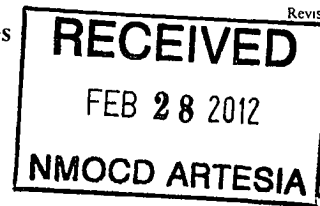


**District I**  
1625 N French Dr, Hobbs, NM 88240  
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Phone (505) 334-6178 Fax (505) 334-6170  
**District IV**  
1220 S St Francis Dr, Santa Fe, NM 87505  
Phone (505) 476-3460 Fax (505) 476-3462

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



Form C-101  
Revised December 16, 2011

Permit

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

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30-015-26466
<sup>4</sup> Property Code 12106	<sup>5</sup> Property Name Ceniza AGZ Com	<sup>6</sup> Well No. 2

**<sup>7</sup> Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	12	20S	24E		660	South	725	West	Eddy

**<sup>8</sup> Pool Information**

Cemetery, Wolfcamp	74680
--------------------	-------

**Additional Well Information**

<sup>9</sup> Work Type P	<sup>10</sup> Well Type G	<sup>11</sup> Cable/Rotary N/A	<sup>12</sup> Lease Type P	<sup>13</sup> Ground Level Elevation 3602' GL
<sup>14</sup> Multiple N	<sup>15</sup> Proposed Depth 9602' <del>N/A</del>	<sup>16</sup> Formation Chester	<sup>17</sup> Contractor N/A	<sup>18</sup> Spud Date N/A
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**<sup>19</sup> Proposed Casing and Cement Program**

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC

REFERTO ORIGINAL COMPLETION

**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation plans to plugback and recomplete this well as follows MIRU WSU and all safety equipment as needed NU BOP Set a CIBP at 8677' with 35' cement on top. Set a 2<sup>nd</sup> CIBP at 7642' with 35' cement on top Perforate Wolfcamp 6804'-6818'(56). Acidize with 5000g 20% HCL with 2g/M gelling agent, nonionic surfactant, corrosion inhibitor and iron control additives Flush to the bottom perf with 2% KCL water, swab test and evaluate. If decision is made to frac, see attached frac schedule Allow well to flow back, if necessary swab the well until it cleans up, then TIH with pumping equipment and turn well over to production See attached wellbore schematics

**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Hydraulic	5K	3K	Depends on rental company used

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 ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐. YPC uses Steel Tanks only.

Signature:

Printed name Tina Huerta

Title Regulatory Compliance Supervisor

E-mail Address: tinah@yatespetroleum.com

Date February 24, 2012

Phone: 575-748-4168

**OIL CONSERVATION DIVISION**

Approved By.

Geologist

Title

Approved Date:

FEB 28 2012

Expiration Date:

2/28/2014

Conditions of Approval Attached

6. If the decision is made to fracture MI RU pumping company to pump an acid fracture treatment at 10 BPM down the 2.875" tubing limiting the surface treating pressure to 6,000 psig.

**Treating Schedule**  
-----

Stage Number	Stage gal	Fluid Type
1	5000.	20% gelled HCL
2	6000.	Slick water
3	5000.	20% gelled HCL
4	6000.	Slick water
5	5000.	20% gelled HCL
6	6000.	Slick water
7	5000.	20% gelled HCL
8	6000.	Slick water
9	5000.	20% gelled HCL
10	6000.	Slk Water 0.00

**Estimated Surface Treating Pressure = 4,782 psig.**

**Hold 2,500 psi on the annulus during the treatment.**

**Maximum Surface Treating Pressure = 6,000 psig.**

**Fluid Specifications:**

**Slick Water** - fresh water with 1 gal/M liquid friction reducer, 1 gal/M gas Surfactant, liquid biocide agent.

**Acid** - 20% HCL with 2 gal/M gelling agent, nonionic surfactant, corrosion Inhibitor and iron control additives

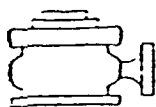
**YPC will provide:**

2 clean lined tanks for the acid.

