

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM07384
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No.
Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		8. Lease Name and Well No. COMANCHERO BCZ FEDERAL COM. 1
3a. Address 105 S. 4TH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. 30-005-62113
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface SWNW 1450FNL 660FWL At proposed prod. zone SWNW 1450FNL 660FWL		10. Field and Pool, or Exploratory WILDCAT
14. Distance in miles and direction from nearest town or post office APPROXIMATELY 12 MILES EAST OF ROSWELL, NM.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 26 T10S R25E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 130'	16. No. of Acres in Lease (E) 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100	12. County or Parish CHAVES
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.		13. State NM
19. Proposed Depth 5600 MD		17. Spacing Unit dedicated to this well 320.00
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3788 GL		20. BLM/BIA Bond No. on file
22. Approximate date work will start		23. Estimated duration

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
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| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) CLIFTON R. MAY Ph: 505.748.4347	Date 06/10/2003
Title REGULATORY AGENT		
Approved by (Signature) /S LARRY D. BRAY	Name (Printed/Typed) /S LARRY D. BRAY	Date JUL 18 2003
Title Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 1 YEAR

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

Electronic Submission #23043 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Roswell
Committed to AFMSS for processing by Armando Lopez on 06/11/2003 (03AL0275AE)

**** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ****

District I

1625 N. French Dr., Hobbs, NM 88240

District II

811 South First, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources DepartmentOIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505Form C-102
Revised August 15, 2000Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

¹ API Number 30-015-31625	² Pool Code	³ Pool Name Wildcat
⁴ Property Code	⁵ Property Name COMANCHERO BCZ FEDERAL COM.	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3788.1' GL

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
E	26	10S	25E		1450	North	660	West	Chaves

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

	NM-27909			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Clifton R. May Printed Name Regulatory Agent Title 6/10/2003 Date
		NM-07384		
				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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator YATES PETROLEUM CORPORATION			Lease ROLLING HILLS "YQ" FEDERAL		Well No. 1
Unit Letter E	Section 26	Township 10 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 1450 feet from the North line and 660 feet from the West line					
Ground Level Elev. 3788.1	Producing Formation ABO		Pool Pecos Slope ABO	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation **To Be Communitized**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan

Name

Cy Cowan

Position

Regulatory Agent

Company

Yates Petroleum Corp.

Date

1/11/84

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 knowledge and belief.

