

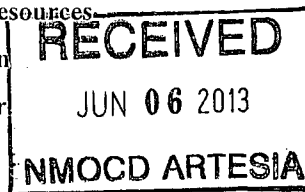
District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV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

RE-SUBMIT



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

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30-015-27448
<sup>4</sup> Property Code 14612	<sup>5</sup> Property Name Beauregard ANM State Com	<sup>6</sup> Well No. 1

<sup>7</sup> Surface Location

UL - Lot L	Section 14	Township 18S	Range 27E	Lot Idn	Feet from 1980	N/S Line South	Feet From 660	E/W Line West	County Eddy
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<sup>8</sup> Pool Information

WC-0156-03 S182714L; B.S. (98029) B&D LAKE, GLORIETA 1/8SD  
Wildcat; Bone Spring or Wildcat Glorieta

Additional Well Information

<sup>9</sup> Work Type P	<sup>10</sup> Well Type O	<sup>11</sup> Cable/Rotary N/A	<sup>12</sup> Lease Type S	<sup>13</sup> Ground Level Elevation 3475'GL
<sup>14</sup> Multiple N	<sup>15</sup> Proposed Depth N/A	<sup>16</sup> Formation Bone Spring	<sup>17</sup> Contractor N/A	<sup>18</sup> Spud Date N/A
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

<sup>19</sup> 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: MIRU all safety equipment as needed. NU BOP. POOH with existing production equipment. Set 4-1/2" CIBP at 9583' and spot 25 sx Class "H" cement on top from 9233'-9583'. This will place a plug over open Morrow perforations. Spot a 50 sx Class "H" cement plug from 7204'-7609'. This will leave a plug across 7" casing shoe and across liner top. WOC and tag, reset if necessary. Pressure test casing to 3000 psi, if leaks are detected TIH with packer and RBP to isolate leak. If multiple leaks are detected pull a casing inspection log and evaluate casing. Perforate Bone Spring 6942'-6952' (11). Swab test and evaluate, consider pumping a 1500g 15% NEFE acid job and swab test again. If well is productive; swab well until it cleans up, then TIH with pumping equipment and turn well over to production. After Bone Spring test set a CIBP at 6892' and cap with 35' cement, this procedure assumes the TOC is above 2600' after the casing repair, then perforate Glorieta 3412'-3690' (110). Fracture treat as attached. Flow well back and allow well to clean up. Wash sand down to PBD. Swab well until it cleans up, then TIH with pumping equipment and turn well over 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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . <u>YPC uses steel tanks only.</u>		OIL CONSERVATION DIVISION	
Signature:		Approved By:	
Printed name: Tina Huerta		Title:	
Title: Regulatory Reporting Supervisor		Approved Date: 6/11/2013	Expiration Date: 6/14/2015
E-mail Address: tinah@yatespetroleum.com			
Date: June 3, 2013	Phone: 575-748-4168	Conditions of Approval Attached	

10. MI RU casing saver and pumping equipment to pump a fracture treatment at 70 BPM down the 7" casing limiting the surface treating pressure to 2,800 psig. Set a pop off valve at 3,000 psi.