2 clean frac tanks with 480 barrels of 2% KCL water in each tank for treatment and flush.

**Service company to provide:** computer van with job reports.

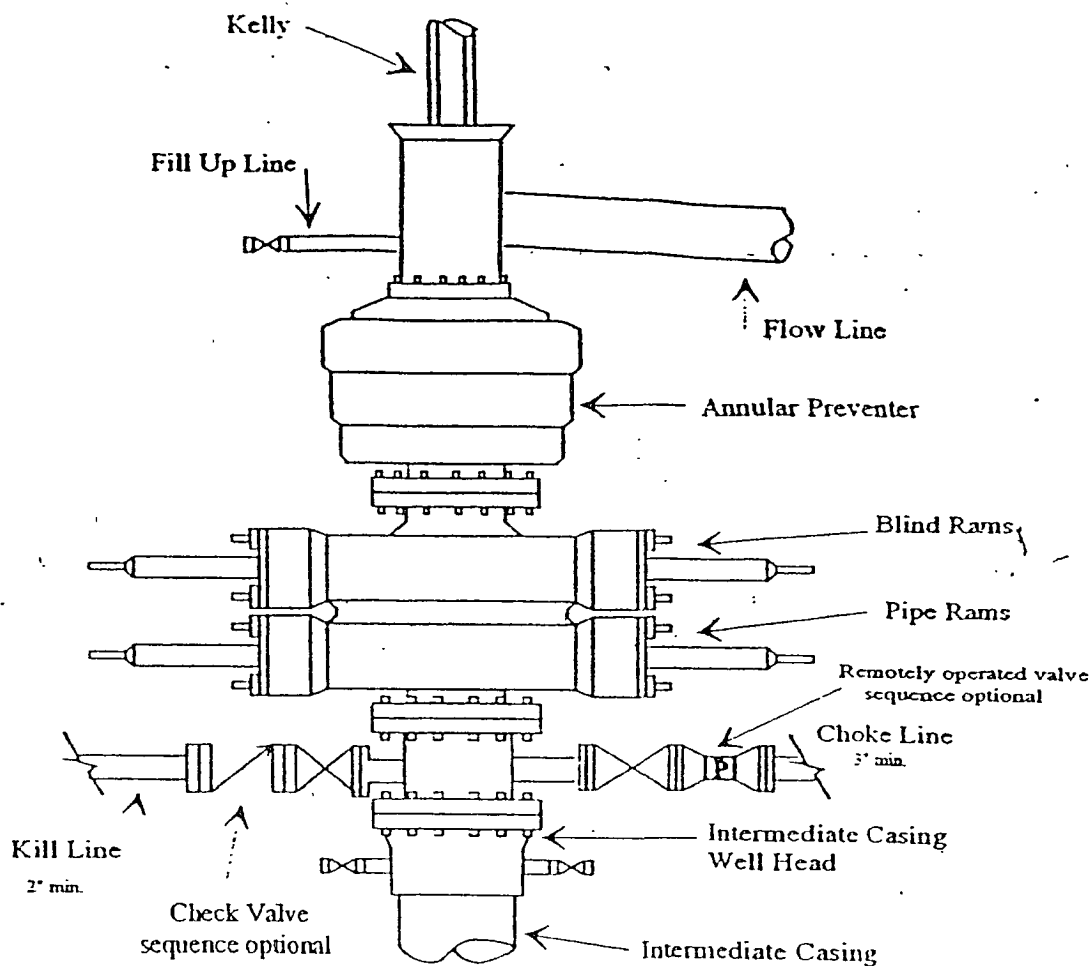
7. Allow well to flow back if necessary swab the well until it cleans up, then TIH with pumping equipment and turn the well over to the production department.



