

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
Revised July 18, 2013
Permit 171751

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 30-015-41605
4. Property Code 40080	5. Property Name MCADORY BTC	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
E	19	20S	25E	2	1810	N	330	W	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	19	20S	25E	H	1980	N	330	E	Eddy

9. Pool Information

N. SEVEN RIVERS; GLORIETA-YESO	97565
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3570
16. Multiple N	17. Proposed Depth 7101	18. Formation Yeso Formation	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☐ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	800	625	0
Prod	8.75	7	26	2425	215	0
Prod	8.5	5.5	17	7101	840	0

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC ☒ and/or 19.15.14.9 (B) NMAC ☒ , if applicable. Signature: _____ Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 8/15/2013 Phone: 575-748-4448	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 8/16/2013 Expiration Date: 8/16/2015 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 171751

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41605	2. Pool Code 97565	3. Pool Name N. SEVEN RIVERS; GLORIETA-YESO
4. Property Code 40080	5. Property Name MCADORY BTC	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3570

10. Surface Location

UL - Lot E	Section 19	Township 20S	Range 25E	Lot Idn 2	Feet From 1810	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 19	Township 20S	Range 25E	Lot Idn 2	Feet From 1810	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 159.65		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: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="height: 30px; text-align: center; vertical-align: middle;">●</td><td style="background-color: #cccccc;"></td><td style="background-color: #cccccc;"></td><td style="background-color: #cccccc;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> </table>					●												OPERATOR CERTIFICATION <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> E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 8/15/2013 SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 3/25/2013 Certificate Number: 7977
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: MCADORY BTC #002H

API: 30-015-41605

Created By	Comment	Comment Date
CMAY	C-144 and horizontal information will follow by mail.	8/15/2013
CMAY	10' samples from 700' to TD. Logging will be Horizontal-MWD-GR. No coring. No DST. Mudloggers on at 700'. H2S is anticipated. H2S plan will follow in the mail.	8/15/2013
CMAY	Maximum anticipated bottom hole pressure are 0'-800' is 362 PSI and 800' to 2700' is 1221 PSI.	8/15/2013
CMAY	Hole will be drilled vertically to 2155' and then kicked off with an 8 3/4" hole and directionally drilled with 12 degrees per 100' with an 8 3/4" hole to 2898' MD (2633' TVD). Hole size will be reduced to an 8 1/2" hole and drilled to 7101' MD (2700' TVD) where a tapered string will be run with 7" casing set approx. 2425' MD and 5 1/2" casing to TD at 7101' MD. Production casing will be cemented to surface. Penetration point of producing zone will be encountered at 1825' FNL and 800' FWL, 19-20S-25E. Deepest TVD in the well is 2700' in the lateral.	8/15/2013
CSHAPARD	Land f/P	8/16/2013

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: MCADORY BTC #002H

API: 30-015-41605

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