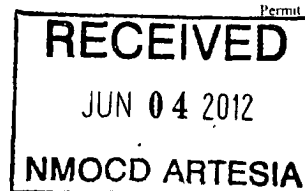


District I
 1625 N French Dr., Hobbs, NM 88240
 Phone (575) 393-6161 Fax (575) 393-0720
 District II,
 811 S First St., Artesia, NM 88210
 Phone (575) 748-1283 Fax (575) 748-9720
 District III
 1000 Rio Brazos Road, Aztec, NM 87410
 Phone (505) 334-6178 Fax (505) 334-6170
 District IV
 1220 S St. Francis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

State of New Mexico
 Energy Minerals and Natural Resources
 Oil Conservation Division
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-101
 Revised December 16, 2011



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

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		² OGRID Number 025575 ³ API Number 30-015-25630
⁴ Property Code 12574	⁵ Property Name Molly QD Com	⁶ Well No 1

⁷ Surface Location

UL - Lot P	Section 13	Township 19S	Range 24E	Lot Idn	Feet from 660	N/S Line South	Feet From 660	E/W Line East	County Eddy
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⁸ Pool Information

No. Seven Rivers, Wolfcamp, North	97394
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type G	¹¹ Cable/Rotary N/A	¹² Lease Type P	¹³ Ground Level Elevation 3601' GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Chester	¹⁷ Contractor N/A	¹⁸ Spud Date N/A
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
REFER TO ORIGINAL COMPLETION						

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to plugback and recompleate this well as follows: MRLU any safety equipment as needed. NU BOP. POOH with tubing. Set a CIBP at 7595'. Spot a 25 sx Class "H" cement plug on top of CIBP. This will leave a plug from 7375' to the CIBP at 7595'. Perforate Wolfcamp 6060'-6080' (21), 6164'-6182' (19), 6238'-6248' (11) and 6360'-6368' (7). Set packer and 2-7/8" tubing at +/-5974'. ND BOP. Acidized Wolfcamp with 5000g 15% NEFE containing 1 gpt iron control, 2 gpt nonionic surfactant and 75 ball sealers, overflush with 2% treated water. Attain maximum possible rate while limiting surface tubing psi to 5000 psi while holding up to 2500 psi on the annulus. Swab test and evaluate. Turn well over to production. Wellbore schematics and BOP diagram attached.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

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 NMOC D guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐. YPC uses steel tanks only.

Signature

Tina Huerta

Printed name Tina Huerta

Title Regulatory Compliance Supervisor

E-mail Address tnah@yatespetroleum.com

Date June 1, 2012

Phone 575-748-4168

OIL CONSERVATION DIVISION

Approved By

T. C. Shepard

Title

Geologist

Approved Date

6/15/2012

Expiration Date

6/15/2014

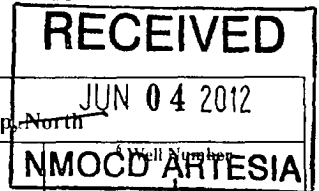
Conditions of Approval Attached

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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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT



WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-25630	² Pool Code 97394	³ Pool Name North Seven Rivers; Wolfcamp, North
⁴ Property Code 12574	⁵ Property Name Molly QD Com	
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3601' 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
P	13	19S	24E		660	South	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