Date Surveyed

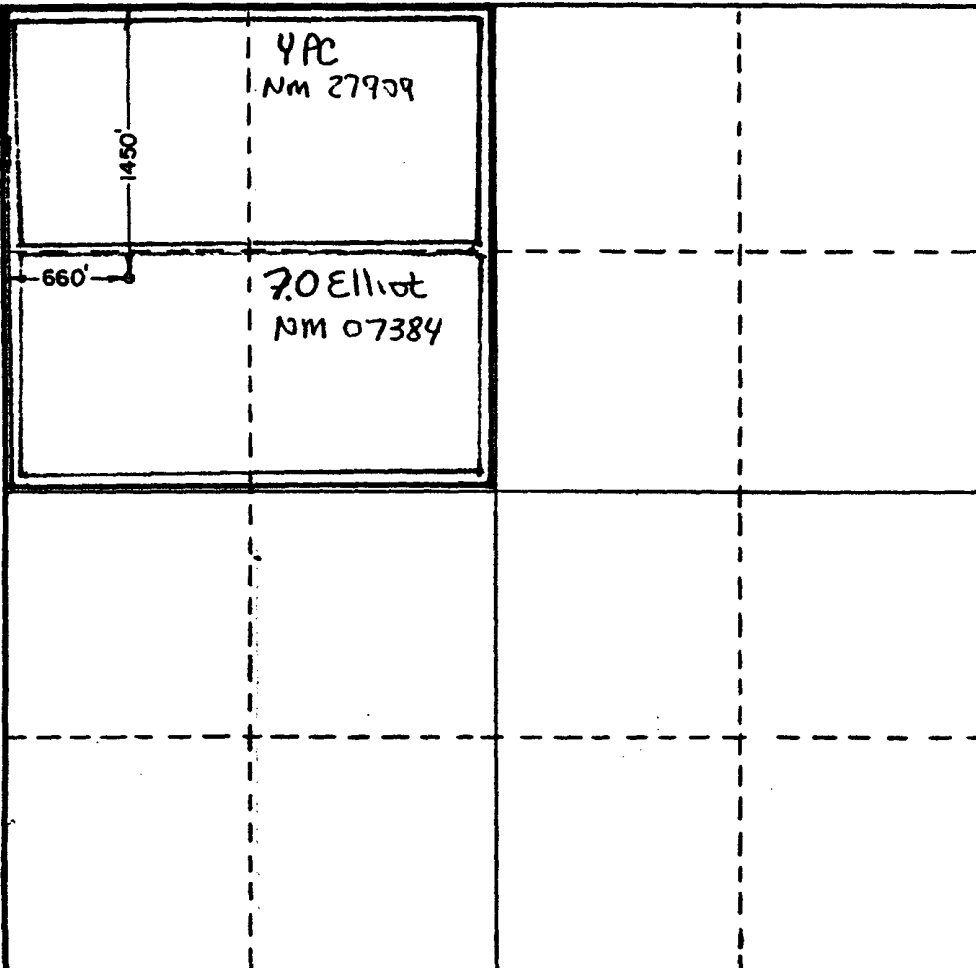
12/9/83

Registered Professional Engineer and/or Land Surveyor

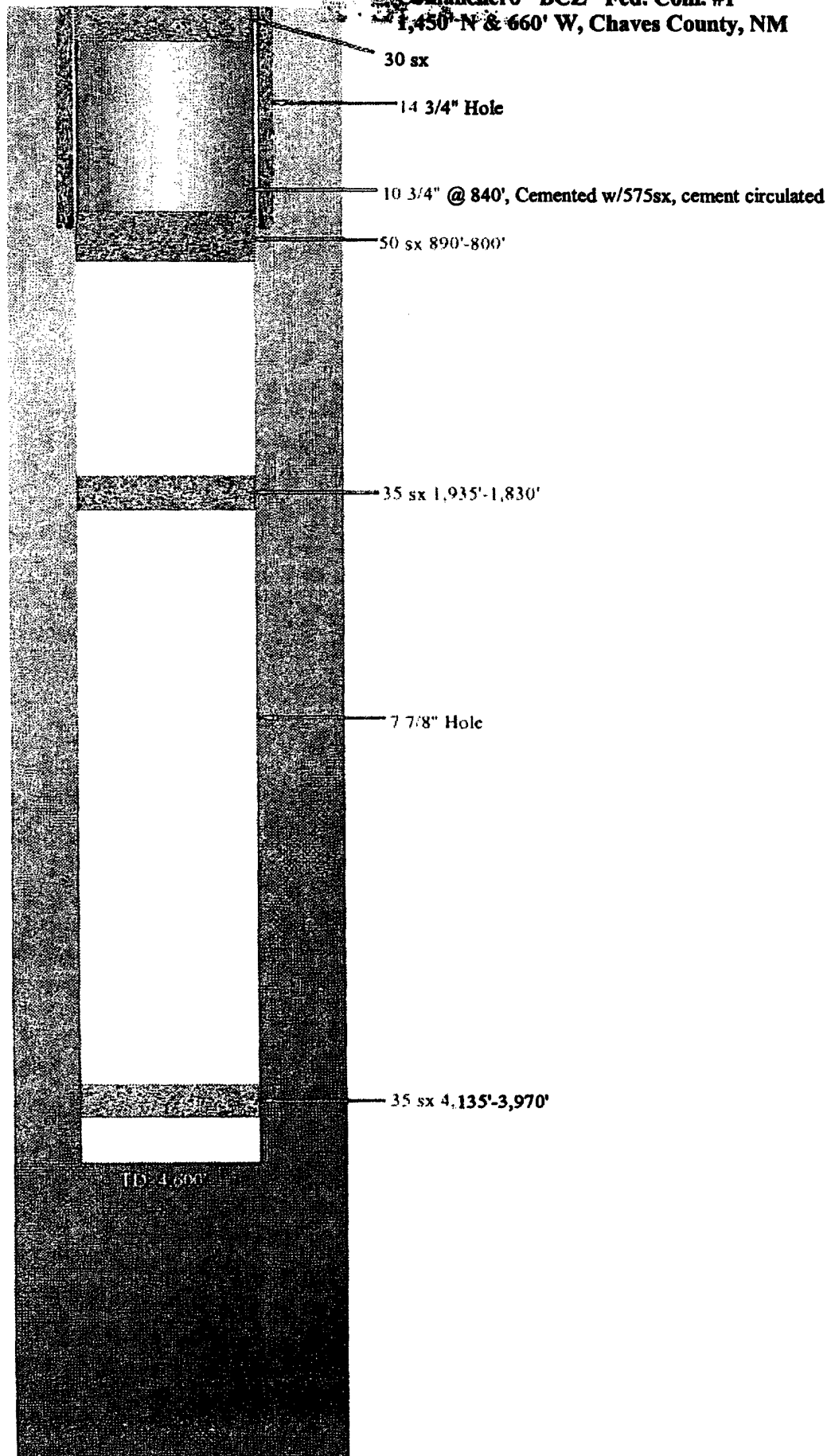
L. J. JONES

1640

Certificate No. **1640**



"WELLBORE BEFORE RE-ENTRY" YATES PETROLEUM CORPORATION
Comanchero "BCZ" Fed. Com. #1
1,450' N & 660' W, Chaves County, NM



Sketch not to scale

YATES PETROLEUM CORPORATION
Comanchero BCZ Federal Com. #1 Re-entry
1450' FNL and 660' FWL
Section 26-T10S-R26E
Chaves County, New Mexico

Yates plans to re-enter this well bore which was originally drilled as Yates Rolling Hills YQ Federal #1. Yates plans to use a drilling rig to drill out the cement plugs in the 10 3/4" casing and in the 7 7/8" open hole down to the old TD of 4600' and then deepen