From Surface

UL or lot no. I	Section 23	Township 16S	Range 25E	Lot Idn	Feet from the 1980'	North/South line South	Feet from the 660'	East/West line East	County Eddy
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code Gas	¹³ Cable/Rotary R	¹⁴ Lease Type Code Private	¹⁵ Ground Level Elevation 3478'
¹⁶ Multiple N	¹⁷ Proposed Depth 5300'	¹⁸ Formation Wolfcamp	¹⁹ Contractor	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5"	13.375"	48#	350'	400	0
12.25"	9.625"	36#	1100'	425	0
7.88"	5.5"	17#	8742'	1740	600

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

²³

Yates Petroleum Corporation proposes to drill/test the Wolfcamp and intermediate formations. Approximately 350' of surface casing will be set and cement circulated to shut off gravel and carvings. If commercial, production casing will be run and cemented, well perforated and stimulate as needed for production.

MUD PROGRAM: 0-350' Fresh Water; 350'-1100' Fresh Water/Gel/Air Mist; 1100'-5300' Cut Brine; 4509'-8742' Cut Brine(Horizontal Section)

BOPE PROGRAM: A 3000# BOPE will be installed on the 9 5/8" casing and tested daily.

Pilot hole will be drilled to 5300'. Well will then be plugged back and kicked off at approx. 4509' at 12" per 100' with a 7 7/8" hole to 8742' MD(5057' TVD), where 5 1/2" casing will be set and cemented. Penetration Point will be at 1980' FSL & 1128' FWL; Sect 23; 16S-25E. Deepest TVD will be 5300' in pilot hole. Deepest TVD in the lateral will be 5057'.

MAXIMUM ANTICIPATED BHP: 0-350' 162 psi, 350'-1100' 510 psi; 1100'-5300' 2535 psi.

CASING DESIGN FACTORS: Burst 1.0; Tensile 1.8; Collapse 1.125.

Nearest residence to this well is approximately .6 of a mile to the east. H2S is not anticipated. C-144 attached. (Previously Approved APD # 30-015-34835)

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Cy Cowan

Printed name:
Cy Cowan

Title:
Land Regulatory Agent

E-mail Address:
cy@yatespetroleum.com

Date: 4/14/10

Phone: 575-748-4372

OIL CONSERVATION DIVISION

Approved by:

Jaquie Brews
Geologist

Title:

Approval Date:

5/3/2010

Expiration Date:

5/3/2012

Conditions of Approval Attached ☒

BOP test must be performed by 3rd party

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37788	Pool Code 75250	Pool Name Cottonwood Creek Wolfcamp (Gas)
Property Code 12826	Property Name TERRY "FU"	Well Number 2H
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3478

Surface Location

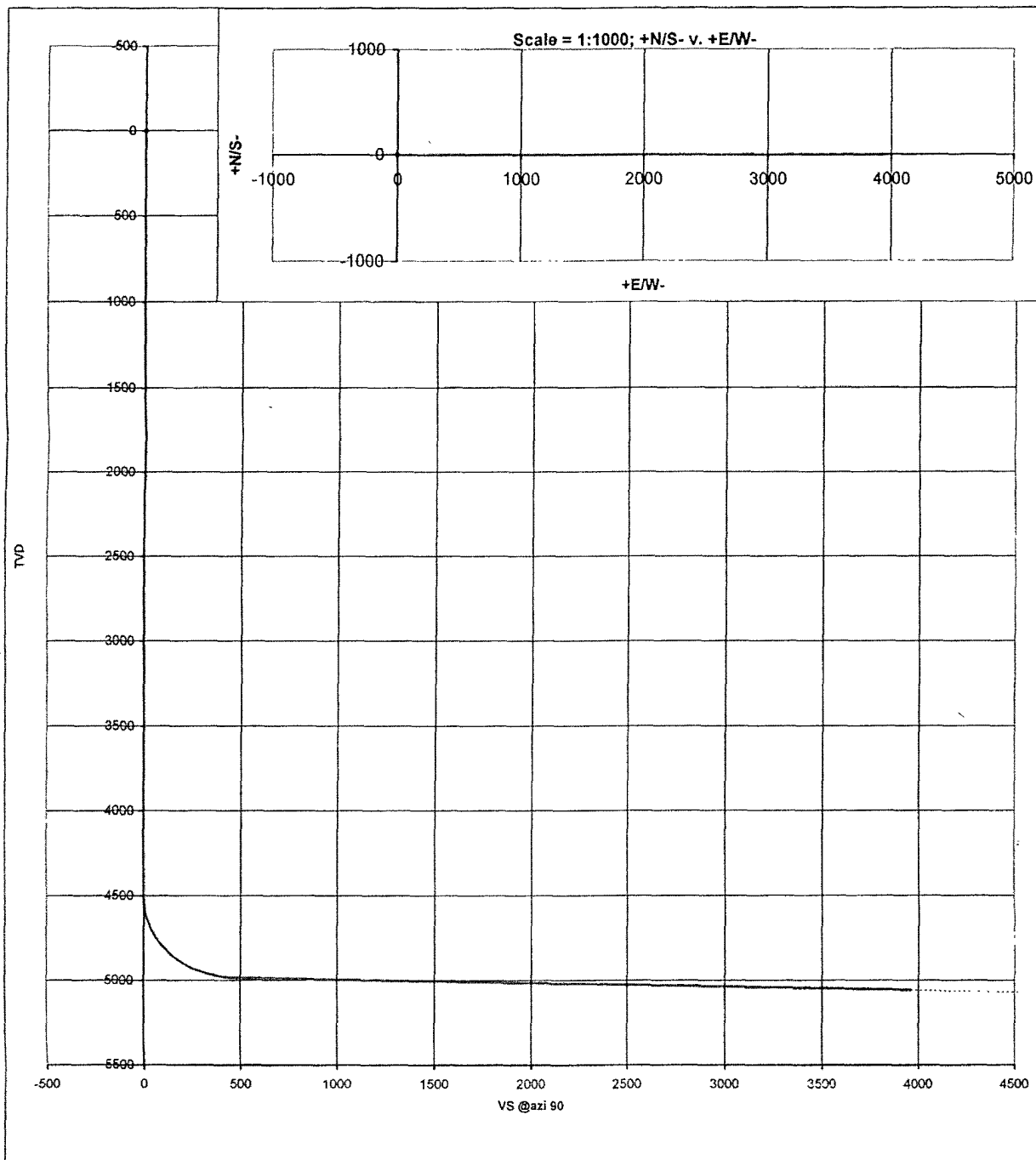
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	23	16S	25E		1980	SOUTH	660	WEST	EDDY