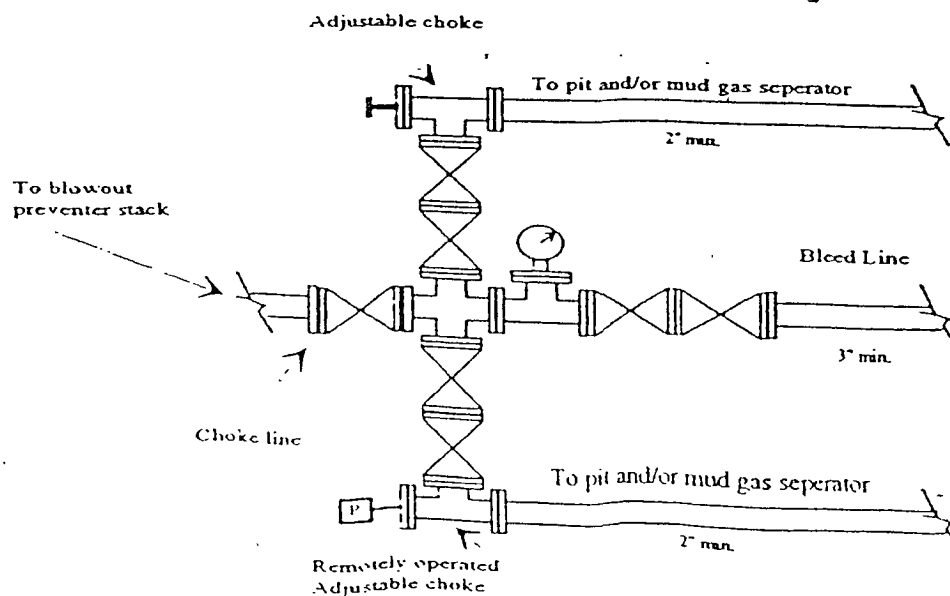
# Yates Petroleum Corporation

## Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

BOP-4



Typical 5,000 psi choke manifold assembly with at least these minimum features



WELL NAME: Cineza AGZ Com # 2 FIELD: Dagger Draw South

LOCATION: 660' FSL & 725' FWL of Section 12-20S-24E Eddy Co., NM

GL: 3,602' ZERO: 15' KB: 3,617'

