

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 155102

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 30-015-40720
4. Property Code 28584	5. Property Name GRANDE MIKE AKZ STATE	6. Well No. 006H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	2	16S	29E	L	2150	S	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 3739
14. Multiple N	15. Proposed Depth 11848	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	875	0
Prod	8.5	5.5	17	11848	355	2100
Prod	8.75	5.5	17	6700	655	4000

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
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"/> . Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 9/18/2012	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 9/20/2012 Expiration Date: 9/20/2014 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102
August 1, 2011
Permit 155102

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-40720	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. 006H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3739

10. Surface Location

UL - Lot L	Section 2	Township 16S	Range 29E	Lot Idn	Feet From 2150	N/S Line S	Feet From 200	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot I	Section 2	Township 16S	Range 29E	Lot Idn I	Feet From 1700	N/S Line S	Feet From 330	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: LORI FLORES Title: Land Regulatory Technician Date: 9/18/2012</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: 7/3/2012 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GRANDE MIKE AKZ STATE #006H

API: 30-015-40720

Created By	Comment	Comment Date
Cy Cowan	Drill vertically to approx. 6784'. Well will then be kicked off at approx. 6784' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 7532'(7262' TVD). Hole will then be reduced to an 8 1/2" hole and drilled to 11,848' MD(7283' TVD) where 5 1/2" casing with packer and port system completion system well be set and cemented 500' into intermediate casing.	9/18/2012
Cy Cowan	Production string will be cemented in two stages with a hydraulic DV tool and approx. 7500' and a DV tool at approx. at approx. 4000'. Penetration point of producing zone will be encountered at 2105' FSL and 673' FWL of Section 2, T16S-R29E. Deepest TVD in the well is 7283' in the lateral.	9/18/2012
Cy Cowan	A C-144 form for the closed loop system and a hard copy of the C-102 will follow by separate cover.	9/18/2012
CSHAPARD	Land s/S	9/20/2012

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GRANDE MIKE AKZ STATE #006H

API: 30-015-40720

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