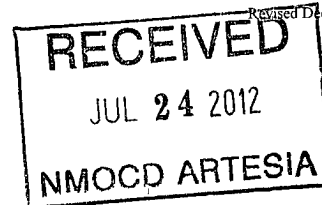


District I
1625 N French Dr, Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St, Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr, Santa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

Permit

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 30-015-34031
⁴ Property Code 36724	⁵ Property Name Blackbird BKR State	⁶ Well No. 2

⁷ Surface Location

UL - Lot H	Section 32	Township 16S	Range 28E	Lot Idn	Feet from 1650	N/S Line North	Feet From 660	E/W Line East	County Eddy
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⁸ Pool Information QU-GB-SA 28509
Wildcat, Grayburg (proposed pool 1), Wildcat, Queen (proposed pool 2) and Wildcat, Penrose (proposed pool 3)

Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary N/A	¹² Lease Type S	¹³ Ground Level Elevation 3592'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 recomplete this well as follows: NU BOP TOH with tubing Set a CIBP at 3300' with 35' cement on top Set a 2nd CIBP at 2260' with 35' cement on top Perforate Grayburg 1896'-1918' (44) Acidize with 3500g 15% NEFE HCL and 90 ball sealers. If production is adequate, run appropriate production string and turn well to production If well is productive of hydrocarbons but not adequate, load hole and TOH with tubing and packer Set a CIBP at 1880' with 35' cement on top Perforate Queen 1698'-1708' (20) Acidize with 2000g 15% NEFE HCL and 40 ball sealers If Queen is not commercially productive, set a CIBP at 1680' with 35' cement on top If Queen is productive, do not set plug Perforate Penrose 1360'-1372' (12) and 1398'-1410' (12) Acidize with 1500g 7-1/2% Morrow type acid and 50 ball sealers If frac is warranted, frac with 25000g YF115 Flex (or equivalent) down casing carrying 49,000# 20/40 brown sand at 50 BPM as in the following schedule (attached). Flow the frac back to remove all the frac fluids and gels. TIH with production equipment and turn to production

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.	OIL CONSERVATION DIVISION	
	Approved By: <i>T. C. Shepard</i>	
Signature: <i>Tina Huerta</i>	Title: <i>Geologist</i>	
Printed name Tina Huerta	Approved Date: <i>7/25/2012</i>	Expiration Date: <i>7/25/2014</i>
Title Regulatory Compliance Supervisor		
E-mail Address. tinah@yatespetroleum.com		
Date: July 20, 2012	Phone: 575-748-4168	Conditions of Approval Attached

Stage	Fluid	Rate	Prop ppg	Total Proppant	Prop type
6000 gal Pad	Slick water	50	none	none	
4000 gal	YF115	50	1 ppg	4000 lbs	20/40 Brady
5000 gal	YF115	50	2 ppg	10000 lbs.	20/40 Brady
5000 gal	YF115	50	3 ppg	15000 lbs.	20/40 Brady
5000 gal	YF115	50	4 ppg	20000 lbs.	20/40 RCS
1276 gal	Slick water	Flush			

