

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
4. Property Code 38015		3. API Number 30-015-37551
5. Property Name BEBOP BPE STATE COM		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	36	25S	31E	D	660	N	330	W	EDDY

8. Pool Information

Avalon Shale	0
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3313
14. Multiple N	15. Proposed Depth 13865	16. Formation Bone Spring	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	1050	800	0
Int1	12.25	9.625	40	4300	1425	
Prod	8.75	5.5	17	13865	1600	3900

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

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 <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by Monti Sanders	Approved By: Jacqueta Reeves	
Title:	Title: District Geologist	
Email Address: montis@yatespetroleum.com	Approved Date: 2/3/2010	Expiration Date: 2/3/2012
Date: 1/18/2010	Phone: 575-748-4244	

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(505) 393-6161 Fax:(505) 393-0720

District II
 1301 W. Grand Ave., Artesia, NM 88210
 Phone:(505) 748-1283 Fax:(505) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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Form C-102
 Permit 108119

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-37551	2. Pool Code	3. Pool Name Avalon Shale
4. Property Code 38015	5. Property Name BEBOP BPE STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3313

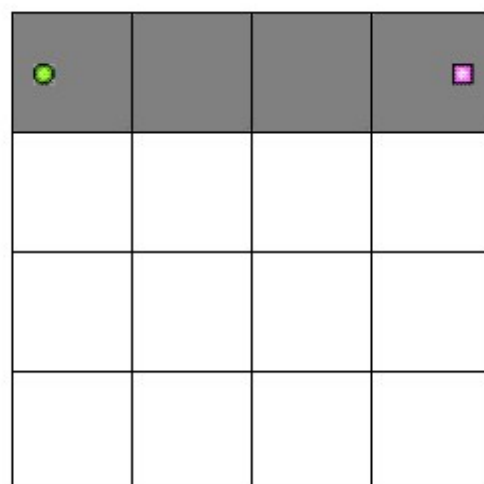
10. Surface Location

UL - Lot D	Section 36	Township 25S	Range 31E	Lot Idn	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 36	Township 25S	Range 31E	Lot Idn A	Feet From 660	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code		15. Order No.			

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



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(s) 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.

E-Signed By: Monti Sanders

Title:

Date: 1/18/2010

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.

Surveyed By: Gary Jones

Date of Survey: 1/13/2010

Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BEBOP BPE STATE COM #001H

API: 30-015-37551

Created By	Comment	Comment Date
MSANDERS	Pilot hole drilled vertically to 9700'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at approx. 8973' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 13865'MD (9450' TVD)where 5 1/2" casing will be set and cemented.	1/18/2010
MSANDERS	Penetration point of producing zone will be encountered at 660' FNL and 807' FWL, 36-25S-31E. Deepest TVD in the well is 9700' in the pilot hole. Deepest TVD in the lateral will be 9450'.	1/18/2010
MSANDERS	MUD PROGRAM: 0-1050' Fresh Water; 1050'-4300' Brine Water; 4300'-9700' Cut Brine; 8973'-13865' Cut Brine (lateral).	1/18/2010
MSANDERS	BOPE PROGRAM: 3000 psi system nipples up on 13 3/8" and 9 5/8" casing. MAXIMUM ANTICIPATED BHP: 0-1050' 502 psi; 1050'-4300' 2281 psi; 4300'-9700' 4640 psi. Depths are TVD	1/18/2010
MSANDERS	PRODUCTION CEMENT TO BE DONE IN THREE STAGES WITH STAGE TOOLS AT APPROX. 7800'-5700'. STAGE I from 8500'-13865': cement w/1375 sx Pecos Valley Lite (YLD 1.41 WT 13) TOC-8500'.	1/18/2010
MSANDERS	STAGE II from 6200'-8500': cement w/825 sx Pecos Valley Lite (YLD 1.41 WT 13) TOC-6200'. STAGE III from 3800'-6200': lead w/400 sx Lite Crete (YLD 2.66 WT 9.9) tail w/100 sx Pecos Valley Lite (YLD 1.41 WT 13) TPC-3900'.	1/18/2010
MSANDERS	C-144 for Closed Loop System and Directional Drilling Plan to follow by mail.	1/18/2010