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

RECEIVED
JUL 25 2012
NMOCD ARTESIA

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

[1] Operator Name and Address	[2] OGRID Number
Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210	025575
	[3] API Number 30-015-21564

[4] Property Code	[5] Property Name	[6] Well No
38662	Jackson EM	1

[7] Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
O	25	17S	25E		660	South	1980	East	Eddy

[8] Pool Information

~~Eddy; Cisco~~ Eagle Creek; ATOKA-MORROW, E (GAS) ~~96172~~ 76240

Additional Well Information

[9] Work Type	[10] Well Type	[11] Cable/Rotary	[12] Lease Type	[13] Ground Level Elevation
P	G	N/A	P	3453'GL
[14] Multiple	[15] Proposed Depth	[16] Formation	[17] Contractor	[18] Spud Date
N	N/A	Chester	N/A	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 add perfs in current Morrow possibly perforate Atoka, plugback and possibly recomplete as follows: NU BOP and other safety equipment as needed. Dump 250g 7-1/2% MSA acid down the tubing and chase it with 36 bbls treated water Wait one hour and start swab testing the current Morrow interval Set a CIBP or flow through plug at 8274', depending on previous test. Load hole with treated water. Perforate Morrow 8254'-8262' (49) Acidize with 1500g 7-1/2% MSA acid with iron control additives Swab test and evaluate and consider turning well to production. If Morrow is not productive, set a CIBP at 8229' with 35' cement on top Perforate Atoka 7956'-7958' (13), 8096'-8098' (13), 8158'-8160' (13) and 8176'-8178' (13). Acidize with 2000g 10% MSA acid with iron control additives Pump acid away, flush to bottom perf with treated water, drop 80 ball sealers spaced out evenly throughout the acid treatment Swab test and evaluate and consider turning well to production If Atoka is not productive, set a CIBP at 7906' with 35' cement on top Perforate 6 .42" squeeze holes at 7646' Set packer at +/-7600'. Load 2-7/8" x 5-1/2" annulus and hold 500 psi on it while attempting to establish circulation up the 8-5/8" x 5-1/2" annulus, be sure that all the 8-5/8" braden head valves are open. WL set a retainer at +/-7600'. Sting into retainer and pump a secondary cement job with 400 sx Class "C" cement with a fluid loss additive mixed at 14.8#/g with yld of 1 32cu ft/sx. Displace to the retainer and sting out of retainer, reverse circulate and clean Est TOC will be 5360'. Pull log from retainer to 500' pas the TOC. Perforate Cisco 6600'-6610' (11) and 6662'-6684' (23). Acidize with 5000g 20% HCL acid and 40 ball sealers spaced out evenly throughout acid treatment Swab well 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 NMOCD 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 tinah@yatespetroleum com

Date July 20, 2012 Phone 575-748-4168

OIL CONSERVATION DIVISION

Approved By: T. L. Shepard

Title: GEOLOGIST

Approved Date 7/30/2012 Expiration Date 7/30/2014

Conditions of Approval Attached Provide C102 for Cisco

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NMOCD ARTESIA

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	[2] Pool Code	[3] Pool Name	
30-015-21564	~~96172~~ 76240	Eagle Creek; ~~Eddy; Cisco~~ ATOKA-MORROW, EAST (GAS)	
[4] Property Code	[5] Property Name		[6] Well Number
38662	Jackson EM		1
[7] OGRID No.	[8] Operator Name		[9] Elevation
025575	Yates Petroleum Corporation		3453'GR