Well Name: Blackbird BKR State No. 2 Field: _____

Location: 1650' FNL & 660' FEL Sec. 32-16S-28E, Eddy Co, NM

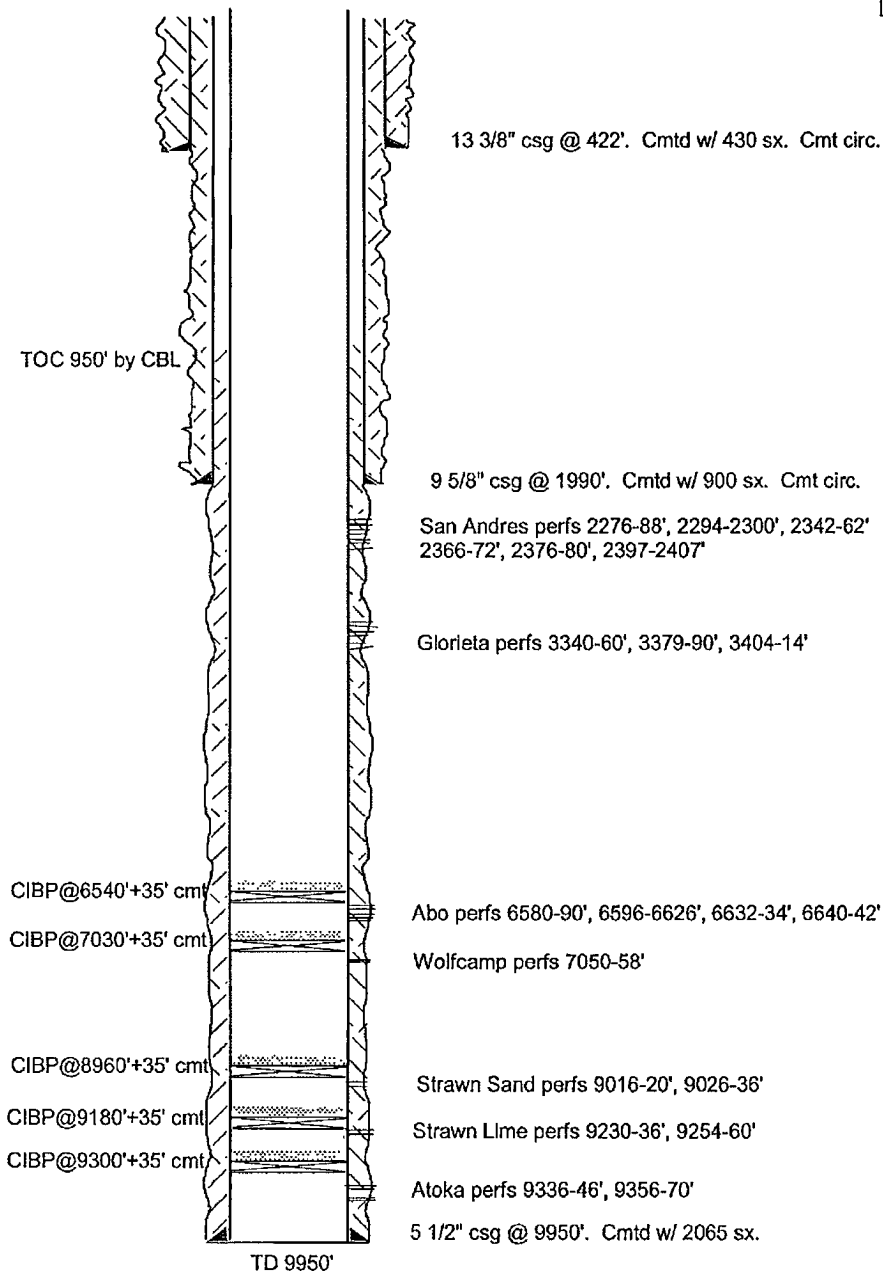
GL: 3592' Zero: _____ AGL: _____ KB: 3609.5'

Spud Date: _____ Completion Date: _____

Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# H40	422'
9 5/8" 36# J55	1990'
5 1/2" 15.5 & 17# J55 & L80	9950'

