

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 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

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

Form C-101
August 1, 2011
Permit 140805

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 30-015-39735
4. Property Code 38958	5. Property Name CANYON BJK 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
O	6	25S	30E	O	455	S	2310	E	EDDY

8. Pool Information

CORRAL DRAW; BONE SPRING	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 3189
14. Multiple N	15. Proposed Depth 14325	16. Formation 2nd Bone Spring Carbonate	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	26	13.375	48	670	360	0
Int1	12.25	9.625	36	3400	675	0
Prod	8.5	5.5	17	14325	1030	8700
Prod	8.75	5.5	17	8700	1150	2900

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	5000	5000	

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"/> .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Monti Sanders	Approved By: Randy Dade
Title:	Title: District Supervisor
Email Address: montis@yatespetroleum.com	Approved Date: 12/6/2011 Expiration Date: 12/6/2013
Date: 11/30/2011 Phone: 575-748-4244	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 140805

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39735	2. Pool Code	3. Pool Name CORRAL DRAW; BONE SPRING
4. Property Code 38958	5. Property Name CANYON BJK STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3189

10. Surface Location

UL - Lot O	Section 6	Township 25S	Range 30E	Lot Idn	Feet From 455	N/S Line S	Feet From 2310	E/W Line E	County EDDY
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot O	Section 1	Township 25S	Range 29E	Lot Idn O	Feet From 430	N/S Line S	Feet From 2310	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;">OPERATOR CERTIFICATION</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: 11/30/2011</p>	<p style="text-align: center;">SURVEYOR CERTIFICATION</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: 11/12/2011 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: CANYON BJK STATE COM #002H

API: 30-015-39735

Created By	Comment	Comment Date
clif	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	11/30/2011
clif	Pressure Control Wquipment: 5,000 psi system will be nipped up and tested on 13 3/8ths and 9 5/8ths casing.	11/30/2011
clif	H2S is not anticipated.	11/30/2011
clif	There will be a pilot hole on this well.	11/30/2011
clif	Well will be drilled with 13 3/8" hole to 670', then 9 5/8" to 3400', and finally 8 3/4" drilled to 9700'. The well will be logged at 9700', and plugged back then kickoff point at 8772'. Well will be drilled to 9522 MD, 9250' TVD, then drilled with 8.5" hole for the lateral to 14325' MD (9250' TVD). Penetration point will be 455' FSL & 1830' FEL.	11/30/2011
clif	If hole condition warrant, 7" casing may be nexessary, in that event a 6 1/8" hole will be drilled and cased with 4.5".	11/30/2011
CSHAPARD	Land s/S	12/5/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: CANYON BJK STATE COM #002H

API: 30-015-39735

OCD Reviewer	Condition
CSHAPARD	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string