

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 187262

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 |
| 4. Property Code 313341 | | 3. API Number 30-025-41919 |
| 5. Property Name RASPBERRY BVA STATE | | 6. Well No. 001H |

7. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot I | Section 22 | Township 21S | Range 33E | Lot Idn | Feet From 1980 | N/S Line S | Feet From 200 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|---------------|

8. Proposed Bottom Hole Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot L | Section 22 | Township 21S | Range 33E | Lot Idn L | Feet From 1980 | N/S Line S | Feet From 330 | E/W Line W | County Lea |
|---------------|---------------|-----------------|--------------|--------------|-------------------|---------------|------------------|---------------|---------------|

9. Pool Information

| | |
|----------------------------------|-------|
| WC-025 G-08 S213304D;BONE SPRING | 97895 |
|----------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|-----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3797 |
| 16. Multiple N | 17. Proposed Depth 15569 | 18. Formation 2nd Bone Spring Sand | 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 Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 17.5 | 13.375 | 36 | 1830 | 1345 | 0 |
| Int1 | 12.25 | 9.625 | 36 | 5735 | 1930 | 0 |
| Prod | 8.5 | 5.5 | 17 | 15569 | 1850 | 10500 |
| Prod | 8.75 | 5.5 | 17 | 11265 | 900 | 0 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000 | 3000 | |
| Double Ram | 5000 | 5000 | |

| | |
|--|--|
| 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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: | OIL CONSERVATION DIVISION |
| Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 6/9/2014 | Approved By: Paul Kautz Title: Geologist Approved Date: 6/16/2014 Expiration Date: 6/16/2016 Conditions of Approval Attached |

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Form C-102
 August 1, 2011
 Permit 187262

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|--|
| 1. API Number 30-025-41919 | 2. Pool Code 97895 | 3. Pool Name WC-025 G-08 S213304D;BONE SPRING |
| 4. Property Code 313341 | 5. Property Name RASPBERRY BVA STATE | 6. Well No. 001H |
| 7. OGRID No. 25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation 3797 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot I | Section 22 | Township 21S | Range 33E | Lot Idn | Feet From 1980 | N/S Line S | Feet From 200 | E/W Line E | County Lea |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|------------------|---------------|---------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------------|-----------------|--------------|------------------------|-------------------|---------------|------------------|---------------|---------------|
| UL - Lot L | Section 22 | Township 21S | Range 33E | Lot Idn L | Feet From 1980 | N/S Line S | Feet From 330 | 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

| | | |
|--|---|--|
| | 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: Travis Hahn Title: Land Regulatory Agent Date: 6/9/2014 | |
| | 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: 3/4/2014 Certificate Number: 7977 | |

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Form APD Comments

Permit 187262

PERMIT COMMENTS

| | |
|--|------------------------------------|
| Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210 | API Number: 30-025-41919 |
| | Well: RASPBERRY BVA STATE #001H |

| Created By | Comment | Comment Date |
|-------------|---|--------------|
| Ynavarrette | C-102 and horizontal drilling diagram will follow by mail. | 6/6/2014 |
| Ynavarrette | Samples: 30' Sample to 5735'. 10' Samples 5735'-TD | 6/6/2014 |
| Ynavarrette | MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1830' is 875 PSI 1830'-5735' is 3042 PSI 5735'-11037' is 5280 PSI | 6/6/2014 |
| Ynavarrette | Well will be drilled vertically to 10520' and then be kicked off at approx. 10520' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11265' MD (10997' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15569' MD (11037' TVD) where 5 1/2" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 1980' FSL and 673' FEL, 22-21S-33E. Deepest TVD is 11037' in lateral. | 6/6/2014 |

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Form APD Conditions

Permit 187262

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Energy, Minerals and Natural Resources
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PERMIT CONDITIONS OF APPROVAL

| | |
|--|------------------------------------|
| Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210 | API Number: 30-025-41919 |
| | Well: RASPBERRY BVA STATE #001H |

| OCD Reviewer | Condition |
|-----------------|--|
| pkautz | Will require a directional survey with the C-104 |
| 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 |
| pkautz | If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well. |
| pkautz | 1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing -- |
| pkautz | Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water |