[10] Surface Location

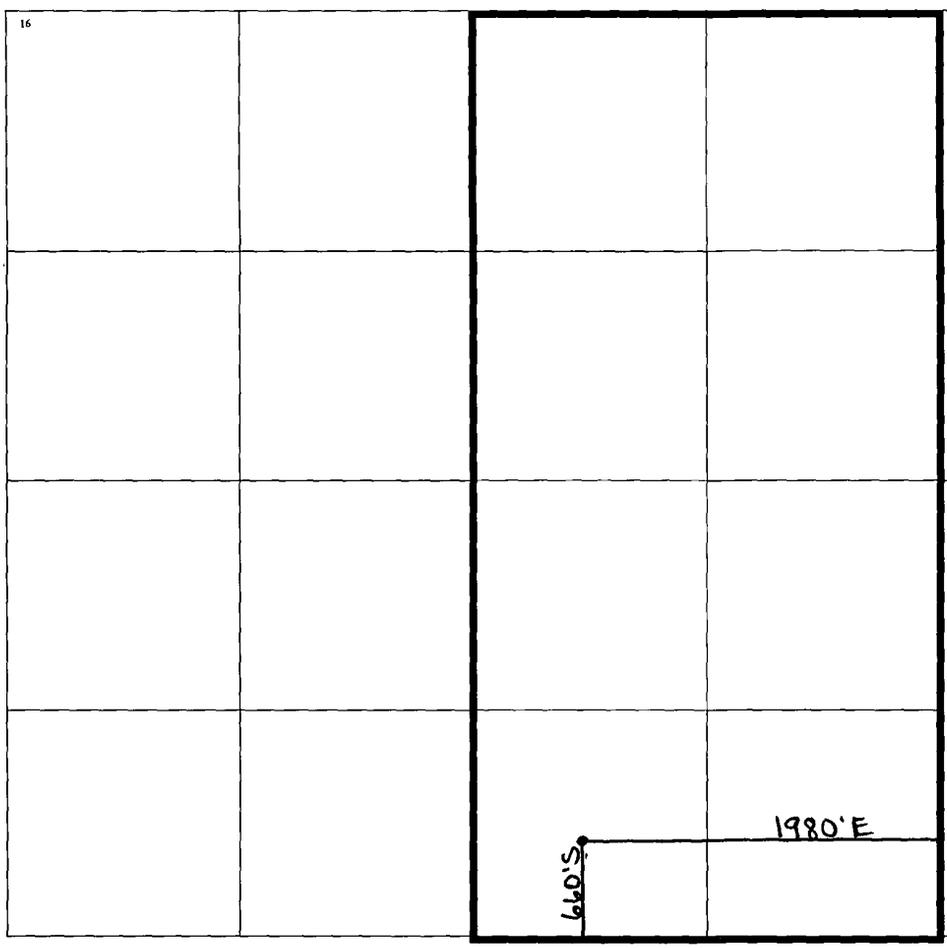
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
O	25	17S	25E		660	South	1980	East	Eddy

[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	[13] Joint or Infill	[14] Consolidation Code	[15] Order No.
320			

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.



[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

Tina Huerta — July 23, 2012
Signature — Date

Tina Huerta
Printed Name

tinah@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

On file
Date of Survey

Signature and Seal of Professional Surveyor

Certificate Number

WELL NAME: Jackson EM Com # 1 **FIELD:** Eagle Creek East

LOCATION: 660' FSL & 1,980' FEL of Section 25-17S-25E Eddy Co., NM

GL: 3,453' **ZERO:** 17' **KB:** 3,470'

