

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

Form C-144 CLEZ
July 21, 2008

For closed-loop systems that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, submit to the appropriate NMOCD District Office.

Closed-Loop System Permit or Closure Plan Application

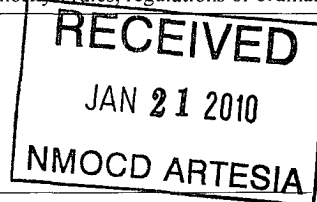
(that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure)

Type of action: ☒ Permit ☐ Closure

Instructions: Please submit one application (Form C-144 CLEZ) per individual closed-loop system request. For any application request other than for a closed-loop system that only use above ground steel tanks or haul-off bins and propose to implement waste removal for closure, please submit a Form C-144.

Please be advised that approval of this request does not relieve the operator of liability should operations result in pollution of surface water, ground water or the environment. Nor does approval relieve the operator of its responsibility to comply with any other applicable governmental authority's rules, regulations or ordinances

1. Operator: Yates Petroleum Corporation OGRID #: 025575
Address: 105 South Fourth Street, Artesia, New Mexico 88210
Facility or well name: Brittany BPA State Com #1H
API Number: 30-015-37554 OCD Permit Number: 209944
U/L or Qtr/Qtr B Section 16 Township 26S Range 25E County Eddy
Center of Proposed Design: Latitude N 32.048039 Longitude W 104.397731 NAD: ☐ 1927 ☒ 1983
Surface Owner: ☐ Federal ☒ State ☐ Private ☐ Tribal Trust or Indian Allotment



2. ☒ **Closed-loop System:** Subsection H of 19.15.17.11 NMAC
Operation: ☒ Drilling a new well ☐ Workover or Drilling (Applies to activities which require prior approval of a permit or notice of intent) ☐ P&A
☐ Above Ground Steel Tanks or ☒ Haul-off Bins

3. **Signs:** Subsection C of 19.15.17.11 NMAC
☐ 12"x 24", 2" lettering, providing Operator's name, site location, and emergency telephone numbers
☒ Signed in compliance with 19.15.3.103 NMAC

4. **Closed-loop Systems Permit Application Attachment Checklist:** Subsection B of 19.15.17.9 NMAC
Instructions: Each of the following items must be attached to the application. Please indicate, by a check mark in the box, that the documents are attached.
☒ Design Plan - based upon the appropriate requirements of 19.15.17.11 NMAC
☒ Operating and Maintenance Plan - based upon the appropriate requirements of 19.15.17.12 NMAC
☒ Closure Plan (Please complete Box 5) - based upon the appropriate requirements of Subsection C of 19.15.17.9 NMAC and 19.15.17.13 NMAC
☐ Previously Approved Design (attach copy of design) API Number _____
☐ Previously Approved Operating and Maintenance Plan API Number: _____

5. **Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:** (19.15.17.13 D NMAC)
Instructions: Please identify the facility or facilities for the disposal of liquids, drilling fluids and drill cuttings. Use attachment if more than two facilities are required.
Disposal Facility Name: Gandy Marley Disposal Facility Permit Number: NM-01-0019
Disposal Facility Name: CRI Disposal Facility Permit Number: R-9166
Disposal Facility Name: Lea Land Farm Disposal Facility Permit Number: WM-1-035
Disposal Facility Name: Sundance Services Inc. Disposal Facility Permit Number: NM-01-0003

Will any of the proposed closed-loop system operations and associated activities occur on or in areas that will not be used for future service and operations?
☐ Yes (If yes, please provide the information below) ☒ No

Required for impacted areas which will not be used for future service and operations.

- ☐ Soil Backfill and Cover Design Specifications - based upon the appropriate requirements of Subsection H of 19.15.17.13 NMAC
☐ Re-vegetation Plan - based upon the appropriate requirements of Subsection I of 19.15.17.13 NMAC
☐ Site Reclamation Plan - based upon the appropriate requirements of Subsection G of 19.15.17.13 NMAC

6. **Operator Application Certification:**

I hereby certify that the information submitted with this application is true, accurate and complete to the best of my knowledge and belief

Name (Print): Monti Sanders

Title: Land Regulatory Technician

Signature: *MSanders*

Date: January 19, 2010

e-mail address: montis@yatespetroleum.com

Telephone: 575-748-4244

7. **OCD Approval:** ☒ Permit Application (including closure plan) ☐ Closure Plan (only)

OCD Representative Signature: *Leuro R Dade*

Approval Date: 02/04/2010

Title: *DIST II Supervisor*

OCD Permit Number: 209944

8. **Closure Report (required within 60 days of closure completion):** Subsection K of 19.15.17.13 NMAC

Instructions: Operators are required to obtain an approved closure plan prior to implementing any closure activities and submitting the closure report. The closure report is required to be submitted to the division within 60 days of the completion of the closure activities. Please do not complete this section of the form until an approved closure plan has been obtained and the closure activities have been completed.

