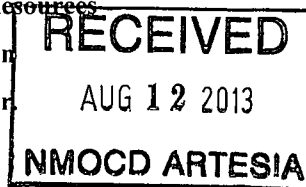


District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170
District IV
1220 S. St. Francis 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 30-015-26265
⁴ Property Code 12169	⁵ Property Name Dagger ZW	⁶ Well No. 2

⁷ Surface Location

UL - Lot 1	Section 25	Township 19S	Range 24E	Lot Idn	Feet from 1980	N/S Line South	Feet From 660	E/W Line East	County Eddy
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⁸ Pool Information

N. Seven Rivers; Glorieta-Yeso	97565
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary N/A	¹² Lease Type Fee	¹³ Ground Level Elevation 3582'GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Cisco	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 recompleat this well as follows: NU BOP. Rig up all safety equipment as needed. Run a GR/JB down to 7610'. Set a 7" CIBP at 7600' with 25 sx Class "H" cement on top. Spot a 40 sx Class "C" cement plug from 5450'-5313'. WOC and tag, reset if necessary. This will leave a plug across top of the Wolfcamp and DV tool. Spot a 30 sx Class "C" cement plug from 4100'-4000'. Pressure test casing to 3000 psi. Perforate Glorieta-Yeso 3204'-3256' (46). Frac as attached. Set a flow through composite plug at 3180'. Perforate Glorieta-Yeso 3016'-3064' (39). Frac as attached. Set a 2nd flow through composite plug at 2750'. Perforate Glorieta-Yeso 2114'-2646' (50). Frac as attached. Flow well back to allow to clean up. Clean out to PBTD. Turn to production. Wellbore schematics 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 NMOCD guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ . <u>YPC uses steel tanks only.</u> Signature: <i>Laura Watts</i>		OIL CONSERVATION DIVISION	
Printed name: Laura Watts		Approved By: <i>R. Dad</i>	
Title: Regulatory Reporting Technician		Title: <i>Dist. J. Sepewis Jr</i>	
E-mail Address: laura@yatespetroleum.com		Approved Date: <i>8/19/2013</i>	Expiration Date:
Date: August 9, 2013	Phone: 575-748-4272	Conditions of Approval Attached	

Re-submit per Karen Sharp request on 8/9/2013

3204'-3256'

MIRU pumping company and casing saver to pump a fracture treatment at 85 BPM down the 7" casing, limiting the surface treating pressure to 3,500 psi. Set a pop off valve at 3,800 psi.

Treating Schedule

Stg. #	Fluid	Stg. Type	Cln. Vol. (gals)	Rate (bpm)	Proppant	Conc. (lb/gal)	Stage Prop. (lbs)	Cum. Prop. (lbs)
1	Slick Water	Prepad	100	20		0.0	0	0
2	15% HCL	Acid	2,000	35		0.0	0	0
3	Slick Water	Prepad	2,000	85		0.0	0	0
4	Slick Water	Pad	56,000	85		0.0	0	0
5	Slick Water	Slurry	4,500	85	100 Mesh	0.2	900	900
6	Slick Water	Sweep	4,500	85		0.0	0	900
7	Slick Water	Slurry	4,500	85	100 Mesh	0.3	1,350	2,250
8	Slick Water	Sweep	4,500	85		0.0	0	2,250
9	Slick Water	Slurry	4,500	85	100 Mesh	0.4	1,800	4,050
10	Slick Water	Sweep	4,500	85		0.0	0	4,050
11	Slick Water	Slurry	4,500	85	100 Mesh	0.5	2,250	6,300
12	Slick Water	Sweep	4,500	85		0.0	0	6,300
13	Slick Water	Slurry	4,500	85	100 Mesh	0.6	2,700	9,000
14	Slick Water	Sweep	4,500	85		0.0	0	9,000
15	Slick Water	Slurry	4,500	85	100 Mesh	0.7	3,150	12,150
16	Slick Water	Sweep	4,500	85		0.0	0	12,150
17	Slick Water	Slurry	4,500	85	100 Mesh	0.8	3,600	15,750
18	Slick Water	Sweep	4,500	85		0.0	0	15,750
19	Slick Water	Slurry	4,500	85	100 Mesh	0.9	4,050	19,800
20	Slick Water	Sweep	4,500	85		0.0	0	19,800
21	Slick Water	Slurry	4,500	85	100 Mesh	1.0	4,500	24,300
22	Slick Water	Pad	10,700	85		0.0	0	24,300
23	Slick Water	Slurry	20,000	85	40/70 Brady	0.2	4,000	28,300
24	Slick Water	Sweep	6,000	85		0.0	0	28,300
25	Slick Water	Slurry	20,000	85	40/70 Brady	0.3	6,000	34,300
26	Slick Water	Sweep	6,000	85		0.0	0	34,300
27	Slick Water	Slurry	20,000	85	40/70 Brady	0.4	8,000	42,300
28	Slick Water	Sweep	6,000	85		0.0	0	42,300
29	Slick Water	Slurry	20,000	85	40/70 Brady	0.5	10,000	52,300
30	Slick Water	Sweep	6,000	85		0.0	0	52,300
31	Slick Water	Slurry	20,000	85	40/70 Brady	0.6	12,000	64,300
32	Slick Water	Sweep	6,000	85		0.0	0	64,300
33	Slick Water	Slurry	20,000	85	40/70 Brady	0.7	14,000	78,300