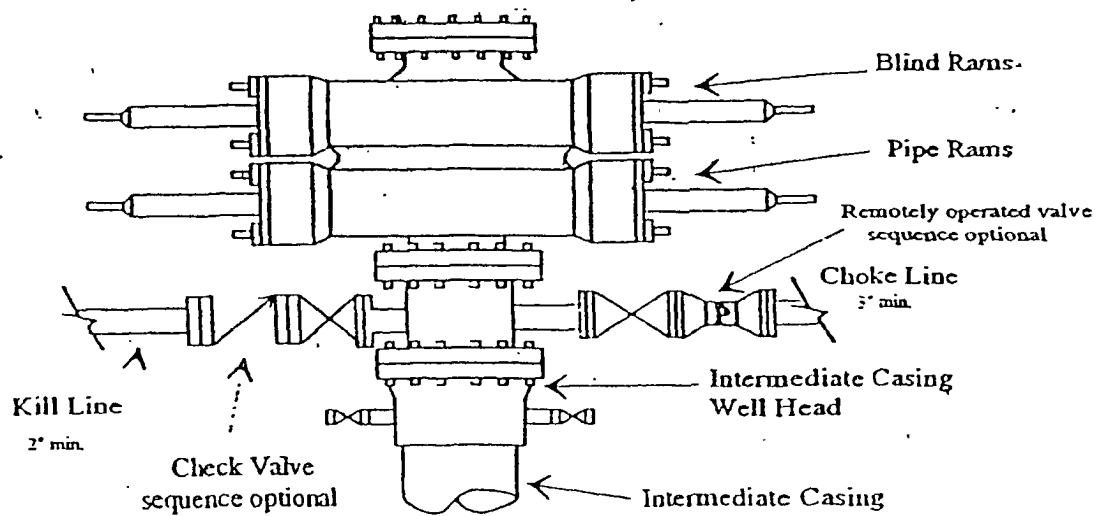
¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by the division.

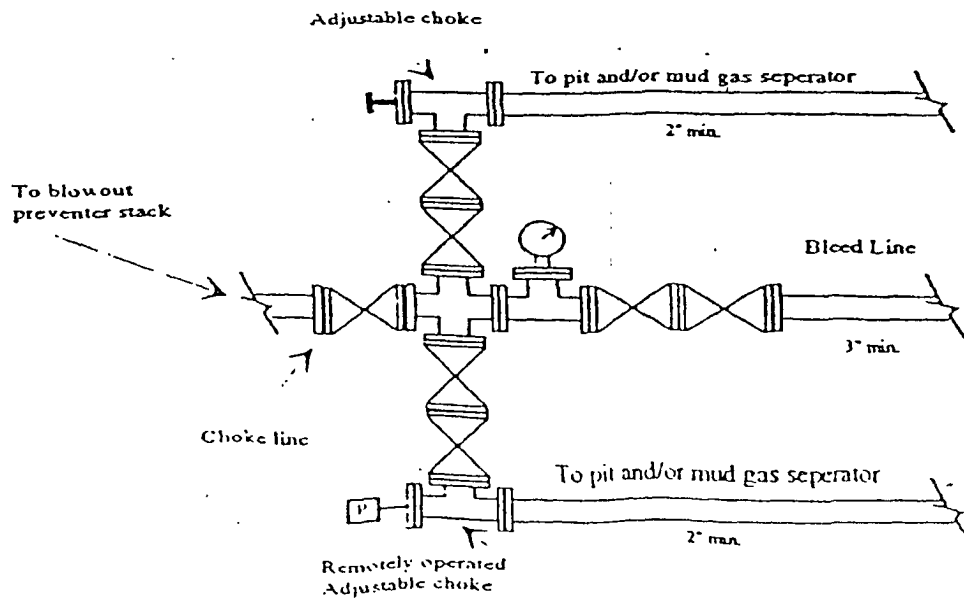
				<p>¹⁷ OPERATOR CERTIFICATION</p> <p><i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or 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</i></p> <p><i>Tina Huerta</i> June 1, 2012 Signature Date</p> <p>Tina Huerta Printed Name</p> <p>tinah@yatespetroleum.com E-mail Address</p>
				<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>

