

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
Energy Minerals and Natural Resources
APR 13 2011
HOBBSDO
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

Submit to appropriate District Office

AMENDED REPORT

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 Property Code 28062	⁵ Property Name Limbaugh AYO State
⁹ Proposed Pool 1 RANGER LAKE, MORROW, NORTH (GAS) (97362)	¹⁰ Proposed Pool 2

³ Property Code 28062	⁵ Property Name Limbaugh AYO State	⁶ Well No. 3
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⁷ Surface Location RANGER LAKE, MORROW, NORTH (GAS) (97362)									
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	12 S	34 E		1980	North	660	East	Lea

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
⁸ Proposed Bottom Hole Location If Different From Surface									

Additional Well Information

¹¹ Work Type Code New	¹² Well Type Code Gas	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4143'
¹⁶ Multiple No	¹⁷ Proposed Depth 12350	¹⁸ Formation Pennsylvanian	¹⁹ Contractor	²⁰ Spud Date 5/15/11

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75"	11.75"	42#	400'	250	0
11"	8.625"	32#	4300'	1175	0
7.875"	5.5"	17#	12350'	1400	3800'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

23

Yates Petroleum Corporation proposes to drill and test the Austin Cycle and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set at 4300' and cement circulated to surface. If commercial, production casing will be ran and cemented, perforated, and stimulated as needed to gain production.
 MUD PROGRAM: 0-400' Fresh water Gel; 400'-2076' Fresh Water; 2076'-4300' Red Bed Mud/Oil; 4300'-7700' Cut Brine; 7700'-11641' SW Gel/Starch; 11641'-TD SW Gel/Starch/4-6% KCL.
 BOPE PROGRAM: A 5000 psi system nipped up on the 8.625" casing and tested daily for operational.
 H2S is not anticipated for this well.
 C-144 attached.

Previously Approved **30-025-38890**

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Monti Sanders

Printed name: Monti Sanders

Title: Land Regulatory Technician

E-mail Address: montis@yatespetroleum.com

Date: 4/12/11

Phone: 575-748-4244

OIL CONSERVATION DIVISION

Approved by:

[Signature]

Title:

Geologist

Approval Date:

04/19/11

Expiration Date:

04/19/13

Conditions of Approval Attached

APR 21 2011

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies
Fee Lease - 3 Copies

RECEIVED

CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APR 13 2011
HOBBSOCD

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40112	Pool Code 97762	Pool Name Ranger Lake; Morrow, North
Property Code 28082	Property Name LIMBAUGH "AYO" STATE	Well Number 3
OGRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4143'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	12	12 S	34 E		1980	NORTH	660	EAST	LEA

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

Dedicated Acres 320 E/2	Joint or Infill	Consolidation Code	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

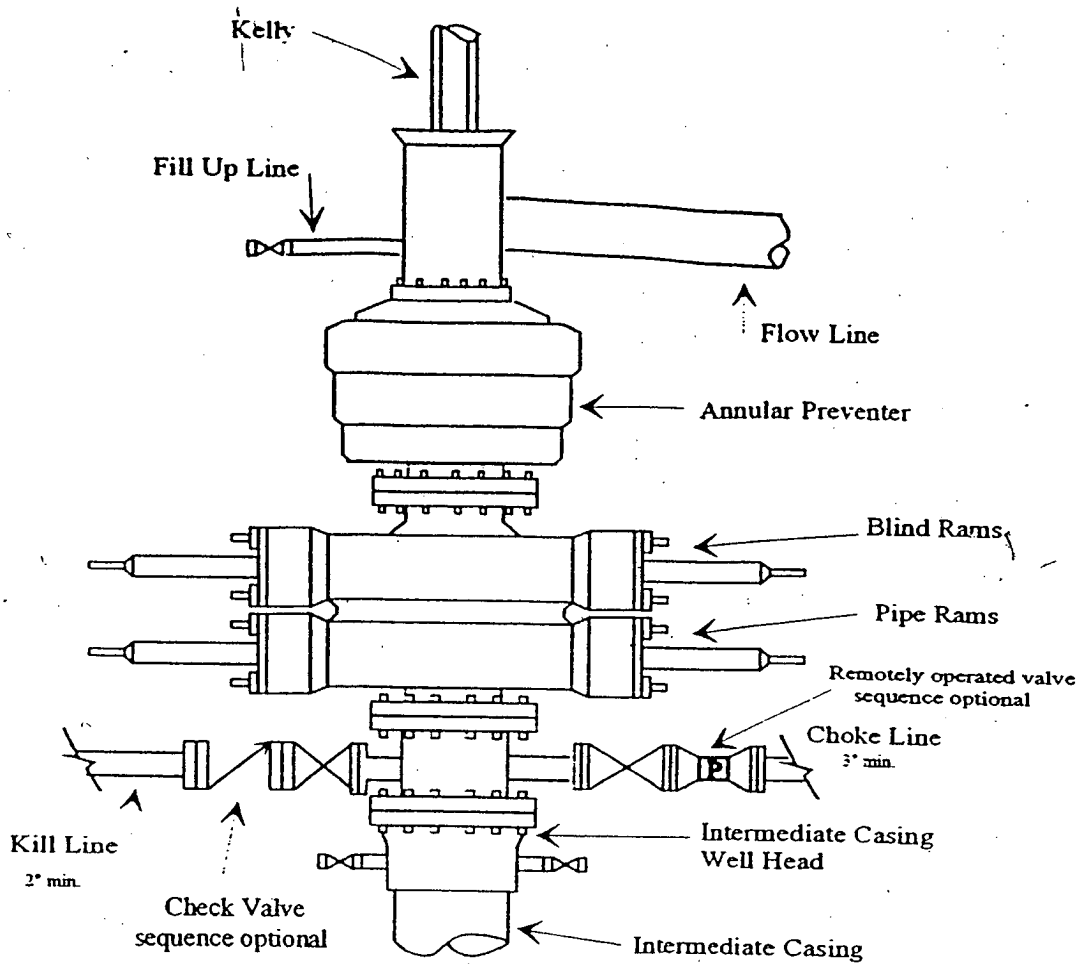
<p>VO-5855</p> <p>SURFACE LOCATION Lat - N33°17'42.24" Long - W103°27'27.44" SPC- N.: 836014.046 E.: 808917.275 (NAD-83)</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location 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.</p> <p style="text-align: right;">4/12/11 Date</p> <p>Signature _____ Monti Sanders Printed Name</p>
		<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p style="text-align: center;">APRIL 21 2008</p> <p>Date Surveyed _____ Signature _____ Professional Surveyor</p> <p style="text-align: center;">GARY L. JONES Professional Surveyor 7977</p> <p style="text-align: center;">W. O. [Signature]</p> <p>Certificate No. Gary L. Jones 7977</p> <p style="text-align: center;">BASIN SURVEYS</p>



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

