

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

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

1. Operator Name and Address <b>YATES PETROLEUM CORPORATION</b> 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-37061
4. Property Code 23123	5. Property Name CROW ASM STATE COM	6. Well No. 002H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	32	16S	28E	A	1100	N	480	E	EDDY

**8. Pool Information**

UNDESIGNATED ABO	0
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3550
14. Multiple N	15. Proposed Depth 10860	16. Formation Abo	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"/> mils 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	2000	675	
Int2	8.75	7	26	6780	925	
Prod	6.125	4.5	11.6	10860	0	

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation proposes to drill a pilot hole and test the Wolfcamp/Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set at 2,000' and cement circulated to surface. Second intermediate casing will be set at 6,780' and circulated to surface. A whipstock will then be set at approximately 6,054' and a window milled in the 7" casing where the well will be kicked off at 12 degrees per 100' with a 6 1/8" hole to 10,860' MD with a TVD of 6,415' where a Peak Completion Assembly will be set and will not be cemented. Penetration point of the producing formation will be at 1019' FNL and 964' FEL. Deepest TVD of the well will be in the pilot hole at 6,780'. Deepest TVD in the lateral will be at 6,530'.

**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. <b>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"/>.</b>	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Monti Sanders	Approved By: Jacqueta Reeves	
Title:	Title: District Geologist	
Email Address: montis@yatespetroleum.com	Approved Date: 5/7/2009	Expiration Date: 5/7/2011
Date: 4/30/2009	Phone: 575-748-4244	

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

**District II**  
 1301 W. Grand Ave., Artesia, NM 88210  
 Phone:(505) 748-1283 Fax:(505) 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) 476-3470 Fax:(505) 476-3462

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Form C-102  
 Permit 95014

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-37061	2. Pool Code	3. Pool Name UNDESIGNATED ABO
4. Property Code 23123	5. Property Name CROW ASM STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3550

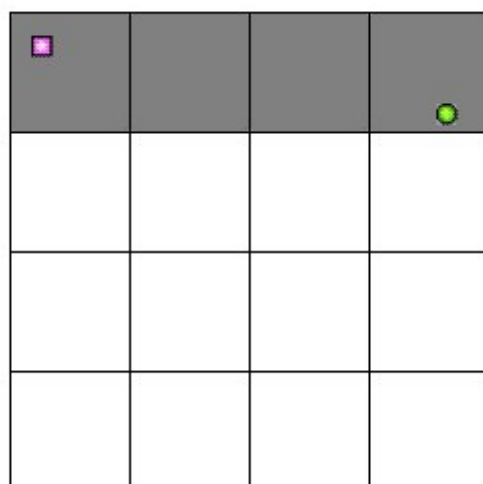
**10. Surface Location**

UL - Lot A	Section 32	Township 16S	Range 28E	Lot Idn	Feet From 1100	N/S Line N	Feet From 480	E/W Line E	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 32	Township 16S	Range 28E	Lot Idn D	Feet From 350	N/S Line N	Feet From 330	E/W Line W	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**



**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(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.*

E-Signed By: Monti Sanders

Title:

Date: 4/30/2009

**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.*

Surveyed By: Gary Jones

Date of Survey: 4/28/2009

Certificate Number: 7977

## Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: CROW ASM STATE COM #002H

API: 30-015-37061

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' Fresh Water Gel; 400'-2,000' Brine Water; 2,000'-5,300' Cut Brine; 5,300'-6,780' Cut Brine; (Horizontal Section) 6,054'-10,860' Cut Brine	4/30/2009
MSANDERS	BOPE PROGRAM: A 3000 psi BOP will be nipped up and tested on the 9 5/8" casing.	4/30/2009
MSANDERS	H2S is not anticipated.	4/30/2009
MSANDERS	C-144 for a Closed Loop System will follow by mail.	4/30/2009