District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
May 27, 2004

Submit to appropriate District Office

☐ AMENDED REPORT

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

[1] Operator Name and Address	[2] OGRID Number
YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210 JUL 17 2008 OCD-ARTESIA	205575
	[3] API Number 30 -015-36404

[4] Property Code	[5] Property Name	[6] Well No.
	Cottonwood KI Federal Com.	4H

[9] Proposed Pool 1	[10] Proposed Pool 2
Wildcat Wolfcamp	

[7] Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	16S	25E		760'	South	260'	East	Eddy

[8] Proposed 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
M	18	16S	25E		760'	South	660'	West	Eddy

Additional Well Information

[11] Work Type Code	[12] Well Type Code	[13] Cable/Rotary	[14] Lease Type Code	[15] Ground Level Elevation
N	G	R	S	3572'
[16] Multiple	**[17] Proposed Depth**	**[18] Formation**	**[19] Contractor**	**[20] Spud Date**
No	5200' TVD	Wolfcamp	Not Determined	ASAP

Depth to Groundwater	Distance from nearest fresh water well	Distance from nearest surface water
100'	<1000'	<1000'

Pit Liner: Synthetic ☐ ___ mils thick Clay ☐ Pit Volume: _____ bbls Drilling Method.
Closed-Loop System ☒ Fresh Water ☐ Brine ☒ Diesel/Oil-based ☐ Gas/Air ☐

[21] Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1000'	500 sx	Surface
7 7/8"	5 1/2"	17#	9042' MD	1400 sx	Surface

[22] Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill a horizontal well to test the Wolfcamp formation. Approximately 1000' of surface casing will be set and cement circulated to the surface Production casing will be set at 9402' and cement circulated to surface. The pilot hole will be drilled to a vertical depth of 5200'. The kickoff point for the lateral will be at 4409' TVD. If commercial, production casing will be run and cemented and stimulated as needed to gain production.

MUD PROGRAM: 0-1000' FW Gel; 1000'-4300' Cut Brine; 4300'-5200' Cut Brine. 4409'-9042' MD Cut Brine Horizontal Section.

BOPE PROGRAM: A 3000# BOPE will be installed on the 8 5/8" casing and tested daily for operational.

[23] 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 ☐.**

Printed name: Cy Cowan

Title: Regulatory Agent

E-mail Address:

Date: July 17, 2008 Phone: (575) 748-4372

OIL CONSERVATION DIVISION

Approved by: Tim W. Gum
District II Supervisor

Title:

