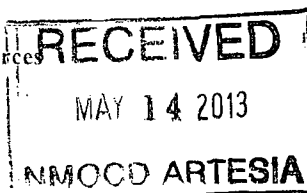


District I
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District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

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

Amended

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

Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		OGRID Number 025575
		API Number 30-015-27417
Property Code 39898	Property Name Barbara-17SW	Well No. 17

Surface Location

UL - Lot K	Section 17	Township 19S	Range 25E	Lot Idn	Feet from 1650	N/S Line South	Feet From 1650	E/W Line West	County Eddy
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Pool Information

N. Seven Rivers; Glorieta-Yeso	97565
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Additional Well Information

Work Type P	Well Type O	Cable/Rotary N/A	Lease Type Fee	Ground Level Elevation 3534'GL
Multiple N	Proposed Depth N/A	Formation Cisco	Contractor N/A	Spud Date N/A
Depth to Ground-water		Distance from nearest fresh water well		Distance to nearest surface water

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 recomple this well as follows: NU-BOP. Rig up all safety equipment as needed. Run a GRIB to 7670'. Set a CIBP at 7660' with 35' cement on top. Set a 25 sx cement plug from 4310'-4460' across Bone Spring. Pressure test casing to 3500 psi. Perforate Yeso 2420'-2562' (67). Fracture treatment at 75 BPM down 7" casing limiting surface treating pressure to 3500 psi. Set a pop off valve at 3800 psi (Frac details attached). Flow well back and allow well to clean up. TIH with tubing to check for fill and to ensure that the perforations are not covered. Swab well until it cleans up. TIH with pumping equipment and turn well over to production. Wellbore schematics attached.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

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: <i>Tina Huerta</i>			
Printed name: Tina Huerta		Approved By: <i>SR Dade</i>	
Title: Regulatory Reporting Supervisor		Title: <i>Dist II Supervisor</i>	
E-mail Address: tinah@yatespetroleum.com		Approved Date: <i>5/14/2013</i> Expiration Date: <i>5/14/2015</i>	
Date: May 14, 2013	Phone: 575-748-4168	Conditions of Approval Attached <i>Subsequent to w/o provide amended C102 with well name change</i>	

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State of New Mexico

Form C-101
Revised December 16, 2011

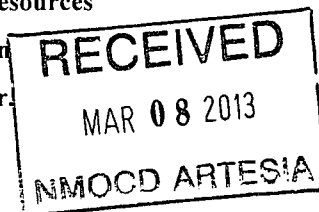
Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

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 30-015-27417
⁴ Property Code 34689	⁵ Property Name NDDUP Unit	⁶ Well No. 27

⁷ Surface Location

UL - Lot K	Section 17	Township 19S	Range 25E	Lot Idn	Feet from 1650	N/S Line South	Feet From 1650	E/W Line West	County Eddy
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⁸ Pool Information

N. Seven Rivers; Glorieta-Yeso	97565
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary N/A	¹² Lease Type Fee	¹³ Ground Level Elevation 3534' GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Cisco	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						

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Yates Petroleum Corporation plans to plugback and recomple this well as follows: NU BOP. Rig up all safety equipment as needed. Run a GR/IB to 7670'. Set a CIBP at 7660' with 35' cement on top. Set a 25 sx cement plug from 4310'-4460' across Bone Spring. Pressure test casing to 3500 psi. Perforate Yeso 2420'-2562' (67). Fracture treatment at 75 BPM down 7" casing limiting surface treating pressure to 3500 psi. Set a pop off valve at 3800 psi (Frac details attached). Flow well back and allow well to clean up. TIH with tubing to check for fill and to ensure that the perforations are not covered. Swab well until it cleans up, TIH with pumping equipment and turn well over to production. Wellbore schematics attached.

Proposed Blowout Prevention Program

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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 ☐. YPC uses steel tanks only.