CURRENT CONFIGURATION



SKETCH NOT TO SCALE

DATE: 12-8-11 BLKBRD2B

Well Name: Blackbird BKR State No. 2 Field: _____

Location: 1650' FNL & 660' FEL Sec. 32-16S-28E, Eddy Co, NM

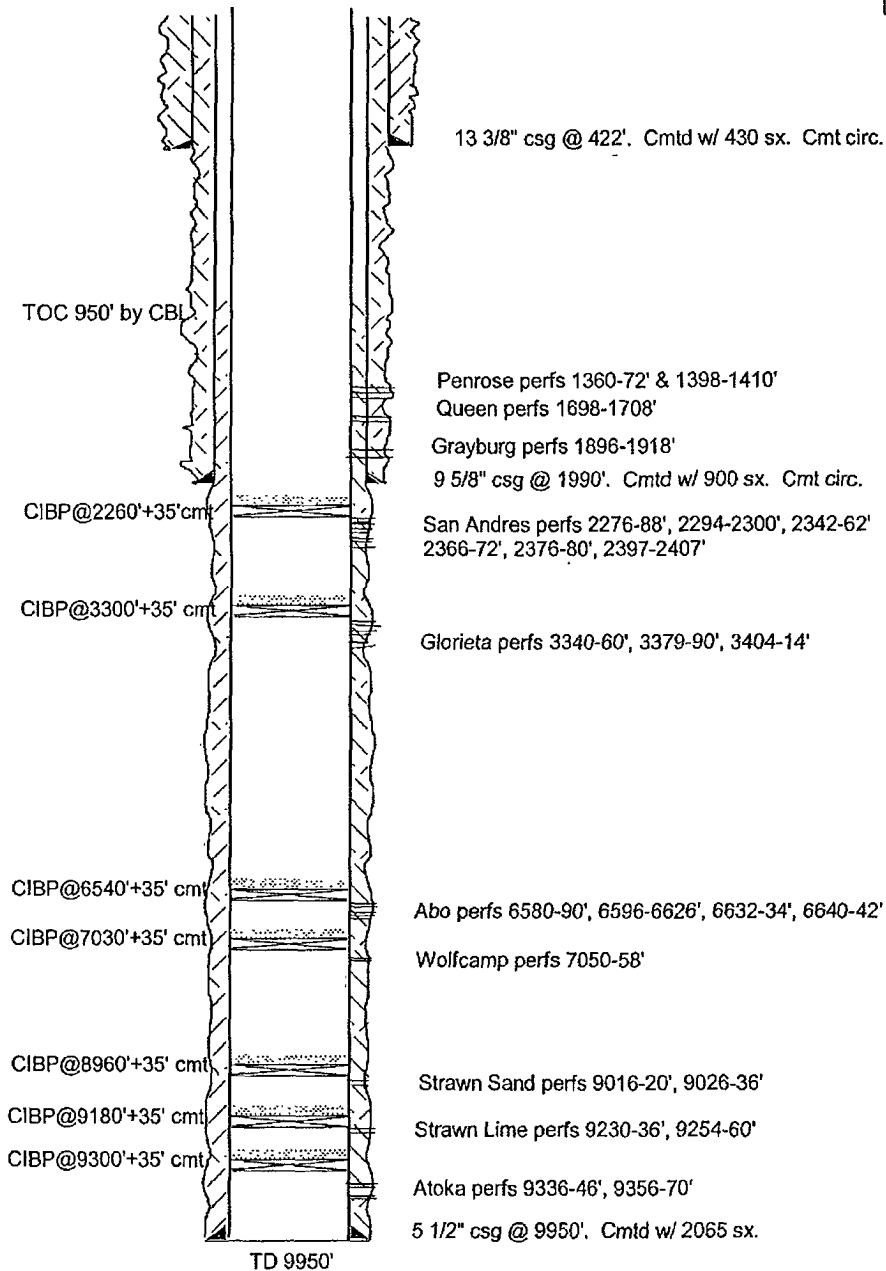
GL: 3592' Zero: _____ AGL: _____ KB: 3609.5'

Spud Date: _____ Completion Date: _____

Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# H40	422'
9 5/8" 36# J55	1990'
5 1/2" 15.5 & 17# J55 & L80	9950'

PROPOSED CONFIGURATION

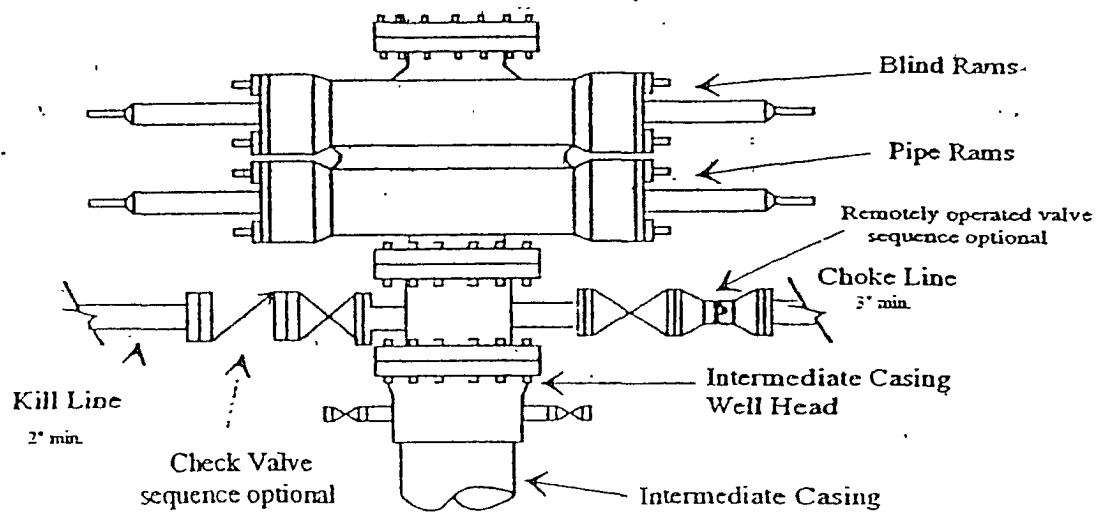


SKETCH NOT TO SCALE

DATE: 1-9-12 BLKBRD2E

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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