Approval Date: 7/24/08 Expiration Date: 7/31/10

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

JUN 11 2008
OCD-ARTESIA

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Wildcat Wolfcamp

Property Code	Property Name	Well Number
	COTTONWOOD "KI" FEDERAL COM.	4H

OGRID No.	Operator Name	Elevation
025575	YATES PETROLEUM CORP.	3572

Surface Location

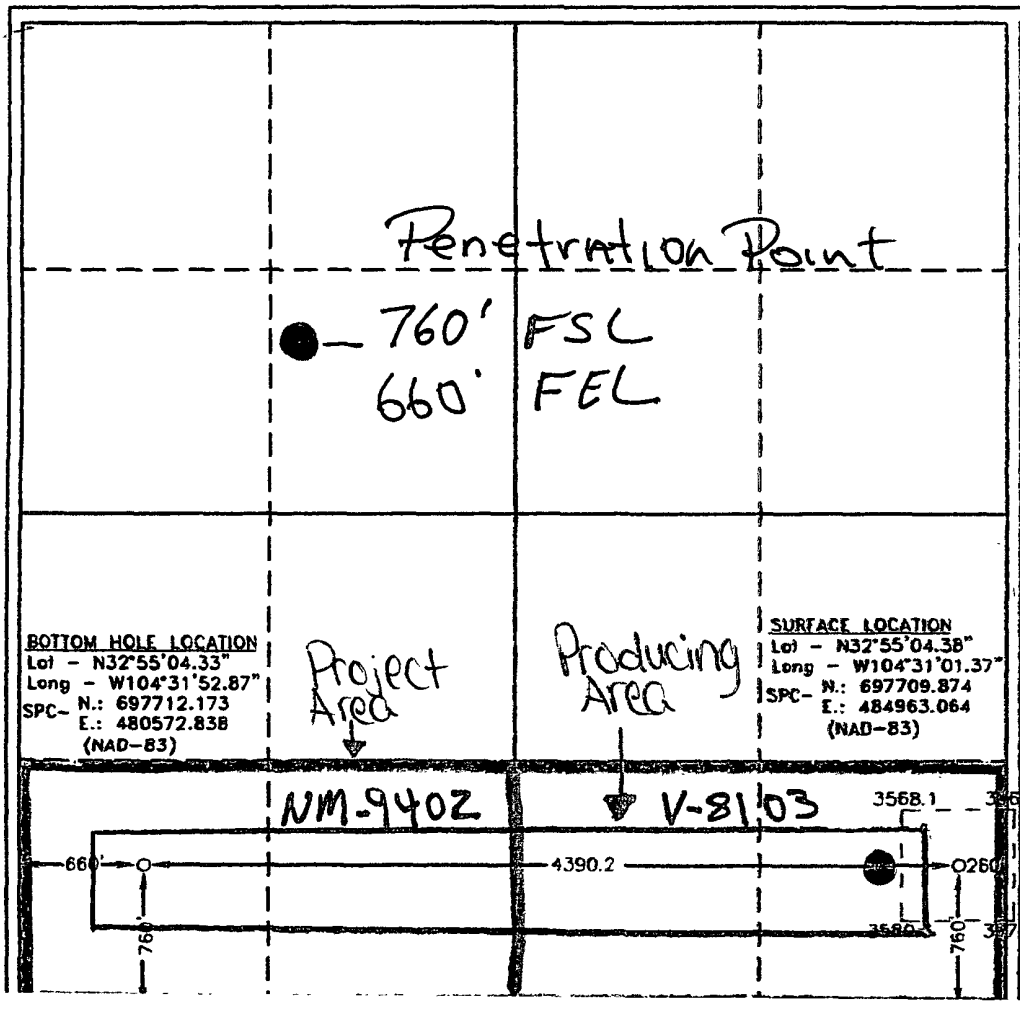
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	18	16 S	25 E		760	SOUTH	260	EAST	EDDY

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
M	18	16 S	25 E		760	SOUTH	660	WEST	EDDY

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
160			

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, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole 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.

Signature — 4/28/08 Date

Cy Cowan, Regulatory Agent
Printed Name

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 supervison, and that the same is true and correct to the best of my belief.

FEDRUARY 27, 2008
Date Surveyed

Signature & Seal of Professional Surveyor

NEW MEXICO — Gary L. Jones — 7977

W.O. [illegible]

