

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 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



Form C-101
Revised December 16, 2011
Permit

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

¹ Operator Name and Address Yates Petroleum Corporation 105 S. Fourth Street Artesia, NM 88210		² OGRID Number 025575	
⁴ Property Code 12521		³ Property Name Loving AIB State	
		⁵ API Number 30-015-41391 <i>OK</i>	
		⁶ Well No 3	

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
A	16	23S	28E		330	N	330	E	Eddy

⁸ Pool Information

LOVING, DELAWARE, SOUTH	40380
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type Oil	¹¹ Cable/Rotary R	¹² Lease Type S	¹³ Ground Level Elevation 3040'
¹⁴ Multiple N	¹⁵ Proposed Depth 6300'	¹⁶ Formation Delaware	¹⁷ Contractor	¹⁸ Spud Date ASAP
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 Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75"	9.625"	36#	300'	575	0
Int1	7.875"	5.5"	15.5#	6300'	1300	0

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Delaware and intermediate formations. Approximately 525' of surface casing will be set/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: 0-525' FW/Gel/Paper, 525'-6000' Brine, 6000-TD Starch/SW Gel

H2S is not anticipated.
Previously Approved.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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 , a general permit , or an (attached) alternative OCD-approved plan .

Signature: *Lori Flores*

Printed name: Lori Flores

Title: Land Regulatory Technician

E-mail Address: lorif@yatespetroleum.com

Date: 5/13/2013

Phone: 575-748-4448

OIL CONSERVATION DIVISION

Approved By:

T. C. Shepard
5/23/2013

Title:

Approved Date: *5/23/2013*

Expiration Date: *5/23/2015*

Conditions of Approval Attached

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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

¹ API Number 30-015-41391		² Pool Code 40380	³ Pool Name Loving, Delaware, South
⁴ Property Code 12521	⁵ Property Name Loving AIB State		⁶ Well Number 3
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION		⁹ Elevation 3040'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	16	23S	28E		330'	North	330'	East	Eddy

¹¹ 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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

<p>¹⁶</p>	<p>¹⁷ OPERATOR CERTIFICATION 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.</p> <p><i>Lori Flores</i> 5/13/13 Signature Date</p> <p>Lori Flores Printed Name</p> <p>lorif@yatespetroleum.com E-mail Address</p>
	<p>¹⁸ SURVEYOR CERTIFICATION 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.</p> <p>REFER TO ORIGINAL PLAT Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
	<p>Certificate Number</p>

DISTRICT I
16 Franklin St., Hobbs, NM 88240

DISTRICT II
511 South First, Artesia, NM 88210

DISTRICT III
1606 Rio Grande Rd., Artesia, NM 87419

DISTRICT IV
2948 South Pueblo, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-37813 C	Pool Code	Pool Name East Loving Delaware
Property Code 12521	Property Name Loving AIB State	Well Number 3
OCRD No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3040'

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
A	16	23S	28E		330'	North	330'	East	Eddy

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

Bedrocked Acres 40	Joint or Infill	Consolidation Code	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

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan
Signature

Cy Cowan
Printed Name

Regulatory Agent
Title

October 20, 2005
Date

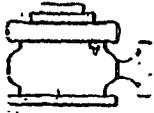
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of control surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

