

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 145001

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 30-025-40472
4. Property Code 39099	5. Property Name AVOCADO BRO 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
D	32	20S	35E	D	150	N	660	W	LEA

8. Pool Information

BERRY;BONE SPRING, NORTH	5535
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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 3696
14. Multiple N	15. Proposed Depth 15762	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	5850	1970	0
Prod	8.5	5.5	17	15762	1395	10000
Prod	8.75	5.5	17	10409	835	5400

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"/> .	OIL CONSERVATION DIVISION	
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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Form C-102
August 1, 2011
Permit 145001

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40472	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39099	5. Property Name AVOCADO BRO STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3696

10. Surface Location

UL - Lot D	Section 32	Township 20S	Range 35E	Lot Idn	Feet From 150	N/S Line N	Feet From 660	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 29	Township 20S	Range 35E	Lot Idn D	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County LEA
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: 2/29/2012</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: 10/31/2011 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: AVOCADO BRO STATE #001H

API: 30-025-40472

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' and 10' samples 3000' to TD.	2/29/2012
clif	Maximum anticipated BHP: 0'-550' is 263 PSI, 550'-5850' is 3042 PSI, 5850'-15762' is 5208 PSI	2/29/2012
clif	Well will be drilled vertically to 10409' then will be kicked off at 10409' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11160' MD (10887" TVD). If hole conditions dictate, 7" casing will be set at landing point 11160' MD (10887" TVD) and cemented to surface. A 6.125" hole will then be drilled to TD and 4.5" casing will be set from TD to surface. 4.5" will be cemented from TD to the top of the curve at 10409'. If 7" casing is not set then hole will be reduced to 8.5" and drilled to 15762' MD (10882" TVD) where 5.5" casing will be set and cemented 500' into the inter	2/29/2012
pkautz	Land p/S	2/29/2012
CHERRERA	OCD RECIEVED FORM C 144 CLEZ. OCD PERMIT # P1-04273	3/2/2012

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: AVOCADO BRO STATE #001H

API: 30-025-40472

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