Certificate No. Gary L. Jones 7977

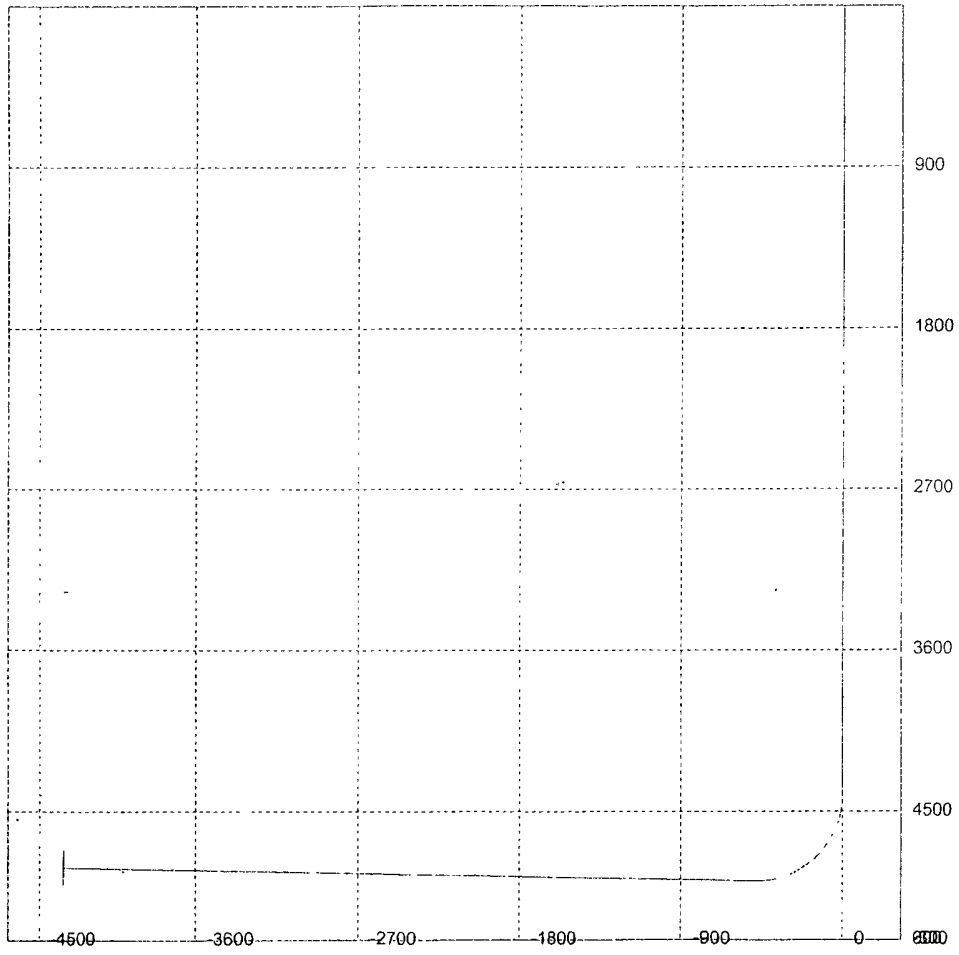
BASIN SURVEYS

MD	Inclination	Azimuth	TVD	N/S	E/W	DLS	Tool face	Build/Hold/Drop	
0	0	0	0	0	0	0			
560	0	0	560	0	0	0			SAN ANDRES
1810	0	0	1810	0	0	0			GLORIETA
3110	0	0	3110	0	0	0			TUBB
3810	0	0	3810	0	0	0			ABO
4409	0	0	4409	0	0	12	270	GN	KOP
4425	1.92	270	4425	0	-0.27	12	0	HS	
4450	4.92	270	4449 95	0	-1 76	12	0	HS	
4475	7.92	270	4474.79	0	-4.55	12	0	HS	
4500	10.92	270	4499.45	0	-8.65	12	0	HS	
4525	13.92	270	4523.86	0	-14 02	12	0	HS	
4550	16.92	270	4547.96	0	-20.67	12	0	HS	
4575	19.92	270	4571 68	0	-28.57	12	0	HS	
4600	22.92	270	4594.95	0	-37.7	12	0	HS	
4625	25.92	270	4617.71	0	-48 03	12	0	HS	
4650	28 92	270	4639.9	0	-59.54	12	0	HS	
4675	31.92	270	4661.45	0	-72 2	12	0	HS	
4700	34.92	270	4682.32	0	-85.97	12	0	HS	
4725	37.92	270	4702.43	0	-100 81	12	0	HS	
4750	40.92	270	4721.74	0	-116 68	12	0	HS	
4775	43.92	270	4740.2	0	-133.54	12	0	HS	
4800	46 92	270	4757.74	0	-151 35	12	0	HS	
4825	49.92	270	4774.33	0	-170 05	12	0	HS	
4850	52.92	270	4789.92	0	-189 59	12	0	HS	
4875	55.92	270	4804.46	0	-209.92	12	0	HS	
4900	58.92	270	4817.92	0	-230.98	12	0	HS	
4925	61.92	270	4830.26	0	-252.72	12	0	HS	
4950	64.92	270	4841.45	0	-275 08	12	0	HS	
4975	67.92	270	4851.45	0	-297 99	12	0	HS	
5000	70 92	270	4860.23	0	-321.39	12	0	HS	
5025	73 92	270	4867.78	0	-345.22	12	0	HS	
5050	76.92	270	4874.08	0	-369.41	12	0	HS	
5075	79.92	270	4879.1	0	-393.9	12	0	HS	
5081	80.64	270	4880	0	-400	12	0	HS	WOLFCAMP
5100	82.92	270	4882.82	0	-418 61	12	0	HS	
5125	85.92	270	4885.26	0	-443 49	12	0	HS	
5150	88 92	270	4886.38	0	-468 47	12	0	HS	
5168.42	91.13	270	4886.37	0	-486 88	12	0	HS	
9042.29	91.13	270	4810	0	-4360	0			LATERAL TD

Pilot hole will be drilled to 5200'. Well will then be plugged back and kicked off at approx. 4409' at 12 degrees per 100' with a 7 7/8" hole to 9,042' MD with a TVD of 4,810'.

