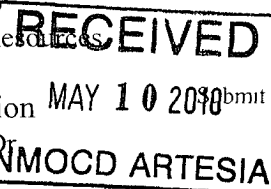


District I
1625 N. French Dr , Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St Francis Dr , Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

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



Form C-101
June 16, 2008

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 Yates Petroleum Corporation 105 South 4 th Street Artesia, NM 88210		² OGRID Number 025575
³ Property Code 34586	⁵ Property Name Quimiela AXQ State	³ API Number 30 - 005 - 64125
⁹ Proposed Pool 1 Four Ranch, Pre Permian (gas)		¹⁰ Proposed Pool 2

Surface Location

UL or lot no. E	Section 5	Township 10S	Range 26E	Lot Idn	Feet from the 1420	North/South line N	Feet from the 660	East/West line W	County Chaves
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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
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Additional Well Information

¹¹ Work Type Code New Well	¹² Well Type Code Gas	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3768'
¹⁶ Multiple N	¹⁷ Proposed Depth 5935'	¹⁸ Formation Undesignated Precambrian	¹⁹ Contractor	²⁰ Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48	1100	975	
12.25	8.625	32	5000	750	3700
7.875	5.5	15.5	5935	900	3700

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 and test the Pre Cambrian and intermediate formations Approximately 1100' of surface casing will be set/cement If commercial, production casing will be ran and cemented, perforated, and stimulated as needed for production.
BOPE PROGRAM: A 2000# Double Ram BOPE will be installed on the 8 5/8" casing and tested daily for operational.
MUD PROGRAM: 0-1100' FW Gel/Paper/LCM, 1100'-4185' Brine; 4185'-5935' Starch/Salt Gel/6% KCL.
H2S is not anticipated.
C-102 Attached
A Closed Loop System will be used, C-144 Attached
Previously Approved

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature

Clifton May

Printed name

Clifton May

Title

Land Regulatory Agent

E-mail Address

cliff@yatespetroleum.com

Date

5/7/10

Phone

575-748-4347

OIL CONSERVATION DIVISION

Approved by

[Signature]
Geologist

Approval Date

05/26/2010

Expiration Date

05/26/2012

CONDITION OF APPROVAL FOR APD'S

"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"

DISTRICT II

811 South First, Artesia, NM 88210

Instruction on back
Submit to Appropriate District Office

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

State Lease - 4 Copies

Fee Lease - 3 Copies

DISTRICT IV

2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-64125	Pool Code 76730	Pool Name Foor Ranch Wildcat Pre-Cambrian Pre Permian (Gas)
Property Code 76730	Property Name QUINIELA "AXQ" STATE	Well Number 4
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3768

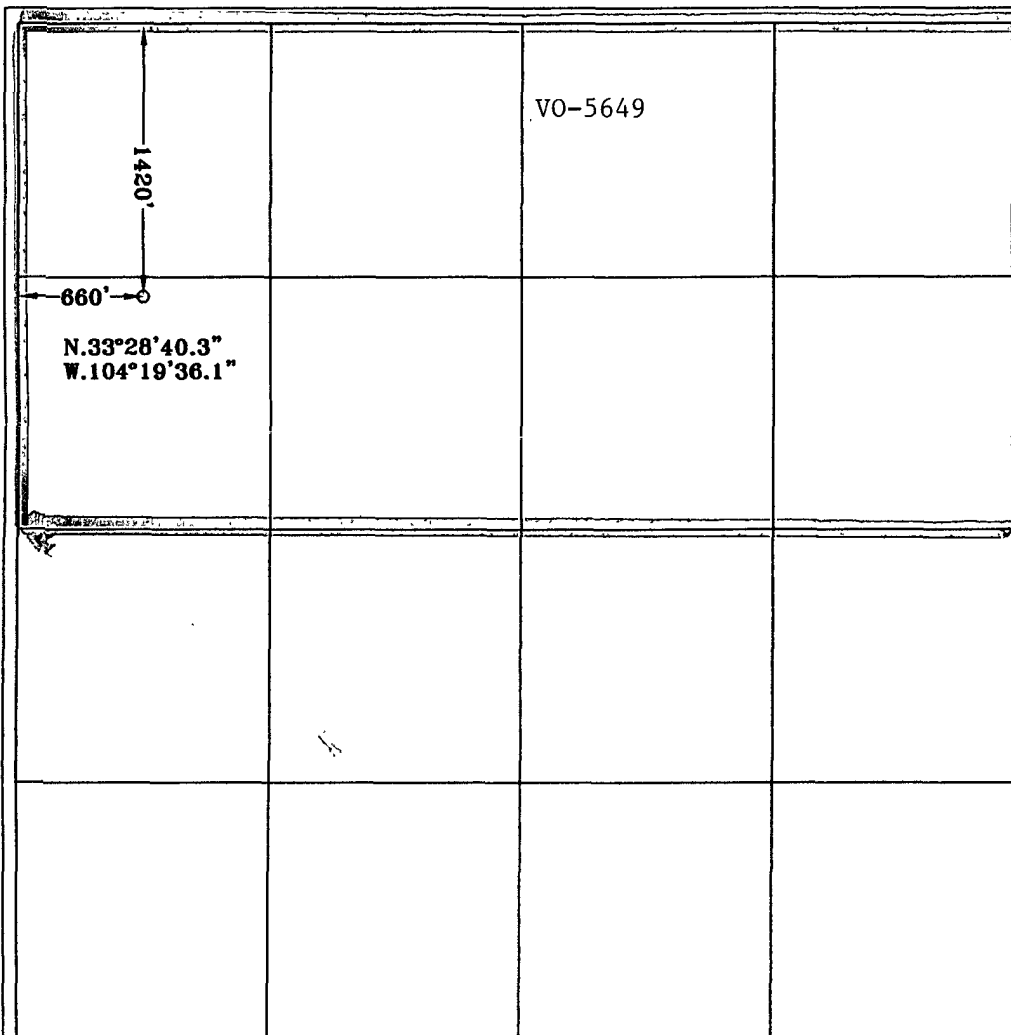
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	5	10S	26E		1420	NORTH	660	WEST	CHAVES

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
Dedicated Acres 319.56	Joint or Infill	Consolidation Code	Order No.						

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 the the information
contained herein is true and complete to the
best of my knowledge and belief.

Signature

Clifton May

Printed Name

Land Regulatory Agent

Title

5-7-10

Date

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.

REFER TO ORIGINAL PLAT

4/23/2004

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No. Herschel Jones RLS 3640

GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'