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 138565

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

YATES PETRO	r Name and Address LEUM CORPORATION	2. OGRID Number 25575	
105 S 4TH ST ARTESIA , NM 88210		3. API Number 30-025-40311	
4. Property Code	5. Property Name	6. Well No.	
38867	JIMENEZ BRJ STATE	001	

#### 7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	17	10S	32E	J	1980	S	1980	E	LEA

#### 8. Pool Information

WILDCAT:SAN ANDRES	97839

#### Additional Well Information

<ol><li>Well Type</li></ol>	11 Calata Patrice		
is	11. Cable/Rotary	12. Lease Type	<ol> <li>Ground Level Elevation</li> </ol>
OIL		State	4395
15. Proposed Depth	16. Formation	17. Contractor	18. Spud Date
4600	San Andres Formation	100	10/14/2011
	15. Proposed Depth	15. Proposed Depth 16. Formation	15. Proposed Depth 16. Formation 17. Contractor

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	12.25	8.625	24	400	250	0
Prod	7.875	5.5	15.5	4600	500	0

### Casing/Cement Program: Additional Comments

Dronosed Rlowaut Prevention Program

	Troposed Dionout Tr	evention i rogram	
Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the bes of my knowledge and belief. I further certify that the drilling pit will be constructed according to	OIL CONSERVATION DIVISION				
NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .	Approved By: Paul Kautz				
Printed Name: Electronically filed by Monti Sanders	Title: Geologist				
Title:	Approved Date: 10/14/2011 Expiration Date: 10/14/2013				
Email Address: montis@yatespetroleum.com					
Date: 10/13/2011 Phone: 575-748-4244	Conditions of Approval Attached				

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Energy, Minerals and Natural Resources

Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505 Form C-102 August 1, 2011

Permit 138565

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40311	2. Pool Code 97839		Pool Name F;SAN ANDRES
4. Property Code 38867	5. Property Name JIMENEZ BRJ STATE		6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION		9. Elevation 4395

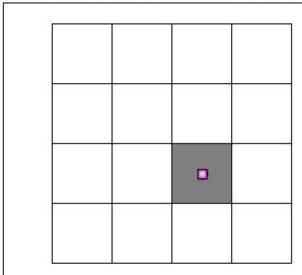
#### 10. Surface Location

UL -	ot Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	17	10S	32E		1980	S	1980	E	LEA

#### 11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Id	n Feet From	N/S Line	Feet From	E/W Line	County
	. Dedicated Acres 13. Joint or Infil1 14. Consolidation 40.00		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: 10/13/2011

#### 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: 10/13/2011 Certificate Number: 7977

## **Permit Comments**

Operator: YATES PETROLEUM CORPORATION , 25575 Well: JIMENEZ BRJ STATE #001

API: 30-025-40311

Created By	Comment	Comment Date
MSANDERS	C-144 for a Closed Loop System and H2S Contingency Plan to follow by mail.	10/13/2011
DMULL	OCD Hobbs office has received the form C-144CLEZ. OCD Permit Number P1- 03805.	10/14/2011

# Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575 Well: JIMENEZ BRJ STATE #001

API: 30-025-40311

OCD Reviewer	Condition
pkautz	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