3D³ Directional Drilling Planner - 3D View

Company: **Yates Petroleum Corporation**
Well: **Cottonwood KI Federal Com. #4H**



File: C:\Program Files\Drilling Toolbox 2001\Templates\Visual Wellbore\Horizontal\cottonwood4h.wpp

3D³ Directional Drilling Planner - 3D View

Company: **Yates Petroleum Corporation**
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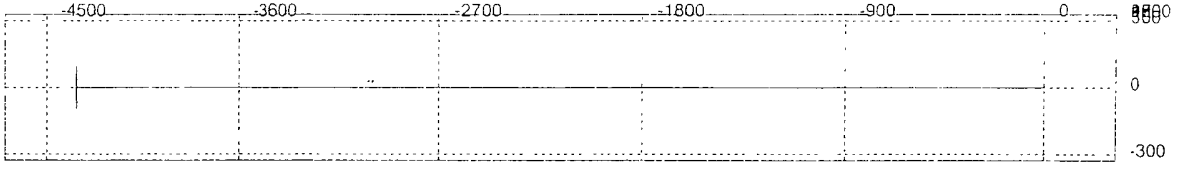
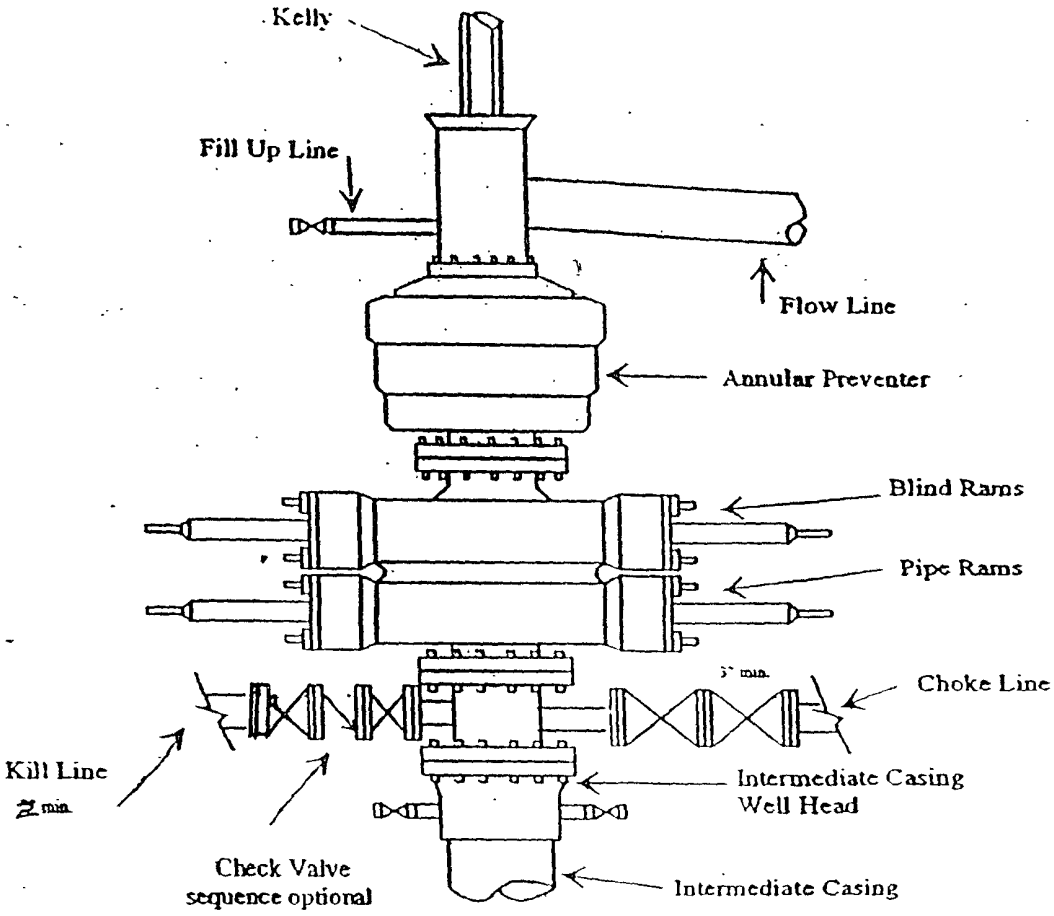


File: C:\Program Files\Drilling Toolbox 2001\Templates\Visual Wellbore\Horizontal\cottonwood4h.wpp

Yates Petroleum Corporation

BOP-3

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



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