the well to a new TD of 5600' +/- in the Basement. A new suite of open hole logs will be run and if the logs show any deeper zones to have a potential to be productive, a string of 5 1/2", 15.5#, J-55 LT & C casing will be ran to TD and cemented with 500 sacks PVL (YLD 1.42 WT 13.0) with the top of cement at 3600' +/- . The mud that will be used is 9.8 – 10.2 ppg Brine water with a 45-60 viscosity. A 2000# BOPE will be nipped up on the existing 10 3/4" casing at the start of our operations.

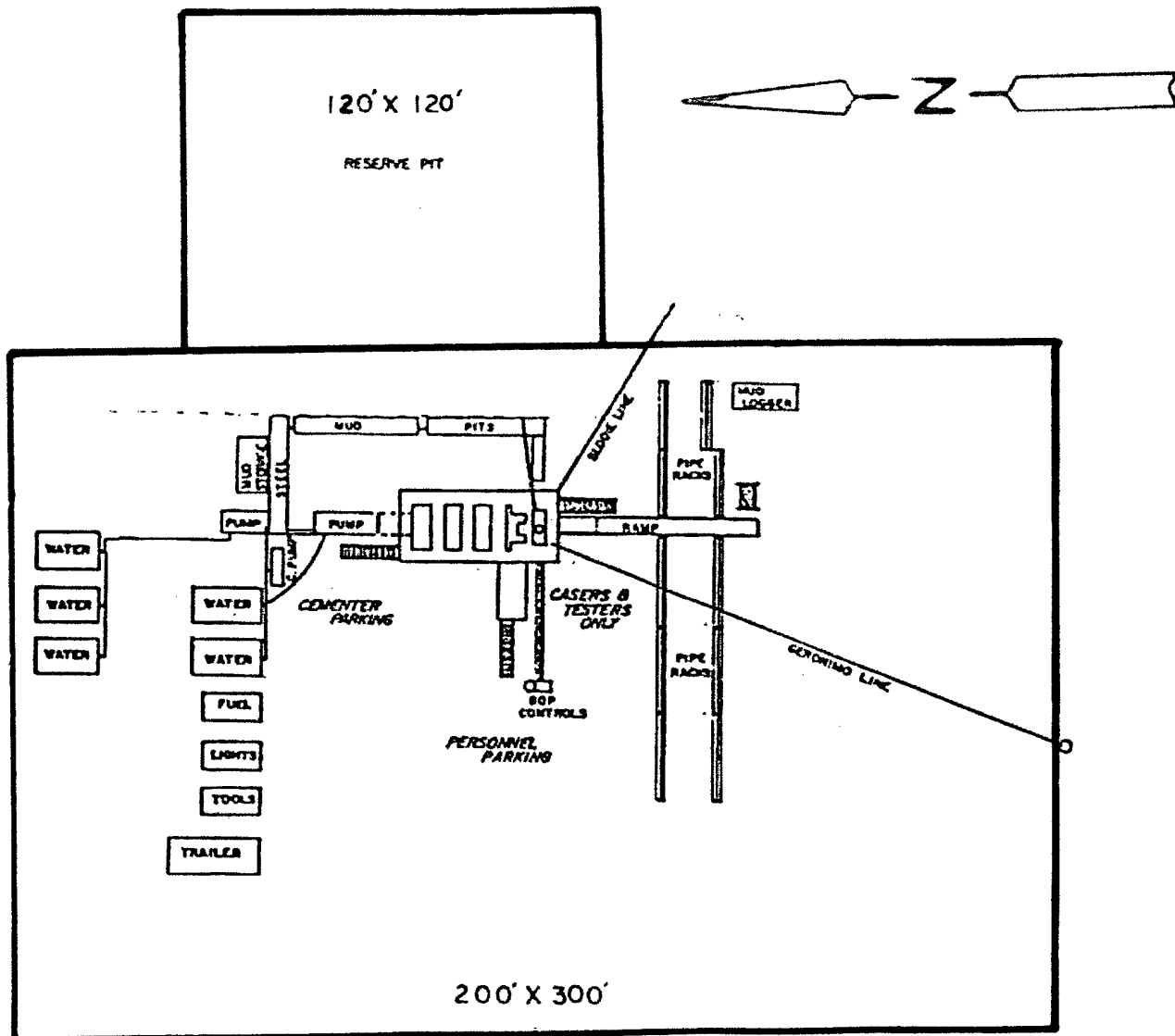
The well will be completed using a pulling unit. The formations that a completion will probably be attempted in, will be the Silurian @ 5300' +/-, the Strawn @ 5100' +/-, the Cisco @ 4900' +/- or the Wolfcamp @ 4600' +/-.