☐ Closure Completion Date: _____

9. **Closure Report Regarding Waste Removal Closure For Closed-loop Systems That Utilize Above Ground Steel Tanks or Haul-off Bins Only:**

Instructions: Please identify the facility or facilities for where the liquids, drilling fluids and drill cuttings were disposed. Use attachment if more than two facilities were utilized.

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Disposal Facility Name: _____ Disposal Facility Permit Number: _____

Were the closed-loop system operations and associated activities performed on or in areas that *will not* be used for future service and operations?

☐ Yes (If yes, please demonstrate compliance to the items below) ☐ No

Required for impacted areas which will not be used for future service and operations.

☐ Site Reclamation (Photo Documentation)

☐ Soil Backfilling and Cover Installation

☐ Re-vegetation Application Rates and Seeding Technique

10. **Operator Closure Certification:**

I hereby certify that the information and attachments submitted with this closure report is true, accurate and complete to the best of my knowledge and belief. I also certify that the closure complies with all applicable closure requirements and conditions specified in the approved closure plan.

Name (Print): _____

Title: _____

Signature: _____

Date: _____

e-mail address: _____

Telephone: _____

Yates Petroleum Corporation

Closed Loop System

Equipment Design Plan

Closed Loop System will consist of:

1 – double panel shale shaker

1 – (minimum) Centrifuge, certain wells and flow rates may require 2 centrifuges

On certain wells, the Centrifuge will be replaced by a Clackco Settling Tank System

1 – minimum centrifugal pump to transfer fluids

2- 500 bbl. FW Tanks

1 – 500 bbl. BW Tank

1 – half round frac tank – 250 bbl. capacity as necessary to catch cement / excess mud returns generated during a cement job.

1 Set of rail cars / catch bins

Certain wells will use an ASC Auger Tank

Operation Plan

All equipment will be inspected at least hourly by rig personnel and daily by contractors' personnel.

Any spills / leaks will be reported to YPC, NMOCD, and cleaned up without delay.

Closure Plan

Drilling with Closed Loop System, haul off bins will be taken to Gandy Marley, Lea Land Farm, CRI or Sundance Services Inc.

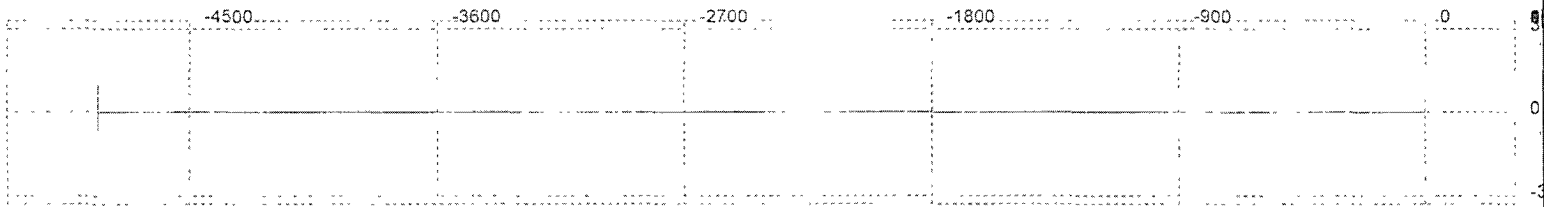
M.D.	Inclination	Azimuth	T.V.D.	N+/S-	E+/W-	D.L.S.	ToolFace	T.F. Ref. [HS/GN]	
0	0	0	0	0	0	0			
380	0	0	380	0	0	0			CASTILLE
1,300	0	0	1,300	0	0	0			BELL CANYON
2,190	0	0	2,190	0	0	0			CHERRY CANYON
3,600	0	0	3,600	0	0	0			BRUSHY CANYON
4373	0	0	4373	0	0	12	270	GN	KOP
4375	0.24	270	4375	0	0	12	0	HS	
4400	3.24	270	4399.99	0	-0.76	12	0	HS	
4425	6.24	270	4424.9	0	-2.83	12	0	HS	
4450	9.24	270	4449.67	0	-6.2	12	0	HS	
4475	12.24	270	4474.23	0	-10.85	12	0	HS	
4500	15.24	270	4498.51	0	-16.79	12	0	HS	
4523	18	270	4520.55	0	-23.37	12	0	HS	BRUSHY CANYON MARKER
4525	18.24	270	4522.45	0	-23.99	12	0	HS	
4550	21.24	270	4545.97	0	-32.43	12	0	HS	
4575	24.24	270	4569.03	0	-42.1	12	0	HS	
4600	27.24	270	4591.54	0	-52.95	12	0	HS	
4625	30.24	270	4613.46	0	-64.97	12	0	HS	
4650	33.24	270	4634.72	0	-78.12	12	0	HS	
4675	36.24	270	4655.26	0	-92.37	12	0	HS	
4700	39.24	270	4675.03	0	-107.67	12	0	HS	
4725	42.24	270	4693.97	0	-123.98	12	0	HS	
4750	45.24	270	4712.03	0	-141.26	12	0	HS	
4762	46.68	270	4720.37	0	-149.89	12	0	HS	BONE SPRINGS
4775	48.24	270	4729.16	0	-159.47	12	0	HS	
4800	51.24	270	4745.32	0	-178.54	12	0	HS	
4825	54.24	270	4760.45	0	-198.44	12	0	HS	
4850	57.24	270	4774.52	0	-219.1	12	0	HS	
4875	60.24	270	4787.49	0	-240.47	12	0	HS	
4900	63.24	270	4799.33	0	-262.49	12	0	HS	
4925	66.24	270	4810	0	-285.09	12	0	HS	
4950	69.24	270	4819.46	0	-308.23	12	0	HS	
4975	72.24	270	4827.71	0	-331.82	12	0	HS	
5000	75.24	270	4834.71	0	-355.82	12	0	HS	
5025	78.24	270	4840.44	0	-380.15	12	0	HS	
5050	81.24	270	4844.9	0	-404.75	12	0	HS	
5075	84.24	270	4848.05	0	-429.55	12	0	HS	
5100	87.24	270	4849.91	0	-454.47	12	0	HS	
5123.05	90.01	270	4850.46	0	-477.52	12	0	HS	AVALON SHALE
9475.53	90.01	270	4850	0	-4830	0			LATERAL TD

