

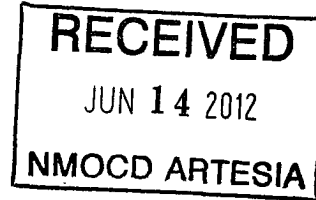
District I
1625 N French Dr, Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St, Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
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1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico

Form C-101
Revised December 16, 2011

Energy Minerals and Natural Resources

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



Permit

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

¹ Operator Name and Address Yates Petroleum Corporation 105 S Fourth Street Artesia, NM 88210		² OGRID Number 025575
⁴ Property Code 36524		³ API Number 30-015-23593
⁵ Property Name Pulsifer AVR		⁶ Well No 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	15	19S	26E		1980	S	1980	W	Eddy

⁸ Pool Information

Wildcat Mississippian Gas	97338
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Additional Well Information

⁹ Work Type Re-entry	¹⁰ Well Type Gas	¹¹ Cable/Rotary Pulling Unit	¹² Lease Type P	¹³ Ground Level Elevation 3335'
¹⁴ Multiple N	¹⁵ Proposed Depth 9830'	¹⁶ Formation Wildcat Mississippian	¹⁷ Contractor	¹⁸ Spud Date ASAP
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 Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5"	13.375"	55 #	355'	450	In Place
Intl	12 25"	8 625"	24#	1630'	620	In Place
Prod	7 875"	5 50"	15 1/2-17#	9834'	750	TOC-2400'

Casing/Cement Program: Additional Comments

SEE ATTACHED PAGE 2

H2S is not anticipated
C-144 Attached
C-102 Attached
Previously Approved.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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"/> .		OIL CONSERVATION DIVISION	
Signature <i>Lori Flores</i>		Approved By <i>L. C. Shepard</i>	
Printed name Lori Flores		Title <i>Geologist</i>	
Title Land Regulatory Technician		Approved Date <i>6/15/2012</i>	Expiration Date <i>6/15/2014</i>
E-mail Address lorif@yatespetroleum.com			
Date: 6/14/2012	Phone 575-748-4448	Conditions of Approval Attached	

YATES PETROLEUM CORPORATION

Pulsifer AVR #1 (Re-entry)

Drilling Prognosis

This well was originally drilled by American Public Energy Company as the Spencer Trust #1. It was spud on July 7, 1981 and was plugged and abandoned September 9, 1981.

Yates' plan is to re-enter the well with a pulling unit and reverse unit to drill out cement plugs in the 8 5/8" casing and the 7 7/8" open hole to 9,834'. The well will be conditioned and a string of 5 1/2" casing will be run to the original TD of 9,834' and cemented with a 13 ppg cement slurry up to +/-2,400'. (13 ppg, 1.61 yield approximately 1,100 sacks of cement). This well will be completed with a pulling unit. Possible formations to be completed include the Morrow, Atoka, Strawn, Canyon, Upper Penn and the Wildcat.

MUD PROGRAM: 0-9,834' Cut Brine Weight: 9.2-10.2 (increase weight as needed) Vis:35,<10-15 cc water loss.

CASING PROGRAM: 5 1/2" casing will be run to the original TD of 9,834'.

CEMENT PROGRAM: 600 sacks of 13lb Super H or Super C slurry, circulate up to 2,400' use filler slurry weight 12.4 to 12.6 per gallon.

BOPE PROGRAM: 3000# BOPE will be nipped up on 13 3/8" casing.

H2S is not anticipated.

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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593	² Pool Code 76960	³ Pool Name Four Mile Maroon; GAS
⁴ Property Code 36514	⁵ Property Name PULSIFER AVR	
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁶ Well Number 1
		⁹ Elevation 3335'

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
K	15	19S	26E		1980	South	1980	West	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 320		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>¹⁷ OPERATOR CERTIFICATION</p> <p>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 mineral or unleased mineral interest in the land including the proposed bottom hole location, has a right to drill this well at this location pursuant to a contract with an owner, such as a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p><i>Cy Cowan</i> 4/27/10 Signature Date</p> <p>Cy Cowan - Land Regulatory Agent Printed Name</p>	
	<p>¹⁸ SURVEYOR CERTIFICATION</p> <p>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.</p> <p>REFER TO ORIGINAL PLAT</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p>	
	<p>Certificate Number</p>	

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593	² Pool Code 97642	³ Property Name Crane; Atoka (GAS)	⁴ Well Number 1
⁴ Property Code 36524	⁵ Operator Name YATES PETROLEUM CORPORATION		⁶ Elevation 3335'
⁷ OGRID No. 025575			

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
K	15	19S	26E		1980	South	1980	West	Eddy