SPUD DATE: 06/15/75 **COMPLETION DATE:** 07/19/75

COMMENTS: API No.: 30-015-21564

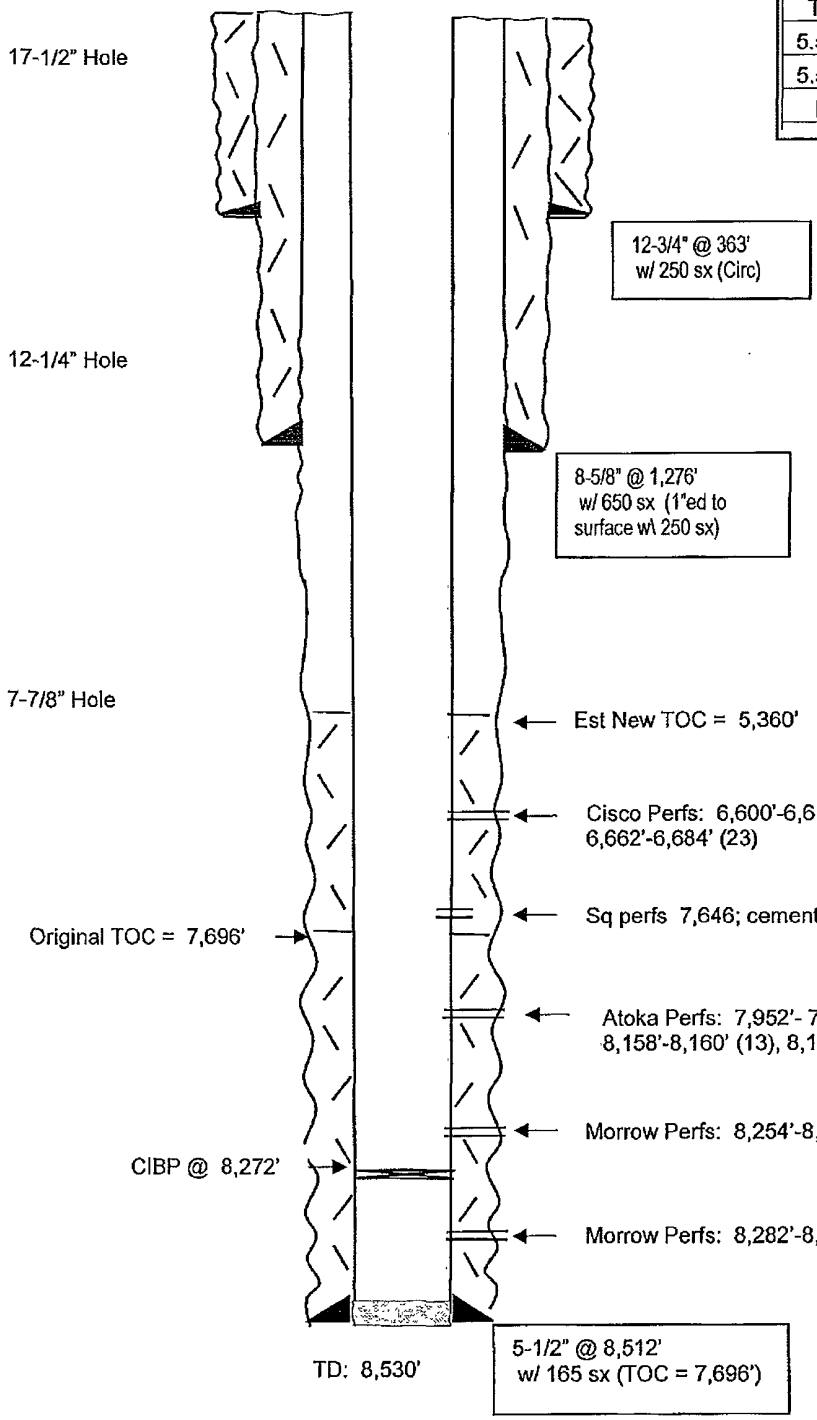
CASING PROGRAM

12-3/4" 34# J-55	**363'**
8-5/8" 24#	**1,276'**
Top	
5.5" 15.5# K-55 LT&C 6,817'	
5.5" 17# K-55 LT&C 1,680'	**8,512'**
Bottom	

After

TOPS

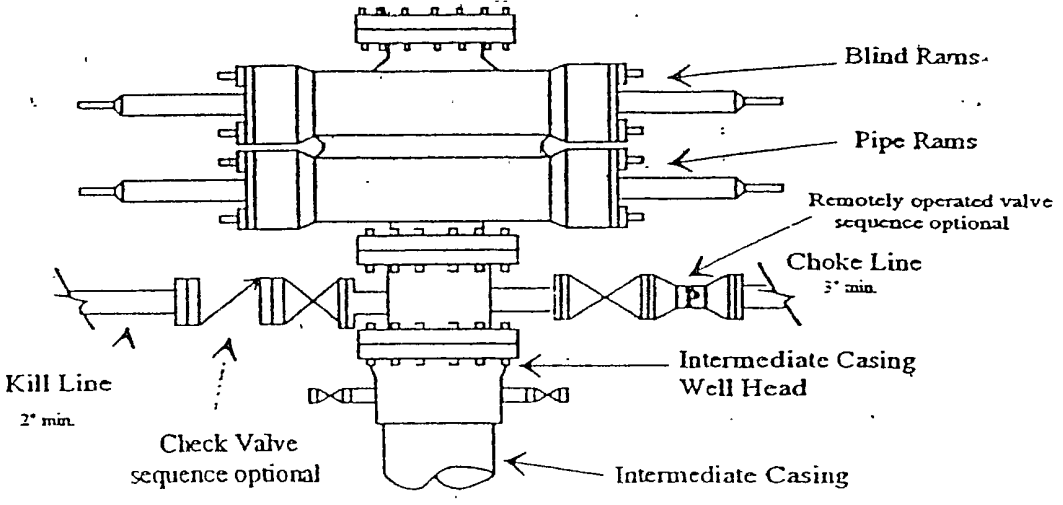
SA	803'
Glorieta	2,205'
Abo	4,172'
Wolfcamp	5,323'
Canyon	7,295'
Strawn	7,743'
Atoka	8,050'
Morrow	8,240'



Not to Scale
5-16-12
JMH

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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