SPUD DATE: 09/24/90 COMPLETION DATE: 02/09/00

COMMENTS: API No.: 30-015-26466

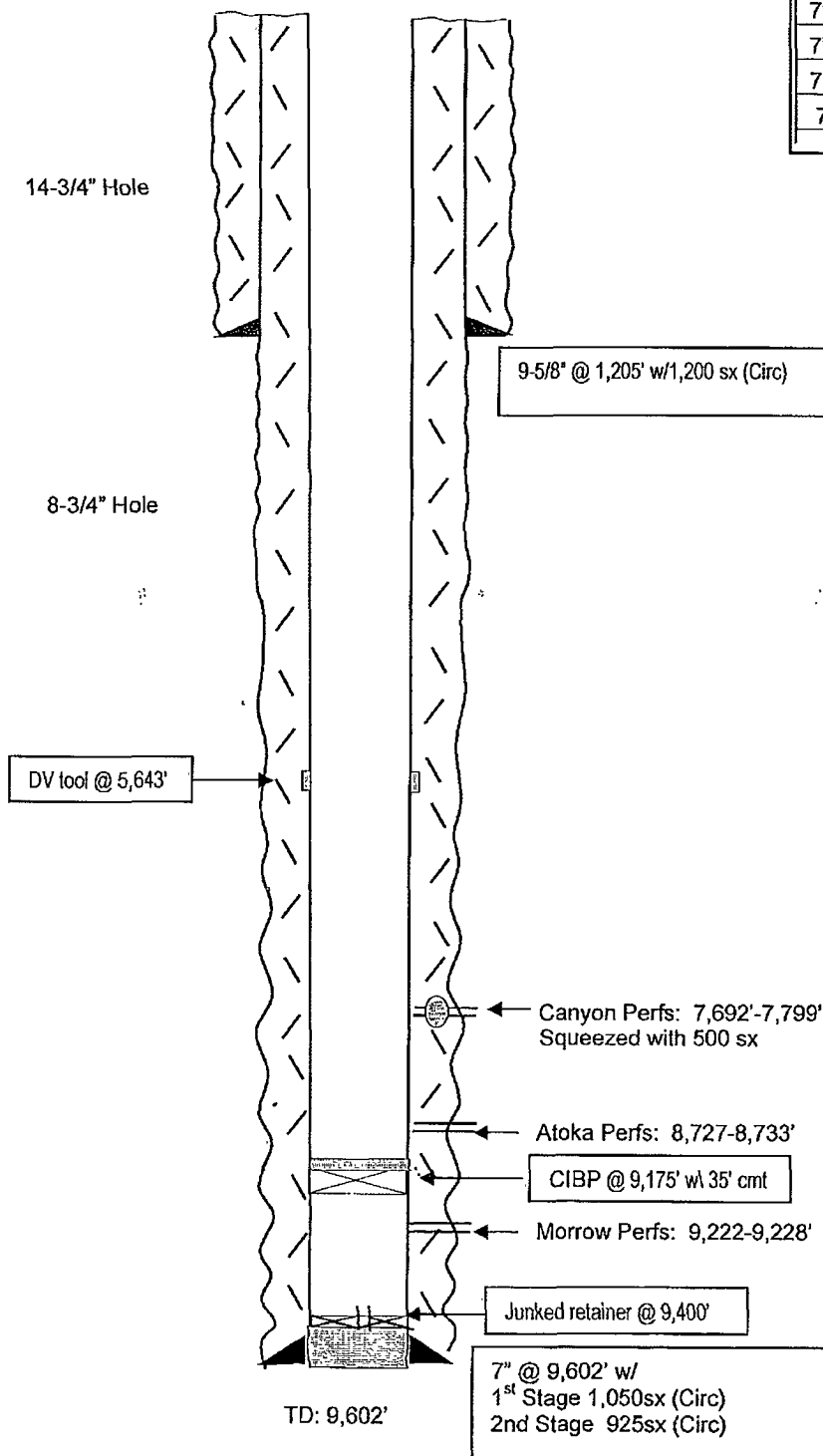
#### CASING PROGRAM

9-5/8" 36# J-55	1,205'
7" 26# J-55 LT&C 129'	
7" 23# N-80 LT&C 2,704'	
7" 23# J-55 LT&C 4,910'	
7" 26# J-55 LT&C 7,554'	
7" 26# N-80 LT&C 9,602'	9,602'

**Before**

#### TOPS

SA	566'
Glorieta	2,144'
BS	3,526'
WC	5,606'
Canyon	7,603'
Strawn	8,168'
Atoka	8,801'
Morrow	9,202'
Chester	9,502'