Glorieta Pump schedule

Stage	Stage Discription	Fluid Type	Clean Stage Size ( Gal )	Dirty Stage Size ( Gal )	Proppant Conc. Blender (PPGA)	Clean Rate ( Gal/M )	Time Stage ( Min. )	Time Cum. ( Min. )	Stage Prop	Total Prop
1.0	ACID	15% HCL	2500	2500	0	2.9	0.9	0.9	0	0
2.0	Pad	Slick Water	6000	6000	0	2.9	2.0	2.9	0	0
3.0	.25 ppg 100 mesh	Slick Water	6068	6068	0.25	2.9	2.1	5.0	1,500	1,500
4.0	Pad	Slick Water	6000	6000	0	2.9	2.0	7.0	0	1,500
5.0	.25 ppg 100 mesh	Slick Water	6137	6137	0.5	2.9	2.1	9.1	3,000	4,500
6.0	Pad	Slick Water	7500	7500	0	2.9	2.6	11.6	0	4,500
7.0	.25 ppg 40/70 brown	Slick Water	18205	18205	0.25	2.9	6.2	17.8	4,500	9,000
8.0	Pad	Slick Water	7500	7500	0	2.9	2.6	20.4	0	9,000
9.0	.5 ppg 40/70 brown	Slick Water	18410	18410	0.5	2.9	6.3	26.6	9,000	18,000
10.0	Pad	Slick Water	7500	7500	0	2.9	2.6	29.2	0	18,000
11.0	.75 ppg 40/70 brown	Slick Water	18616	18616	0.75	2.8	6.3	35.5	13,500	31,500
12.0	Pad	Slick Water	7500	7500	0	2.9	2.6	38.1	0	31,500
13.0	1.0 ppg 40/70 brown	Slick Water	18821	18821	1	2.8	6.4	44.5	18,000	49,500
14.0	Pad	Slick Water	10000	10000	0	2.9	3.4	47.9	0	49,500
15.0	1.5 ppg 40/70 brown	Slick Water	19231	19231	1.5	2.8	6.5	54.4	27,000	76,500
16.0	Pad	10# Gel	15000	15000	0	2.9	5.1	59.5	0	76,500
17.0	1.0 ppg 20/40 brown	10# Gel	9410	9410	1	2.8	3.2	62.7	9,000	85,500
18.0	1.5 ppg 20/40 brown	10# Gel	9616	9616	1.5	2.8	3.3	66.0	13,500	99,000
19.0	2.0 ppg 20/40 brown	10# Gel	9821	9821	2	2.7	3.3	69.3	18,000	117,000
20.0	3.0 ppg 20/40 RCS	10# Gel	13642	13642	3	2.6	4.6	74.0	36,000	153,000
21.0	Flush	10# Gel	5474	5474	0	2.9	1.9	75.8	0	153,000
TOTALS			215,974				75.8		153,000	

Pump stages at 70 BPM

Estimated Surface treating pressure = 2,022 psi.

Maximum allowable pressure will be 3,000 psi, unless new casing is ran.

**Fluid Specifications:**

**Slick Water** - Fresh water with 1 gal/M liquid friction reducer, 1 gal/M gas surfactant, liquid biocide agent and an oxidizing breaker.

**10# linear gel** - Fresh water with 1 gal/M gas surfactant, liquid biocide agent and an oxidizing breaker, to achieve a 3-hour break.

**YPC will provide:**

Twelve clean frac tanks and a fresh water supply

Two tanks for flow back

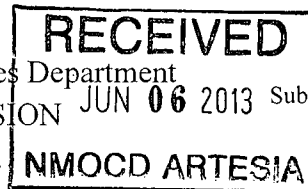
**Service company to provide:** computer van with job reports, weight tickets, on location and QC lab van.

Use as much breaker as possible in all fluids.

All chemicals are to be pumped on the fly.

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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  
**RE-SUBMIT**

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-27448	<sup>2</sup> Pool Code 98029	<sup>3</sup> Pool Name WC-015G-03 S1827, 172 <del>Wildcat, Bone Spring</del>
<sup>4</sup> Property Code 14612	<sup>5</sup> Property Name Beauregard ANM State Com	
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	
		<sup>6</sup> Well Number 1
		<sup>9</sup> Elevation 3475'GL

<sup>10</sup> Surface Location									
UL or lot no. L	Section 14	Township 18S	Range 27E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line West	County Eddy

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<sup>16</sup> 				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> <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>  Signature Date June 3, 2013 Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address
				<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> <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>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

88240  
75) 309-0720  
1210  
75) 748-9720  
JUN 06 2013  
NM 87410  
75) 334-6170  
NM 8750  
MOOD ARTESIA

Minerals & Natural Resources Department

1220 South St. Francis Dr.

Santa Fe, NM 87505

District Office

RE-SUBMIT

<div data-bbox="63 938 305 1182" data-label="Diagram"></div>				<div data-bbox="1037 938 1498 1182" data-label="Text"><p>17 <b>OPERATOR CERTIFICATION</b></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><div data-bbox="1037 1123 1498 1241"><div data-bbox="1037 1123 1338 1241"></div><div data-bbox="1338 1123 1498 1241">June 3, 2013 Date</div></div><div data-bbox="1037 1241 1498 1299">Tina Huerta Printed Name</div><div data-bbox="1037 1299 1498 1358"><a href="mailto:tinah@vatespetroleum.com">tinah@vatespetroleum.com</a> E-mail Address</div></div>
				<div data-bbox="1037 1182 1498 1894" data-label="Text"><p>18 <b>SURVEYOR CERTIFICATION</b></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><div data-bbox="1037 1642 1498 1680">Date of Survey</div><div data-bbox="1037 1680 1498 1719">Signature and Seal of Professional Surveyor:</div><div data-bbox="1037 1856 1498 1894">Certificate Number</div></div>