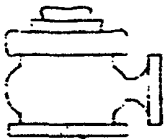
The estimated tops of geologic markers are as follows:

San Andres	700'	Cisco	5305'
Glorieta	1810'	Strawn	5400'
Fullerton	3250'	Basement	5450'
Abo	4072'	TD	5600'
Wolfcamp	4720'		

YATES PETROLEUM CORPORATION

Yates Petroleum Corporation
Comanchero BCZ Federal Com. #1
1450' FNL and 660' FWL
Section 26, T10S-R25E
Chaves County, New Mexico
Exhibit "B"



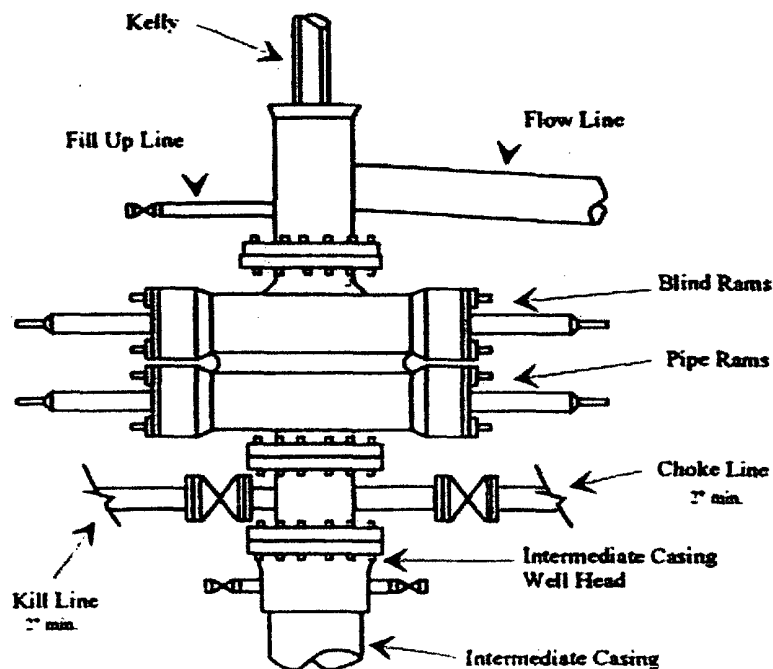


Yates Petroleum Corporation

BOP-2

Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack

Yates Petroleum Corporation
Comanchero BCZ Federal Com. #1
1450' FNL and 660' FVL
Section 26, T10S-R2SE
Chaves County, New Mexico
Exhibit "C"



Typical 2,000 psi choke manifold assembly with at least these minimum features