Pilot hole drilled vertically to 7000'. Well will be plugged back with a 400'-500' kick off plug, then kicked off at approx. 4373' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 9475' MD (4850' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 660' FNL and 2127' FEL. 16-26S-25E. Deepest TVD in the well is 7000' in the pilot hole. Deepest TVD in the lateral will be 4850'.

3D³ Directional Drilling Planner - 3D View

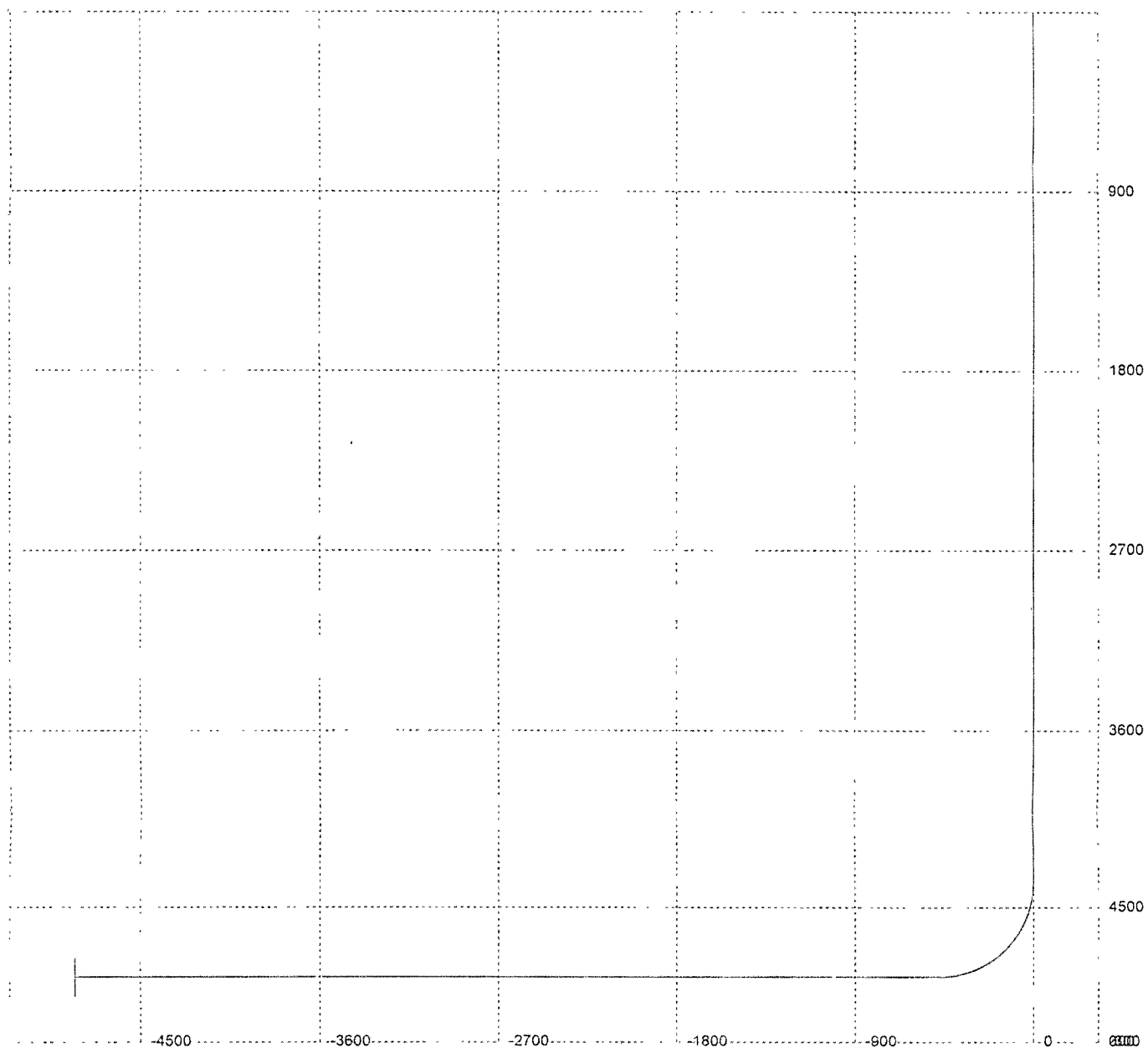
Company: Yates Petroleum Corporation

Well: Brittany BPA State Com. #1H



3D^s Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Brittany BPA State Com. #1H



DISTRICT I
1826 N. French Dr., Hobbs, NM 88240
DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88210

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 16, 2009

Submit one copy to appropriate
District Office

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

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410
DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name Avalon Shale
Property Code	Property Name BRITTANY "BPA" STATE COM	Well Number 1H
