

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 139308

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 30-015-39572
4. Property Code 38898	5. Property Name BOLO BRI STATE	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
O	32	18S	25E	O	330	S	2110	E	EDDY

8. Pool Information

Yeso	0
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable Rotary	12. Lease Type Private	13. Ground Level Elevation 3586
14. Multiple N	15. Proposed Depth 4564	16. Formation Yeso Formation	17. Contractor	18. Spud Date 10/31/2011
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	14.75	13.375	48	1000	1045	0
Int1	8.75	7	26	3100	720	0
Prod	6.125	4.5	11.6	4564	0	0

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
DoubleRam	5000	5000	

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: Randy Dade
Title:	Title: District Supervisor
Email Address: montis@yatespetroleum.com	Approved Date: 11/1/2011 Expiration Date: 11/1/2013
Date: 10/28/2011 Phone: 575-748-4244	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 139308

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-39572	2. Pool Code	3. Pool Name Yeso
4. Property Code 38898	5. Property Name BOLO BRI STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3586

10. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	32	18S	25E		330	S	2110	E	EDDY

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
J	32	18S	25E	J	2310	S	2310	E	EDDY
12. Dedicated Acres 80.00		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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center; vertical-align: middle;">■</td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center; vertical-align: middle;">●</td><td style="height: 40px;"></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: 10/28/2011</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: 10/24/2011 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BOLO BRI STATE #001H

API: 30-015-39572

Created By	Comment	Comment Date
MSANDERS	PRESSURE CONTROL EQUIPMENT: 3000 psi sytem nipples up and tested on 13 3/8" casing. 5000 psi system on 7" casing. MAXIMUM ANTICIPATED BHP: 0'-1000' 500 psi; 1000'-2575' 1290' psi.	10/28/2011
MSANDERS	Surface hole will be 13 3/4" with 13 3/8" H-40/J-55 48# casing set at 1000'. Intermediate hole will be 8 3/4" through kick off and to landing at 3100'. 7" 26# L-80 casing will be ran through the curve to landing at 3100'. Production hole will be 6 1/8" from landing at 3100' to lateral TD at 4564'.	10/28/2011
MSANDERS	C-144 for a Closed Loop System and H2S Contingency Plan to follow by mail.	10/28/2011
CSHAPARD	Land s/P	10/31/2011

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: BOLO BRI STATE #001H

API: 30-015-39572

OCD Reviewer	Condition
CSHAPARD	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