

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 167636

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 28584		3. API Number 30-015-41408
5. Property Name GRANDE MIKE AKZ 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
M	2	16S	29E	M	3860	S	200	W	EDDY

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	2	16S	29E	16	3400	S	330	E	Eddy

9. Pool Information

WC;COUNTY LINE TANK;WOLFCAMP (O)	97712
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3747
16. Multiple N	17. Proposed Depth 12210	18. Formation Wolfcamp	19. Contractor	20. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

21. 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	400	415	0
Int1	12.25	9.625	36	2600	875	0
Prod	8.5	5.5	17	12120	390	2100
Prod	8.75	5.5	17	12120	675	4000

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

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

23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 5/23/2013	Approved By: Randy Dade Title: District Supervisor Approved Date: 5/29/2013 Expiration Date: 5/29/2015 Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 167636

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41408	2. Pool Code 97712	3. Pool Name WC;COUNTY LINE TANK;WOLFCAMP (O)
4. Property Code 28584	5. Property Name GRANDE MIKE AKZ STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3747

10. Surface Location

UL - Lot M	Section 2	Township 16S	Range 29E	Lot Idn 13	Feet From 3860	N/S Line S	Feet From 200	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 2	Township 16S	Range 29E	Lot Idn P	Feet From 3400	N/S Line S	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

<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: LORI FLORES Title: Land Regulatory Technician Date: 5/23/2013</p>	<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: 4/12/2013 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GRANDE MIKE AKZ STATE #002H

API: 30-015-41408

Created By	Comment	Comment Date
Cy Cowan	This well will drilled vertically to approximately 7057' and then directionally drilled at 12 degrees per 100' with and 8 3/4" to 7802' (7534' TVD). Hole size will then be reduced to an 8 1/2" hole and drilled to TD at 12120' MD (7575'TVD), where 5 1/2" casing with packer port completion system will be set and cemented. Bottom of cement for production casing will be 7650' and top of cement will be 2100'. A hydraulic State Packer tool will be set at approximately 7650' and a DV tool at approximately 4000'.	5/23/2013
Cy Cowan	The penetration point of the producing zone will be encountered at 3815' FSL and 671' FWL in Section 2, T16S-R29E. The deepest TVD in the well will be 7575'.	5/23/2013
Cy Cowan	A C-144 for the closed loop system and a C-102 will also be submitted under separate cover.	5/23/2013
CSHAPARD	Land s/s	5/23/2013

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: GRANDE MIKE AKZ STATE #002H

API: 30-015-41408

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