34	Slick Water	Sweep	6,000	85		0.0	0	78,300
35	Slick Water	Slurry	20,000	85	40/70 Brady	0.8	16,000	94,300
36	Slick Water	Sweep	6,000	85		0.0	0	94,300
37	Slick Water	Slurry	23,000	85	40/70 Brady	0.9	20,700	115,000
38	Slick Water	Sweep	6,000	85		0.0	0	115,000
39	Slick Water	Slurry	24,000	85	40/70 Brady	1.0	24,000	139,000
40	Slick Water	Pad	17,000	85		0.0	0	139,000
41	Slick Water	Slurry	17,000	85	16/30 Brady	1.0	17,000	156,000
42	Slick Water	Slurry	24,000	85	16/30 Brady	2.0	48,000	204,000
43	Slick Water	Slurry	32,000	85	16/30 Brady	3.0	96,000	300,000
44	Slick Water	Flush	3,900	85		0.0	0	300,000
	Totals	-	476,200	-	-	-	300,000	-

Estimated Surface Treating Pressure = 2,223 psig.

Maximum Surface Treating Pressure = 3,500 psig.

3,016'-3,022' (7); 3,028'-3,044' (17); 3,050'-3,064' (15)

39 Shots Total

Net Pay = 50'

2

Pump a fracture treatment at 85 BPM down the 7" casing, limiting the surface treating pressure to 3,500 psi. Set a pop off valve at 3,800 psi.

Treating Schedule

Stg. #	Fluid	Stg. Type	Cln. Vol. (gals)	Rate (bpm)	Proppant	Conc. (lb/gal)	Stage Prop. (lbs)	Cum. Prop. (lbs)
1	Slick Water	Prepad	100	20		0.0	0	0
2	15% HCL	Acid	2,000	35		0.0	0	0
3	Slick Water	Prepad	2,000	85		0.0	0	0
4	Slick Water	Pad	56,000	85		0.0	0	0
5	Slick Water	Slurry	4,500	85	100 Mesh	0.2	900	900
6	Slick Water	Sweep	4,500	85		0.0	0	900
7	Slick Water	Slurry	4,500	85	100 Mesh	0.3	1,350	2,250
8	Slick Water	Sweep	4,500	85		0.0	0	2,250
9	Slick Water	Slurry	4,500	85	100 Mesh	0.4	1,800	4,050
10	Slick Water	Sweep	4,500	85		0.0	0	4,050
11	Slick Water	Slurry	4,500	85	100 Mesh	0.5	2,250	6,300
12	Slick Water	Sweep	4,500	85		0.0	0	6,300
13	Slick Water	Slurry	4,500	85	100 Mesh	0.6	2,700	9,000
14	Slick Water	Sweep	4,500	85		0.0	0	9,000
15	Slick Water	Slurry	4,500	85	100 Mesh	0.7	3,150	12,150

