

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 YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA , NM 88210		2. OGRID Number 25575
		3. API Number 30-015-37073
4. Property Code 23123	5. Property Name CROW ASM STATE COM	6. Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	32	16S	28E	I	1800	S	200	E	EDDY

8. Pool Information

Wildcat; 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 3598
14. Multiple N	15. Proposed Depth 11095	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"/> 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	2000	675	
Int2	8.75	7	26	6780	925	
Prod	6.125	4.5	11.6	11095	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 2000' and cement circulated to surface. Second intermediate casing will be set at 6780' and circulated to surface. A whipstock will then be set at approximately 6054' 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 11095' MD with a TVD of 6415' where a Peak Completion Assembly will be set and will not be cemented. Penetration point of the producing formation will be at 1841' FSL & 689' FEL. Deepest TVD of the well will be in the pilot hole at 6780'. Deepest TVD in the lateral will be 6531'.

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: 5/14/2009 Phone: 575-748-4244	OIL CONSERVATION DIVISION	
	Approved By: Jacqueta Reeves	
	Title: District Geologist	
	Approved Date: 5/18/2009	Expiration Date: 5/18/2011

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 87410

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name Crow Flats Abo
Property Code	Property Name CROW "ASM" STATE COM	Well Number 3H
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 3598'

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	32	16 S	28 E		1800	SOUTH	200	EAST	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
L	32	16 S	28 E		2200	SOUTH	330	WEST	EDDY

Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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>BOTTOM HOLE LOCATION Lat.: N 32°52'55.70" Long.: W 104°12'20.14" SPC- N.: 682658.398 E.: 580554.104 (NAD-83)</p>		<p>Project Area</p>	<p>SURFACE LOCATION Lat.: N 32°52'31.97" Long.: W 104°11'24.96" SPC- N.: 682287.658 E.: 585259.592 (NAD-83)</p>	<p>Producing Area</p>
<p>330'</p>		<p>4720.1'</p>	<p>200'</p>	<p>1800'</p>
<p>2200'</p>		<p>Penetration Point 1841' FSL & 689' FEL</p>		

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.

Cy Cowan 5/14/09
Signature Date
Cy Cowan
Printed Name

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.

FEBRUARY 27 2009
Date Surveyed
Signature of Gary L. Jones
Professional Surveyor
7977
W.B. [Signature]
Certificate No. Gary L. Jones 7977
BASIN SURVEYS

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: CROW ASM STATE COM #003H

API: 30-015-37073

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-400' W/Fresh Water Gel; 400'-2000' W/Brine Water; 200'-5300' W/Cut Brine; 5300'-6780' W/Cut Brine. Horizontal Section, 6054'-11095' W/Cut Brine. (Lateral Section)	5/14/2009
MSANDERS	BOP PROGRAM: A 3000 psi BOP will be nipped up on the 9 5/8" casing and tested daily for operational.	5/14/2009
MSANDERS	H2S is not anticipated.	5/14/2009
MSANDERS	A C-144 for a closed loop system to follow by mail.	5/14/2009
JVREEVES	Please submit a C-102 showing the SHL, BHL as well as the location of the penetration point into the producing formation.	5/18/2009