OGRID No.	Operator Name YATES PETROLEUM CORP.	Elevation 3722'

Surface Location

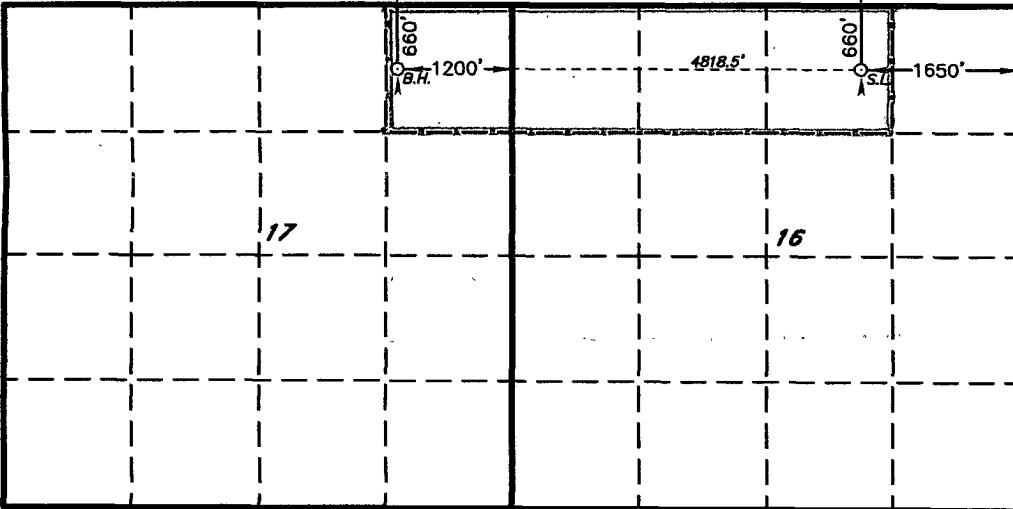
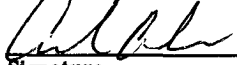
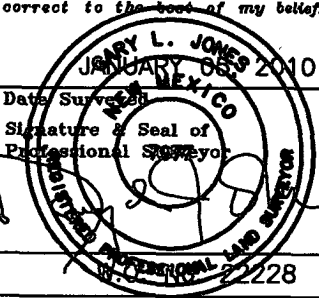
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	26 S	25 E		660	NORTH	1650	EAST	EDDY

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
A	17	26 S	25 E		660	NORTH	1200	EAST	EDDY

Dedicated Acres 160	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

	<p>OPERATOR CERTIFICATION</p> <p>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> 1/19/10 Signature Date</p> <p>Armando A. Lopez Printed Name</p>
<p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°02'53.18" Long - W 104°24'47.81" NMSPC- N 381243.924 E 516570.178 (NAD-83)</p>	<p>SURFACE LOCATION Lat - N 32°02'52.94" Long - W 104°23'51.83" NMSPC- N 381216.598 E 521387.426 (NAD-83)</p>
<p>SURVEYOR CERTIFICATION</p> <p>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></p> <p>Date Surveyed Signature & Seal of Professional Surveyor</p> <p>Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>	