10/4/05
Date Surveyed

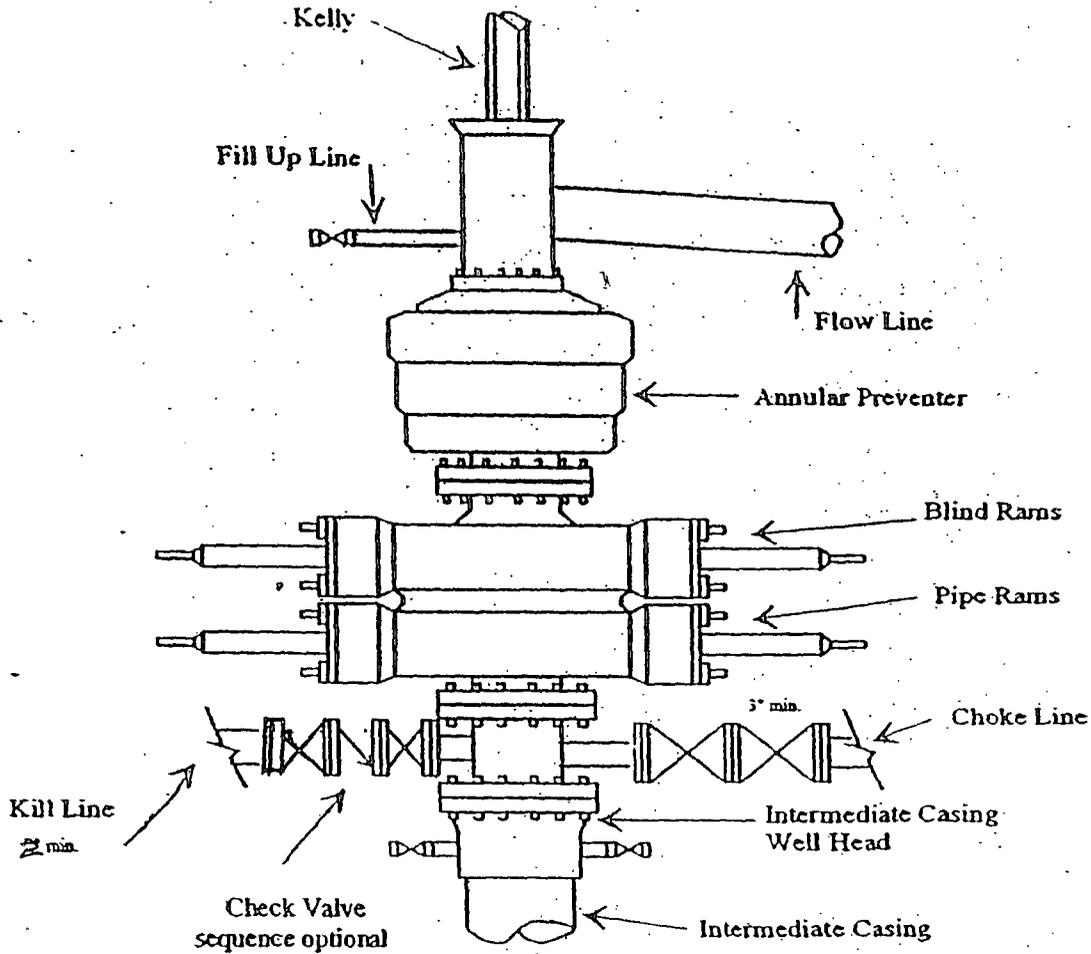
[Signature]
Signature of Registered Professional Surveyor

HEIDI JONES
REGISTERED PROFESSIONAL SURVEYOR
3640
Santa Fe, New Mexico
Certification No. H-10000 L. Jones RLS 3640
GENERAL SURVEYING COMPANY

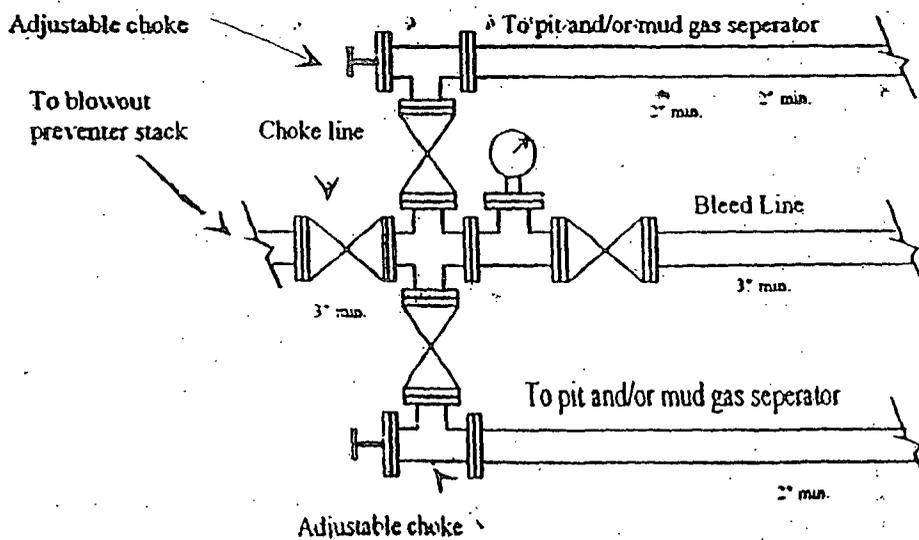


Yates Petroleum Corporation
Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

BOP-3



Typical 3,000 psi choke manifold assembly with at least these minimum features



Permit Conditions of Approval

API: 30-015-41391

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.