16	Slick Water	Sweep	4,500	85		0.0	0	12,150
17	Slick Water	Slurry	4,500	85	100 Mesh	0.8	3,600	15,750
18	Slick Water	Sweep	4,500	85		0.0	0	15,750
19	Slick Water	Slurry	4,500	85	100 Mesh	0.9	4,050	19,800
20	Slick Water	Sweep	4,500	85		0.0	0	19,800
21	Slick Water	Slurry	4,500	85	100 Mesh	1.0	4,500	24,300
22	Slick Water	Pad	10,700	85		0.0	0	24,300
23	Slick Water	Slurry	20,000	85	40/70 Brady	0.2	4,000	28,300
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25	Slick Water	Slurry	20,000	85	40/70 Brady	0.3	6,000	34,300
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27	Slick Water	Slurry	20,000	85	40/70 Brady	0.4	8,000	42,300
28	Slick Water	Sweep	6,000	85		0.0	0	42,300
29	Slick Water	Slurry	20,000	85	40/70 Brady	0.5	10,000	52,300
30	Slick Water	Sweep	6,000	85		0.0	0	52,300
31	Slick Water	Slurry	20,000	85	40/70 Brady	0.6	12,000	64,300
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33	Slick Water	Slurry	20,000	85	40/70 Brady	0.7	14,000	78,300
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37	Slick Water	Slurry	23,000	85	40/70 Brady	0.9	20,700	115,000
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44	Slick Water	Flush	3,900	85		0.0	0	300,000
	Totals	-	476,200	-	-	-	300,000	-

Estimated Surface Treating Pressure = 2,223 psig.

Maximum Surface Treating Pressure = 3,500 psig.

2114' - 2646'

3

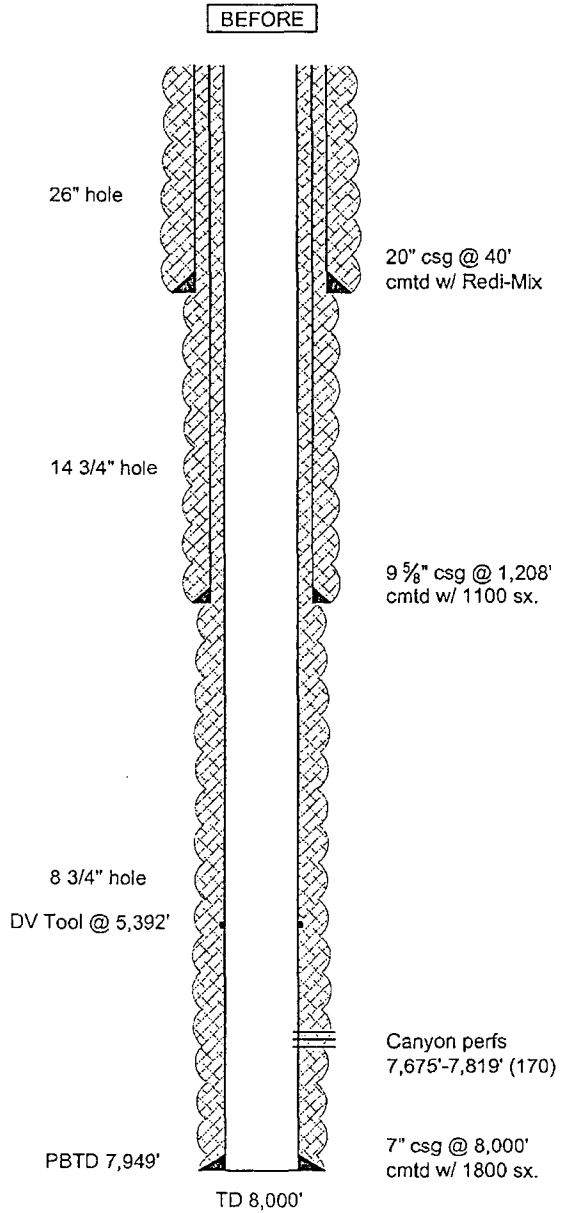
Pump a fracture treatment at 100 BPM down the 7" casing, limiting the surface treating pressure to 3,500 psi. Set a pop off valve at 3,800 psi.