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



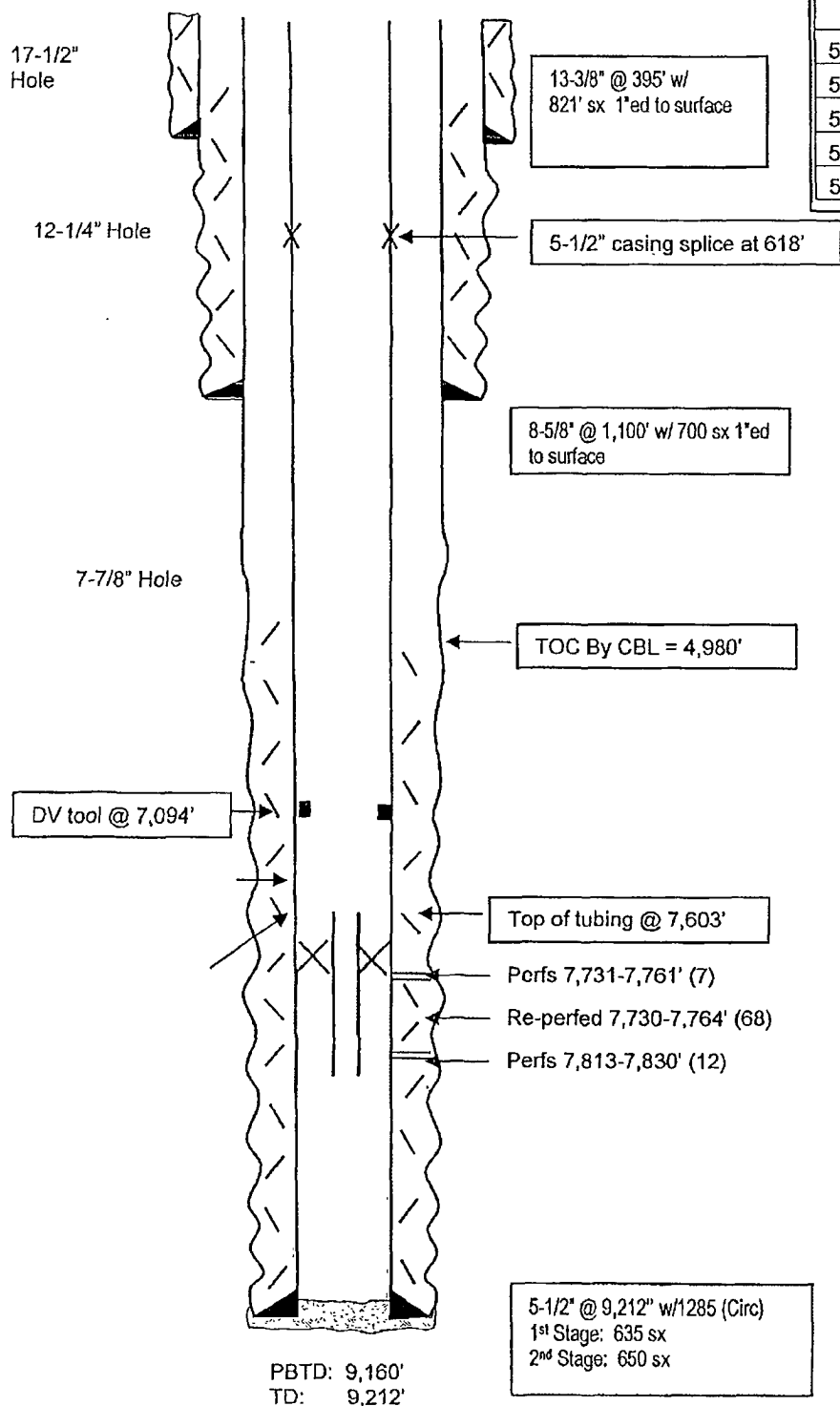
Typical 3,000 psi choke manifold assembly with at least these minimum features



WELL NAME: Molly QD Com #1 FIELD: Dagger Draw Upper Penn N.
 LOCATION: 660' FSL & 660' FEL of Section 13-19S-24E Eddy Co., NM
 GL: 3,601' GR ZERO: KB:
 SPUD DATE: 6/26/86 COMPLETION DATE: 9-23/86
 COMMENTS: API No.: 30-015-25630

CASING PROGRAM

13-3/8" 59.45# J55		395'
8-5/8" 24# 32#		1100'
5-1/2" 17# N80	580'	
5-1/2" 17# J55	1,958'	
5-1/2" 15.5# J55	5,102'	
5-1/2" 17# J55	801'	
5-1/2" 17# N80	783'	9,212'



Before

TOPS

SA	470'
Glorieta	1,872'
Abo	4,060'
WC Lm	5,353'
Cisco	6,330'
Canyon Lm	7,545'
Strawn	8,141'
Atoka	8,596'
Miss Chester	9,132'
Canyon Dolo	7,702'
Strawn Mkr	8,458'
Morrow Cl	8,894'
Chester	9,132'

Not to Scale
 4/18/12
 Mike H

WELL NAME: Molly QD Com #1 FIELD: Dagger Draw Upper Penn N.