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AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593	² Pool Code 97948	³ Property Name WC-015, S192615K; STRAWGAS
⁴ Property Code 36524	⁵ Property Name PULSIFER AVR	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 3335'

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
K	15	19S	26E		1980	South	1980	West	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

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 AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593	² Pool Code 97800	³ Pool Name WILDCAT	⁴ Well Number Canyon 1
⁴ Property Code 36524	⁵ Property Name PULSIFER AVR		⁶ Elevation 3335'
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION		

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
K	15	19S	26E		1980	South	1980	West	Eddy

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593	² Pool Code 97851	³ Pool Name WILDCAT; CISCO
⁴ Property Code 36524	⁵ Property Name PULSIFER AVR	
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	
		⁶ Well Number 1
		⁹ Elevation 3335'

¹⁰ Surface Location

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593	² Pool Code 97463	³ Pool Name Lake McMillan; WC, NW
⁴ Property Code 36524	⁵ Property Name PULSIFER AVR	
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	
		⁹ Elevation 3335'

¹⁰ Surface Location

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593		¹ Pool Code 97489		WOLFCAMP; GAS	
⁴ Property Code 36524		³ Property Name PULSIFER AVR		⁵ Well Number 1	
⁷ OGRID No. 025575		⁸ Operator Name YATES PETROLEUM CORPORATION		⁹ Elevation 3335'	

¹⁰ Surface Location

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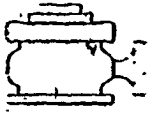
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	<p>1980'</p>	

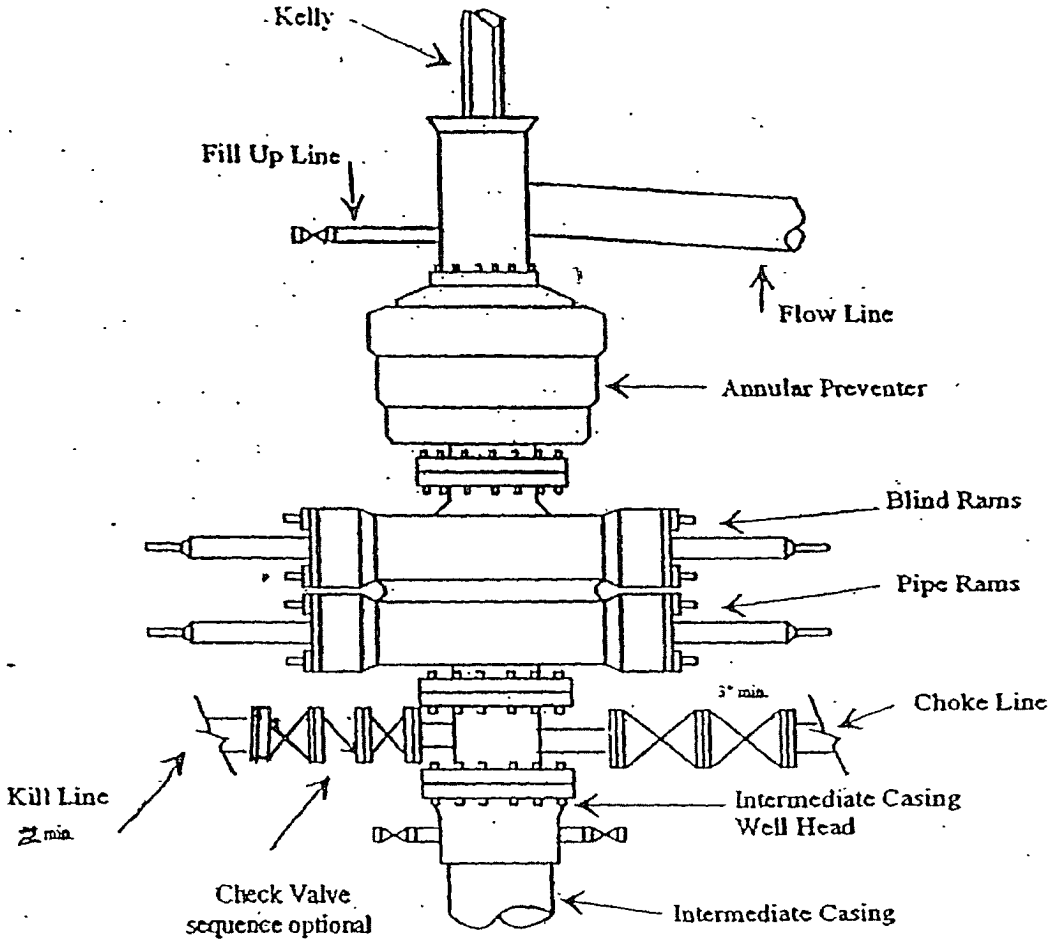
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BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features

