

**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 144991

**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 30-025-40471
4. Property Code 39101	5. Property Name IGLOO BRR STATE	6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	19	20S	35E	4	100	S	660	W	LEA

**8. Pool Information**

LEA;BONE SPRING, SOUTH	37580
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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 3685
14. Multiple N	15. Proposed Depth 12685	16. Formation 2nd Bone Spring Sand	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	17.5	13.375	48	550	570	0
Int1	12.25	9.625	40	5900	2000	0
Prod	8.75	5.5	17	12685	649	10000
Prod	8.75	5.5	17	10205	1225	0

**Casing/Cement Program: Additional Comments**

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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"/> .	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Electronically filed by Monti Sanders	Approved By: Paul Kautz	
Title:	Title: Geologist	
Email Address: montis@yatespetroleum.com	Approved Date: 3/2/2012	Expiration Date: 3/2/2014
Date: 2/29/2012	Phone: 575-748-4244	Conditions of Approval Attached

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

Form C-102  
August 1, 2011  
Permit 144991

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-40471	2. Pool Code 37580	3. Pool Name LEA;BONE SPRING, SOUTH
4. Property Code 39101	5. Property Name IGLOO BRR STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3685

**10. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	19	20S	35E		100	S	660	W	LEA

**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	19	20S	35E	3	2310	S	660	W	LEA
12. Dedicated Acres 80.16		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**

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px; text-align: center; vertical-align: middle;">■</td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px; text-align: center; vertical-align: middle;">●</td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>									■				●				<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: 2/29/2012</p> <hr/> <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: 10/29/2011 Certificate Number: 7977</p>
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●																	

# Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** IGLOO BRR STATE #001H

**API:** 30-025-40471

Created By	Comment	Comment Date
clif	H2S is not anticipated	2/29/2012
clif	C-144 and C-102 to fallow by mail.	2/29/2012
clif	Samples: 30' samples to 3000', 10'samples to TD	2/29/2012
clif	Maximum anticipated BHP: 0'-550' is 263 PSI, 400'-5900' is 3129 PSI, 5900'-10681' is 5110 PSI	2/29/2012
clif	Pilot hole will be drilled vertically to 11200'. An isolation plug will be set at the bottom of the pilot hole from 11200' to 11000' and at TOC from 10600' to 10000'. If hole conditions dictate 7" casing will be set at the top of the curve 10204' MD or at landing point 10971' MD (10681' TVD) and cemented to surface. If 7" casing is not set then well will be kicked off at approx. 10204' and directionally drilled at 12 degrees per 100' with an 8.75" hole to 10971' MD (10681' TVD). Hole size will then be reduced to 8.5" and drilled to lateral TD 12685' MD (10619' TVD) where 5.5" casing will b	2/29/2012
pkautz	Land p/S	3/1/2012
CHERRERA	OCD RECIEVED FORM C144 CLEZ. OCD PERMIT # P1-04272	3/2/2012



# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** IGLOO BRR STATE #001H

**API:** 30-025-40471

OCD Reviewer	Condition
pkautz	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