

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 South Fourth Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30-015-26671
⁴ Property Code 34877	⁵ Property Name Dee 36 SE State Com	⁶ Well No 5

⁷ Surface Location

UL - Lot P	Section 36	Township 19S	Range 24E	Lot Idn	Feet from 990	N/S Line South	Feet From 990	E/W Line East	County Eddy
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⁸ Pool Information

Canyon, Wolfcamp	08450
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary N/A	¹² Lease Type S	¹³ Ground Level Elevation 3592' GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Penn	¹⁷ Contractor N/A	¹⁸ Spud Date N/A
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

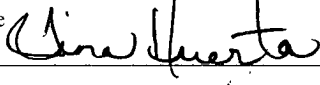
Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
REFER TO ORIGINAL COMPLETION						

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to plugback and recomplete this well as follows: MIRU any safety equipment as needed. NU BOP. Run a GR/JB down to 7700' then set a 7" CIBP at 7684' and cap it with 35' Class "H" cement. Perforate Wolfcamp 7080'-7100' (41). Set packer at +/-6800' and break the perforations with 2500g 20% HCL with 2g/M gelling agent, cationic surfactant, corrosion inhibitor and iron control additives. Over flush to the perforations by 200 bbls 2% KCL water with a surfactant. Swab test and evaluate and consider turning well over to production or pumping a 20,000g acid frac. Allow well to flow back if necessary. POOH with packer and TIH with TAC, SN and tubing. RIH with pump and rods and hang the well off. Turn well over to production. Wellbore schematics and picture of BOP attached.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Hydraulic	3K	15K	Depends on rental company used

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 NMOC guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . <u>YPC uses steel tanks only.</u>		OIL CONSERVATION DIVISION	
Signature: 			
Printed name: Tina Huerta		Title: Geologist	
Title: Regulatory Compliance Supervisor		Approved Date: 3/5/2012	Expiration Date: 3/5/2014
E-mail Address: tnah@yatespetroleum.com			
Date: February 29, 2012	Phone: 575-748-4168	Conditions of Approval Attached	

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NMOCD ARTESIA

WELL NAME: Dee 36 SE State Com #5 FIELD: Dagger Draw

LOCATION: 990' FSL & 990' FEL of Section 36-19S-24E Eddy Co., NM

GL: 3,592' ZERO: 18' KB: 3,610'

SPUD DATE: 6/8/81 COMPLETION DATE: 7/13/91

COMMENTS: API No.: 30-015-26671

CASING PROGRAM

9-5/8" 36# K-55	1,205'
7" 26# K-55	8,102'

Before

14-3/4" Hole

8-3/4" Hole

9-5/8" @ 1,205' w/2200 sx
1"ed to surface w/350 sx

TOPS

Glorieta	2,170'
Paddock	2,420'
WC	5,320'
Penn	7,600'

DV tool @ 4,111'

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NMOCD ARTESIA

Cisco Canyon Perfs: 7,734-7,856'

7" @ 8,102' w/1,575 sx
(Circ)

PBTD: 8,053'
TD: 8,103'

Not to Scale
10/12/09
Hill

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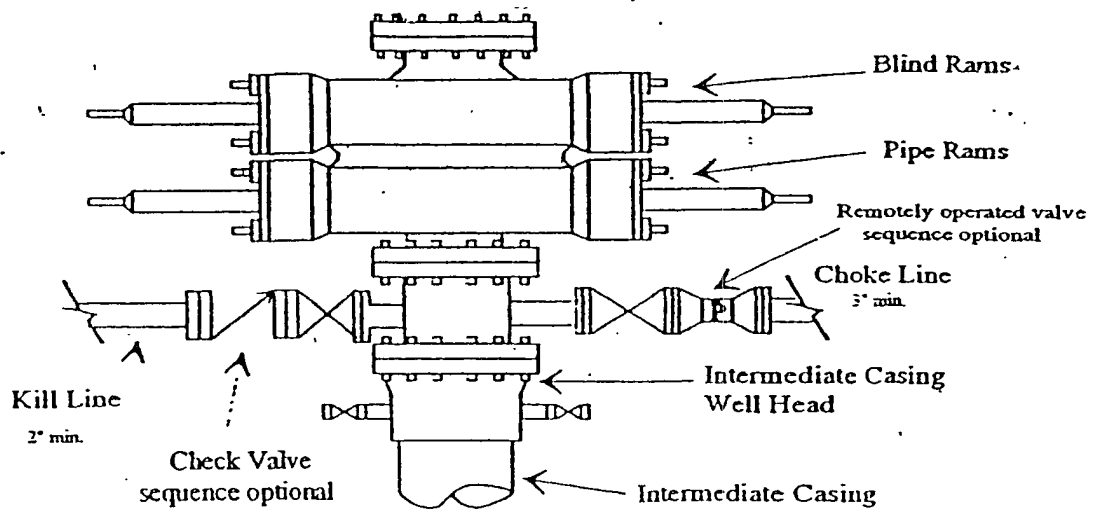
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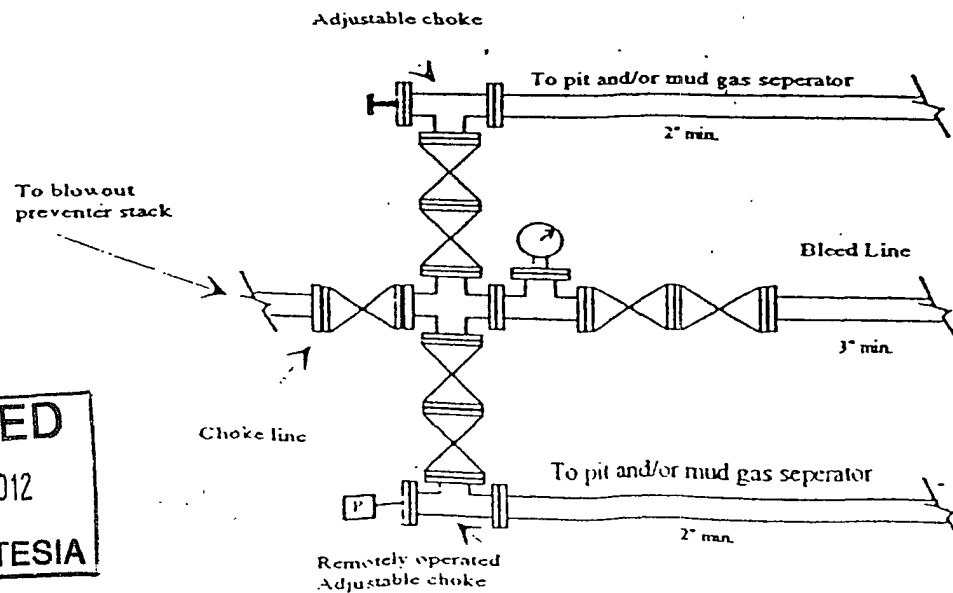
Not to Scale
2/22/12
Hill

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



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