

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 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

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

Form C-101
August 1, 2011
Permit 138126

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
		3. API Number 30-015-39483
4. Property Code 37956	5. Property Name PUPPY BPP STATE COM	6. Well No. 001Y

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	17S	27E	4	390	N	200	W	EDDY

8. Pool Information

EMPIRE; WOLFCAMP, NORTHWEST	97286
-----------------------------	-------

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type State	13. Ground Level Elevation 3425
14. Multiple N	15. Proposed Depth 10487	16. Formation Abo	17. Contractor	18. Spud Date 10/3/2011
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 Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	375	0
Int1	12.25	9.625	36	1600	575	0
Prod	8.75	5.5	17	10487	1525	0

Casing/Cement Program: Additional Comments

--

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 NMOCDC guidelines <input type="checkbox"/> a general permit <input type="checkbox"/> or an (attached) alternative OCD-approved plan <input type="checkbox"/> .	OIL CONSERVATION DIVISION	
	Approved By: Randy Dade	
	Title: District Supervisor	
	Approved Date: 10/6/2011	Expiration Date: 10/6/2013
	Email Address: montis@yatespetroleum.com	
Date: 10/3/2011	Phone: 575-748-4244	Conditions of Approval Attached

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 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

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

Form C-102
August 1, 2011
Permit 138126

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39483	2. Pool Code 97286	3. Pool Name EMPIRE; WOLFCAMP, NORTHWEST
4. Property Code 37956	5. Property Name PUPPY BPP STATE COM	6. Well No. 001Y
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3425







10. Surface Location

UL - Lot D	Section 2	Township 17S	Range 27E	Lot Idn	Feet From 390	N/S Line N	Feet From 200	E/W Line W	County EDDY
---------------	--------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot A	Section 2	Township 17S	Range 27E	Lot Idn 1	Feet From 960	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 162.84		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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr> <td style="width: 25%; text-align: center; vertical-align: top;">  </td> <td style="width: 25%;"></td> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center; vertical-align: top;">  </td> </tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> </table>																	<p style="text-align: center;">OPERATOR CERTIFICATION</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(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.</i></p> <p>E-Signed By: Monti Sanders Title: Date: 10/3/2011</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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> <p>Surveyed By: Gary Jones Date of Survey: 9/27/2011 Certificate Number: 7977</p>
																	

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PUPPY BPP STATE COM #001Y

API: 30-015-39483

Created By	Comment	Comment Date
MSANDERS	Pilot hole will be drilled to 6500'. A 400'-500' kick off plug will be set. Well will be kicked off with 8 3/4" hole at 12 degrees per 100' to 6562' MD(6299' TVD). Hole size will then be reduced to 8 1/2" and drilled to 10487' MD(6375' TVD) where 6 1/2" casing will be set with a packer/port system in the lateral.	10/3/2011
MSANDERS	Production casing will be cemented using a cementor tool placed at approx. 5700'. Bottom of cement will be 5700' and top of cement will be surface. Penetration point of producing formation encountered at 473' FNL and 660' FWL. Deepest TVD of the well will be in the pilot hole @ 6500'. Deepest TVD in the lateral will be 6375'.	10/3/2011
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi system nipped up and tested on 9 5/8" casing. MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0-350' 165psi; 350'-1600' 850psi; 1600'-6500' 3110psi.	10/3/2011
MSANDERS	H2S is anticipated in this well.	10/3/2011
MSANDERS	C-144 for a Closed Loop System and Drilling Plan to follow by mail.	10/3/2011
Artesia	Land s/S	10/6/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PUPPY BPP STATE COM #001Y

API: 30-015-39483

OCD Reviewer	Condition
Artesia	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string