Not to Scale  
12/28/11  
Hill

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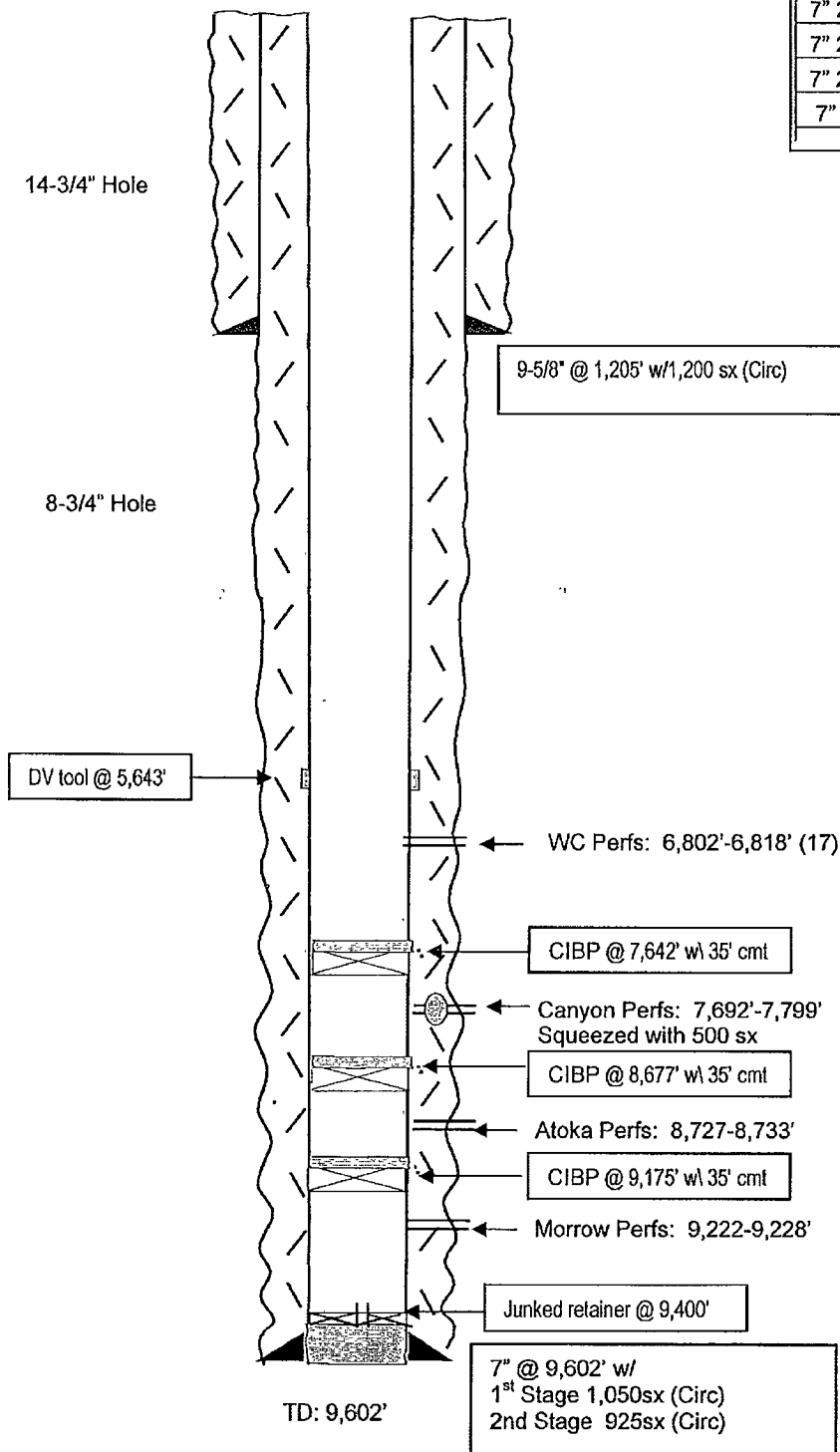
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**After**

### TOPS

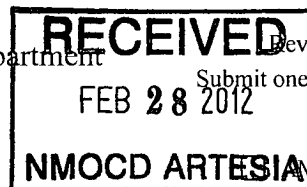
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State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, NM 87505



Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office  
AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

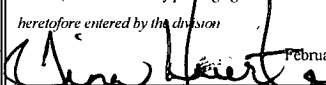
<sup>1</sup> API Number 30-015-26466	<sup>2</sup> Pool Code 74680	<sup>3</sup> Pool Name Cemetery; Wolfcamp
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<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name Yates Petroleum Corporation	<sup>9</sup> Elevation 3602'GR

<sup>10</sup> Surface Location									
UL or lot no. M	Section 12	Township 20S	Range 24E	Lot Idn	Feet from the 660	North/South line South	Feet from the 725	East/West line West	County Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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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.

<sup>16</sup>				<sup>17</sup> OPERATOR CERTIFICATION <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 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>  Signature February 22, 2012 Date Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address
				<sup>18</sup> SURVEYOR CERTIFICATION <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> <i>on file</i> Date of Survey Signature and Seal of Professional Surveyor  Certificate Number
