

**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 155087

**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 30-015-40719
4. Property Code 28584	5. Property Name GRANDE MIKE AKZ STATE	6. Well No. 005H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	16S	29E	5	900	N	200	W	EDDY

**8. Pool Information**

WC;COUNTY LINE TANK;WOLFCAMP (O)	97712
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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 3742
14. Multiple N	15. Proposed Depth 7450	16. Formation Wolfcamp	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	400	415	0
Int1	12.25	9.625	36	2600	1005	0
Prod	8.5	5.5	17	7450	650	4000
Prod	8.75	5.5	17	4000	355	2100

**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 LORI FLORES	Approved By: Randy Dade
Title: Land Regulatory Technician	Title: District Supervisor
Email Address: lorif@yatespetroleum.com	Approved Date: 9/20/2012   Expiration Date: 9/20/2014
Date: 9/18/2012   Phone: 575-748-4448	Conditions of Approval Attached

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**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 155087

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-40719	2. Pool Code 97712	3. Pool Name WC;COUNTY LINE TANK;WOLFCAMP (O)
4. Property Code 28584	5. Property Name GRANDE MIKE AKZ STATE	6. Well No. 005H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3742

**10. Surface Location**

UL - Lot D	Section 2	Township 16S	Range 29E	Lot Idn 004	Feet From 900	N/S Line N	Feet From 200	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

11. Bottom Hole Location is Different from Surface									
UL - Lot A	Section 2	Township 16S	Range 29E	Lot Idn 9	Feet From 900	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 166.60		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;"><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: LORI FLORES Title: Land Regulatory Technician Date: 9/18/2012</p>	<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: 7/5/2012 Certificate Number: 7977</p>
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## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** GRANDE MIKE AKZ STATE #005H

**API:** 30-015-40719

Created By	Comment	Comment Date
CMAY	Drill vertically to approx. 6746'. Well will then be kicked off at approx. 6746' and directionally drilled at 12 degrees per 100' with a 8 3/3" hole to 7493'MD (7223'TVD). Hole will be reduced to a 8 1/2" hole and drilled to 11785 MD (7250' TVD) where 5 1/2" casing with packer & port completion system will be set and cemented 500' into the intermediate casing.	9/18/2012
CMAY	Production string will be cemented in two stages with a hydraulic DV tool at approx. 4000'. Penetration point of producing zone will be encountered at 899' FNL & 674' FWL, 2-16S-29E. Deepest TVD in the well is 7250' in the lateral.	9/18/2012
CMAY	A C0144 for closed loop system will follow by mail. Also, a copy of the c-102 will be included.	9/18/2012
CSHAPARD	Land s/S	9/20/2012



# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** GRANDE MIKE AKZ STATE #005H

**API:** 30-015-40719

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