Date 6/4/2012

Phone 575-748-4448

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 Road, Aztec, NM 87410

Phone (505) 334-6178 Fax (505) 334-6170 District IV 1220 S St Francis Dr , Santa Fe, NM 87505 Phone (505) 476-3460 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



YEAR UPON REQUEST

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE OGRID Number Operator Name and Address 025575 Yates Petroleum Corporation 105 S Fourth Street Artesia, NM 88210 API Number ³ Property Name Oldtimer BLL State Com Well No **Surface Location** Lot Idn Feet from N/S Line Feet From E/W Line UL - Lot Township Range County 18S 27E 660 1650 0 25 E Eddy ⁸ Pool Information Wildcat Mississippian **Additional Well Information** 10 Well Type Cable/Rotary 12 Lease Type Work Type Ground Level Elevation Gas R 3547' N 16 Formation 17 Contractor 18 Spud Date 14 Multiple 15 Proposed Depth Ν 10600 Chester ASAP Depth to Ground water Distance from nearest fresh water well Distance to nearest surface water **Proposed Casing and Cement Program** Casing Weight/ft Type Hole Size Casing Size Setting Depth Sacks of Cement Estimated TOC 13 375" . 400' . Surf 175" 48# . 425 Int1 12 25" 9 625" 36# 2500' 0 5 5" 8 75" 15.5# 10600' Prod 0 Casing/Cement Program: Additional Comments Yates Petroleum Corporation proposes to drill/test the Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented; will perforate and stimulate as needed for production. MUD PROGRAM. 0-400' Fresh Water Gel; 400'-2500' Brine Water, 2500'-9950' Cut Brine, 9950'-10600' Salt Gel/Starch 4-6% KCL H2S is not anticipated C-144 Attached C-102 Attached Previously Approved **Proposed Blowout Prevention Program** Type Working Pressure Test Pressure Manufacturer Double Ram 5000 5000 I hereby certify that the information given above is true and complete to the best of my knowledge and belief OIL CONSERVATION TO INVISION I further certify that the drilling pit will be constructed according to NMOCD guidelines □, a general permit □, or an (attached) alternative Approved By. OCD-approved plan . Signature. Printed name Lori Flores Title Title Land Regulatory Technician Approved Date **Expiration Date** E-mail Address. lorif@yatespetroleum.com Conditions of Approval Attached CURRENT APD

District I .

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Rd., Aztec, NM 87410

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 June 10, 2003 Submit to Appropriate District Office

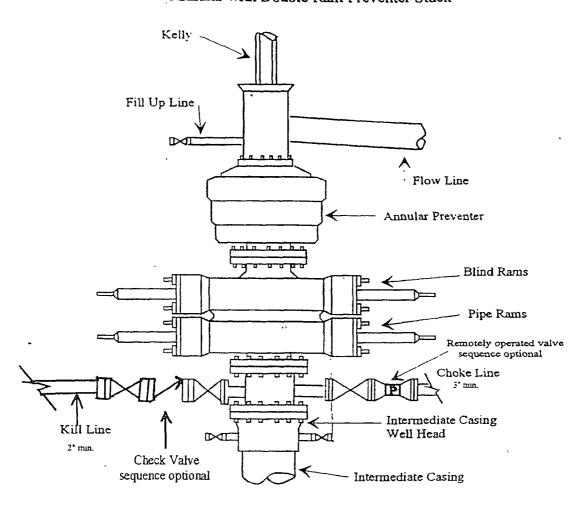
State Lease - 4 Copies

Fee Lease - 3 Copies

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Property					⁵ Prope	rty Name					⁶ Well Number
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OGRII	No.	*(Operator Name				⁹ Elevation	
		YATES PETROI				LEUM CORPORATION				3547	
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Yates Petroleum Corporation

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



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

