

HOBBS OCD

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico

NOV 30 2011 Energy Minerals and Natural Resources

Form C-101

June 16, 2008

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
Property Code 36724		API Number 30-015-34031
Property Name Blackbird BKR State		Well No. 2
Proposed Pool 1 WILDCAT GLORIETA 97857		Proposed Pool 2 Wildcat; San Andres <97839

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	32	16S	28E		1650	North	660	East	Eddy

Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Additional Well Information

Work Type Code P	Well Type Code O	Cable/Rotary N/A	Lease Type Code S	Ground Level Elevation 3592'GL
Multiple N	Proposed Depth N/A	Formation Glorieta	Contractor N/A	Spud Date N/A

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
IN PLACE					

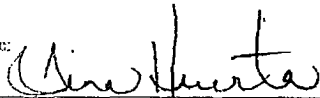
²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation plans to plugback and recomple this well as follows: MIRU. TOH with tubing. Set a CIBP at 6550' with 35' cement on top. Perforate Glorieta 3340'-3360' (20), 3379'-3390' (11) and 3404'-3414' (10). Stimulate as needed. If production is adequate, run appropriate production string and turn well over to production. If Glorieta is not commercially productive, set a CIBP at 3330' with 35' cement on top. Perforate San Andres 2276'-2288' (12), 2294'-2300' (6), 2342'-2362' (20), 2366'-2372' (6), 2376'-2380' (4) and 2397'-2407' (10). Stimulate as needed. TTH with appropriate production string and turn well over to production.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Plugback**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:



Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tina.huerta@yatespetroleum.com

Date: November 4, 2011

Phone: 575-748-4168

OIL CONSERVATION DIVISION

Approved by:

Title: REGULATORY ENGINEER

Approval Date:

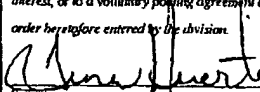
DEC 01 2011

Expiration Date.

Conditions of Approval Attached ☐

NOV 30 2011

District Office

16				<p>17 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 released mineral interest in the land including the proposed bottom hole location 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> November 4, 2011</p> <p>Signature _____ Date _____</p> <p>Tina Huerta Printed Name</p> <p>tinah@hvacspetroleum.com E-mail Address</p>
			<p>1650'N</p> <p>660'E</p>	
1				<p>18 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>Date of Survey _____</p> <p>Signature and Seal of Professional Surveyor: _____</p> <p>Certificate Number _____</p>

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State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102

Revised July 16, 2010

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-34031	² Pool Code 97839	³ Pool Name Wildcat; San Andres
⁴ Property Code 36724	⁵ Property Name Blackbird BKR State	⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3592'GR

¹⁰ Surface Location

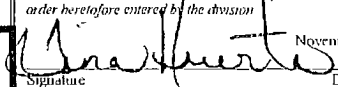
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
11	32	16S	28E		1650	North	660	East	Eddy

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No
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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.

16				¹⁷ OPERATOR CERTIFICATION 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 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.  Signature _____ Date November 4, 2011 Tina Huerta Printed Name tinahu@yatespetroleum.com E-mail Address
				¹⁸ SURVEYOR CERTIFICATION 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. Date of Survey _____ Signature and Seal of Professional Surveyor _____ Certificate Number _____

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

APD is for N ☐ P ☒ E ☐ A ☐ D ☐WELL TYPE: O ☐ G ☒ I ☐ S ☐ OTHER ☐Operator Yates Petroleum Corp OGRID # 25575Well Name & # Blackbird BKR State #2 Surface Type (F) (S) (P)Location: UL H, Sect 32 Township 16 s, RNG 29 e, Sub-surface Type (F) (S) (P)1: BHL @: UL ☐ Sect ☐ Township ☐ s, RNG ☐ e, H ☐ DD ☐2: BHL @: UL ☐ Sect ☐ Township ☐ s, RNG ☐ e, H ☐ DD ☐A. Date C101 rec'd 8/30/14 C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID ☒ BONDING ☒ PROP CODE ☒ WELL # ☒ SIGNATURE ☒2. Inactive Well list as of: 12/1/11 # wells 2359 # Inactive wells 5

a. District Grant APD but see number of inactive wells:

No letter required ☒; Sent Letter to Operator ☐ to Santa Fe ☐3. Additional Bonding as of: 12/1/11

a. District Denial because operator needs addition bonding:

No Letter required ☒; Sent Letter to Operator ☐ To Santa Fe ☐

b. District Denial because of inactive well list and Financial Assurance:

No Letter required ☒; Sent Letter to Operator ☐ To Santa Fe ☐C102 YES ☒ NO ☐ Signature ☒1. Pool Wildcat Colonia, Code 97857a. Dedicated acreage 40, What Units ttb. SUR. Location Standard ☒ Non-Standard Location ☐c. Well shares acres: Yes ☐ No ☒ # of wells ☐ plus this well # ☐2. 2nd. Operator in same acreage, Yes ☐ No ☒ WELL(S) SHARING:WELL(S) BY 2nd OPER: Agreement Letter ☐ Disagreement letter ☐3. Intent to Directional Drill Yes ☐ No ☒Dedicated acreage ☐ What Units ☐Bottomhole Location Standard ☐ Non-Standard Bottomhole ☐4. Downhole Commingle. Yes ☐ No ☒a. Pool #2 Wildcat SA, Code 97839, Acres 40Pool #3 ☐ Code ☐ Acres ☐Pool #4 ☐ Code ☐ Acres ☐5. POTASH Area Yes ☐ No ☒C. Blowout Preventer Yes ☒ No ☐D. H2S Yes ☐ No ☒E. C144 Pit Registration Yes ☐ No ☒

F. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes ☐ No ☒ NSL # ☐2. Non-Standard Proration: Yes ☐ No ☒ NSP # ☐3. Simultaneous Dedication: Yes ☐ No ☒ SD # ☐Number of wells ☐ Plus # ☐4. Injection order Yes ☐ No ☒ PMX # ☐ or WFX # ☐5. SWD order Yes ☐ NO ☒ SWD # ☐6. DHC from SF ☐; DHC-HOB ☐; Holding ☐7. OCD Approval Date / / API # 30015 -- 340318. Reviewers