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
I	23	16S	25E		1980	SOUTH	660	EAST	EDDY
Dedicated Acres 320	Joint or Infill	Consolidation Code	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

GEODETIC COORDINATES NAD 27 NME SURFACE HOLE LOCATION Y=693430.6 N X=460576.4 E LAT.=32.906253 LONG.=104.461788 (NAD-27)	BOTTOM HOLE LOCATION Y=693412.1 N X=464580.7 E LAT.=32.906188 N LONG.=104.474850 W	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 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>Cy Cowan</i> Signature Date 4/14/100 Cy Cowan Printed Name
PROJECT AREA GRID AZ: 90°15'54" HORIZ. DIST. 4004.3' Penetration Point 1980' FSL & 1128' FSL PRODUCING AREA		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. Date Surveyed 10/04/2005 Signature of Surveyor Professional Surveyor REGISTERED PROFESSIONAL LAND SURVEYOR 3640 Certificate No. Herschel L. Jones 3640 GENERAL SURVEYING



Terry FU 2H												
No	MD	CL	Inc	Az	TVD	VS	+N/S-	+E/W-	BR	WR	DLS	Comments
1	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	720.03	720.03	0.00	0.00	720.03	0.00	0.00	0.00	0.00	0.00	0.00	San Andres
3	2440.01	1719.97	0.00	0.00	2440.01	0.00	0.00	0.00	0.00	0.00	0.00	Glonetta
4	2689.99	249.98	0.00	0.00	2689.99	0.00	0.00	0.00	0.00	0.00	0.00	Upper Yeso
5	3420.00	730.02	0.00	0.00	3420.00	0.00	0.00	0.00	0.00	0.00	0.00	Tubb
6	3539.97	119.96	0.00	0.00	3539.97	0.00	0.00	0.00	0.00	0.00	0.00	Lower Yeso
7	3999.97	460.00	0.00	0.00	3999.97	0.00	0.00	0.00	0.00	0.00	0.00	Abo
8	4508.90	508.93	0.00	0.00	4508.90	0.00	0.00	0.00	0.00	0.00	0.00	
9	4508.92	508.95	0.00	90.00	4508.92	0.00	0.00	0.00	0.00	17.68	0.00	KOP
10	4608.90	99.98	12.00	90.00	4608.17	10.43	0.00	10.43	12.00	0.00	12.00	
11	4708.90	100.00	24.00	90.00	4703.10	41.27	0.00	41.27	12.00	0.00	12.00	
12	4808.90	100.00	36.00	90.00	4789.55	91.17	0.00	91.17	12.00	0.00	12.00	
13	4908.90	100.00	48.00	90.00	4863.74	157.96	0.00	157.96	12.00	0.00	12.00	
14	5008.90	100.00	60.00	90.00	4922.41	238.71	0.00	238.71	12.00	0.00	12.00	
15	5108.90	100.00	71.99	90.00	4963.02	329.89	0.00	329.89	12.00	0.00	12.00	
16	5118.91	609.99	73.20	90.00	4965.02	339.45	0.00	339.45	12.00	0.00	12.00	Wolfcamp
17	5208.90	89.99	84.00	90.00	4983.78	427.53	0.00	427.53	12.00	0.00	12.00	
18	5249.25	130.34	88.84	90.00	4986.30	467.79	0.00	467.79	12.00	0.00	12.00	Target Zone
19	8742.17	3492.92	88.84	90.00	5057.01	3959.99	0.00	3959.99	0.00	0.00	0.00	Lateral TD