LOCATION: 660' FSL & 660' FEL of Section 13-19S-24E Eddy Co., NM

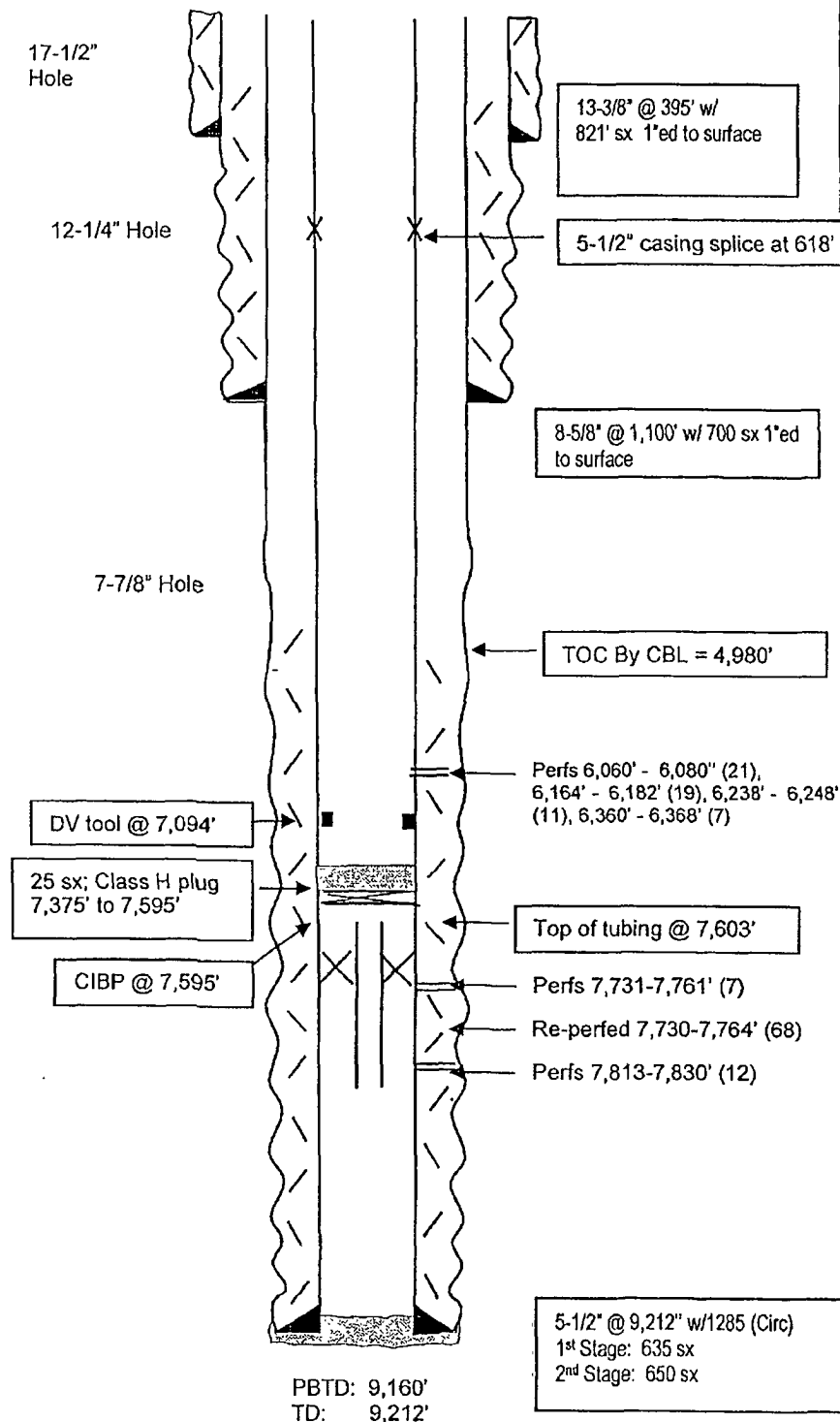
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