Treating Schedule

Stg. #	Fluid	Stg. Type	Cln. Vol. (gals)	Rate (bpm)	Proppant	Conc. (lb/gal)	Stage Prop. (lbs)	Cum. Prop. (lbs)
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3	Slick Water	Prepad	2,000	100		0.0	0	0
4	Slick Water	Pad	56,000	100		0.0	0	0
5	Slick Water	Slurry	4,500	100	100 Mesh	0.2	900	900
6	Slick Water	Sweep	4,500	100		0.0	0	900
7	Slick Water	Slurry	4,500	100	100 Mesh	0.3	1,350	2,250
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34	Slick Water	Sweep	6,000	100		0.0	0	78,300
35	Slick Water	Slurry	20,000	100	40/70 Brady	0.8	16,000	94,300

Well Name: Dagger ZW #2 Field: Dagger Draw
 Location: 1980' FSL & 660' FEL Sec 25-19S-24E
 County: Eddy State: New Mexico
 GL: 3,582' Zero: KB:
 Spud Date: 2/27/1990 Completion Date: 5/8/1990
 Comments: API # 30-015-262650000

Casing Program	
Size/Wt/Grade	Depth Set
20" Conductor	40'
9 5/8" 36# J-55	1,208'
7" 26# & 23# J-55	8,000'

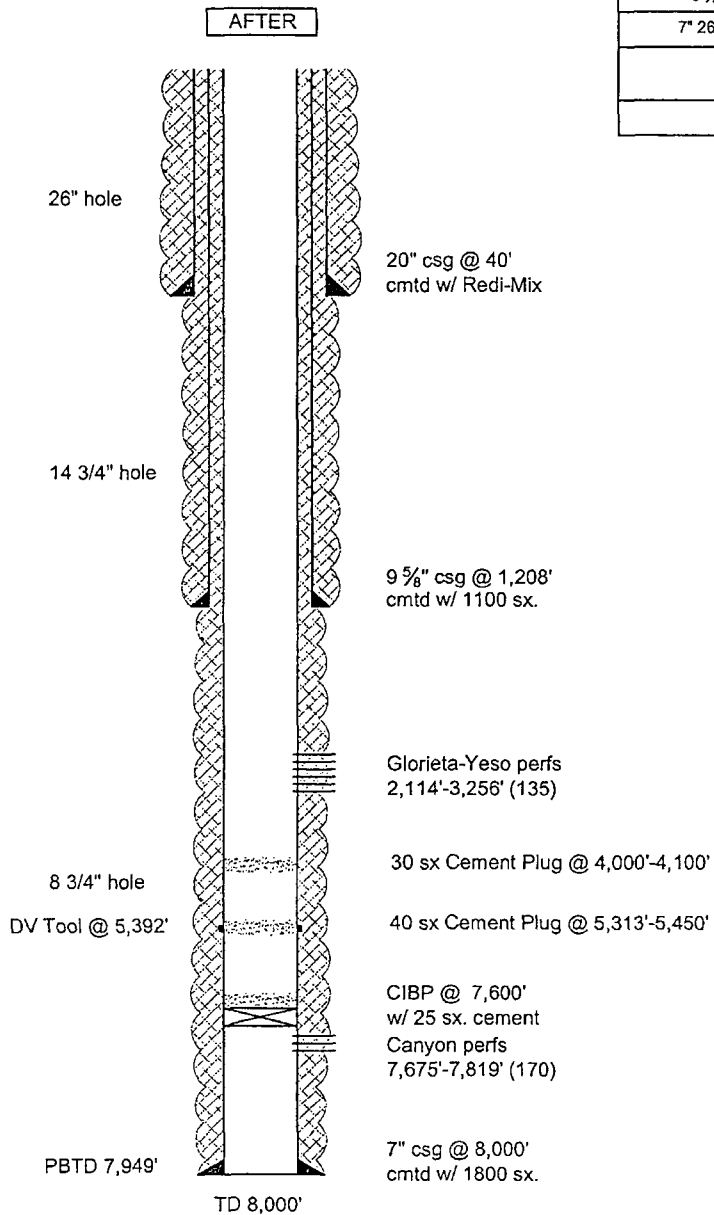


SKETCH NOT TO SCALE

DATE: 6/5/2013

Well Name: Dagger ZW #2 Field: Dagger Draw
 Location: 1980' FSL & 660' FEL Sec 25-19S-24E
 County: Eddy State: New Mexico
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Size/Wt/Grade	Depth Set
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7" 26# & 23# J-55	8,000'



SKETCH NOT TO SCALE

DATE: 6/5/2013