

**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 146691

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

1. Operator Name and Address <b>YATES PETROLEUM CORPORATION</b> 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-015-40144
4. Property Code 37157	5. Property Name TOMBSTONE "BMB" STATE	6. Well No. 002H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	12	25S	29E	D	330	N	430	W	EDDY

**8. Pool Information**

PIERCE CROSSING; BONE SPRING, EAST	96473
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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 3080
14. Multiple N	15. Proposed Depth 12189	16. Formation 2nd Bone Spring Carbonate	17. Contractor	18. Spud Date
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	705	545	0
Int1	12.25	9.625	40	5000	1695	0
Prod	8.5	5.5	20	12189	1615	4500

**Casing/Cement Program: Additional Comments**

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**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"/> .	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by LORI FLORES	Approved By: Randy Dade
Title:	Title: District Supervisor
Email Address: lorif@yatespetroleum.com	Approved Date: 4/5/2012   Expiration Date: 4/5/2014
Date: 4/4/2012   Phone: 575-748-4448	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 146691

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-40144	2. Pool Code 96473	3. Pool Name PIERCE CROSSING; BONE SPRING, EAST
4. Property Code 37157	5. Property Name TOMBSTONE "BMB" STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3080







**10. Surface Location**

UL - Lot D	Section 12	Township 25S	Range 29E	Lot Idn	Feet From 330	N/S Line N	Feet From 430	E/W Line W	County EDDY
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**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
M	12	25S	29E	M	330	S	430	W	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**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px; text-align: center; vertical-align: middle;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></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; text-align: center; vertical-align: middle;"></td><td></td><td></td><td></td></tr> </table>																	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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: LORI FLORES Title: Date: 4/4/2012</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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: 3/2/2012 Certificate Number: 7977</p>
																	
																	

## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** TOMBSTONE "BMB" STATE #002H

**API:** 30-015-40144

Created By	Comment	Comment Date
clif	H2S is anticipated. H2S plan will follow by mail.	4/4/2012
clif	C-144 and C-102 will follow by mail.	4/4/2012
clif	30' samples to 4400'. 10' samples 4400' to TD. Mudlogging out from under surface casing to TD.	4/4/2012
clif	Maximum anticipated BHP: 0 to 705' 337psi; 705' to 5000' 2652psi; 5000' to 7760' 3712psi.	4/4/2012
clif	Well will be vertically drilled to 7264'. Well will then be kicked off at approximately 7264' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 8012 MD (7742' TVD). Hole size will then be reduced to 8 1/2" and drilled to 12189' MD (7760' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 805' FNL & 433' FWL, 12-25S-29E. Deepest TVD in the well is 7760' in the lateral.	4/4/2012
CSHAPARD	Land s/S	4/4/2012



# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** TOMBSTONE "BMB" STATE #002H

**API:** 30-015-40144

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