Signature

Printed name: Tina Huerta

Title: Regulatory Reporting Supervisor

E-mail Address: tinah@yatespetroleum.com

Date: March 6, 2013

Phone: 575-748-4168

OIL CONSERVATION DIVISION

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

Treating Schedule

Sta. #	Fluid	Stg. Type	Cln. Vol. (gals)	Rate (bpm)	Proppant	Conc. (lb/gal)	Stage Prop. (lbs)	Cum. Prop. (lbs)
1	Slick Water	Prepad	100	20		0.0	0	0
2	15% HCL	Acid	2,000	30		0.0	0	0
3	Slick Water	Prepad	2,000	75		0.0	0	0
4	Slick Water	Pad	56,000	75		0.0	0	0
5	Slick Water	Slurry	4,500	75	100 Mesh	0.2	900	900
6	Slick Water	Sweep	4,500	75		0.0	0	900
7	Slick Water	Slurry	4,500	75	100 Mesh	0.3	1,350	2,250
8	Slick Water	Sweep	4,500	75		0.0	0	2,250
9	Slick Water	Slurry	4,500	75	100 Mesh	0.4	1,800	4,050
10	Slick Water	Sweep	4,500	75		0.0	0	4,050
11	Slick Water	Slurry	4,500	75	100 Mesh	0.5	2,250	6,300
12	Slick Water	Sweep	4,500	75		0.0	0	6,300
13	Slick Water	Slurry	4,500	75	100 Mesh	0.6	2,700	9,000
14	Slick Water	Sweep	4,500	75		0.0	0	9,000
15	Slick Water	Slurry	4,500	75	100 Mesh	0.7	3,150	12,150
16	Slick Water	Sweep	4,500	75		0.0	0	12,150
17	Slick Water	Slurry	4,500	75	100 Mesh	0.8	3,600	15,750
18	Slick Water	Sweep	4,500	75		0.0	0	15,750
19	Slick Water	Slurry	4,500	75	100 Mesh	0.9	4,050	19,800
20	Slick Water	Sweep	4,500	75		0.0	0	19,800
21	Slick Water	Slurry	4,500	75	100 Mesh	1.0	4,500	24,300
22	Slick Water	Pad	10,700	75		0.0	0	24,300
23	Slick Water	Slurry	20,000	75	40/70 Brady	0.2	4,000	28,300
24	Slick Water	Sweep	6,000	75		0.0	0	28,300
25	Slick Water	Slurry	20,000	75	40/70 Brady	0.3	6,000	34,300
26	Slick Water	Sweep	6,000	75		0.0	0	34,300
27	Slick Water	Slurry	20,000	75	40/70 Brady	0.4	8,000	42,300
28	Slick Water	Sweep	6,000	75		0.0	0	42,300
29	Slick Water	Slurry	20,000	75	40/70 Brady	0.5	10,000	52,300
30	Slick Water	Sweep	6,000	75		0.0	0	52,300
31	Slick Water	Slurry	20,000	75	40/70 Brady	0.6	12,000	64,300
32	Slick Water	Sweep	6,000	75		0.0	0	64,300
33	Slick Water	Slurry	20,000	75	40/70 Brady	0.7	14,000	78,300
34	Slick Water	Sweep	6,000	75		0.0	0	78,300
35	Slick Water	Slurry	20,000	75	40/70 Brady	0.8	16,000	94,300
36	Slick Water	Sweep	6,000	75		0.0	0	94,300
37	Slick Water	Slurry	23,000	75	40/70 Brady	0.9	20,700	115,000
38	Slick Water	Sweep	6,000	75		0.0	0	115,000

39	Slick Water	Slurry	24,000	75	40/70 Brady	1.0	24,000	139,000
40	Slick Water	Pad	17,000	75		0.0	0	139,000
41	Slick Water	Slurry	17,000	75	16/30 Brady	1.0	17,000	156,000
42	Slick Water	Slurry	24,000	75	16/30 Brady	2.0	48,000	204,000
43	Slick Water	Slurry	32,000	75	16/30 Brady	3.0	96,000	300,000
44	Slick Water	Flush	2,388	75		0.0	0	300,000
45	15% HCL	Acid	1,000	75		0.0	0	300,000
46	Slick Water	Flush	3,900	75		0.0	0	300,000
	Totals		479,588				300,000	

Estimated Surface Treating Pressure = 2,223 psig.

Maximum Surface Treating Pressure = 3,500 psig.

Fluid Specifications:

Slick Water - fresh water with 1.0 gal/M liquid friction reducer, 1 gal/M gas Surfactant, liquid biocide agent and an oxidizing breaker.

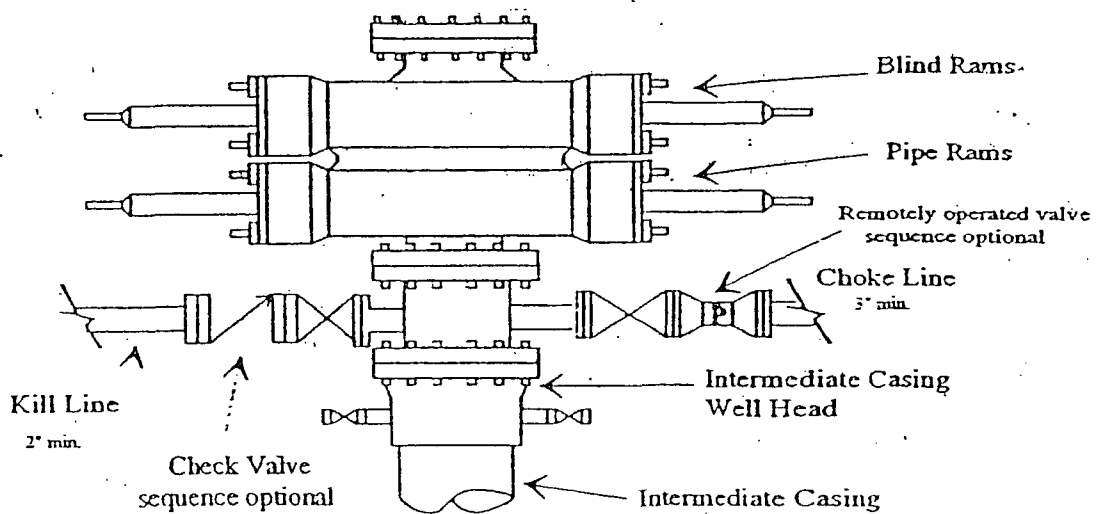
YPC will provide:

25 clean frac tanks with 480 barrels of Fresh water in each tank for treatment and flush.

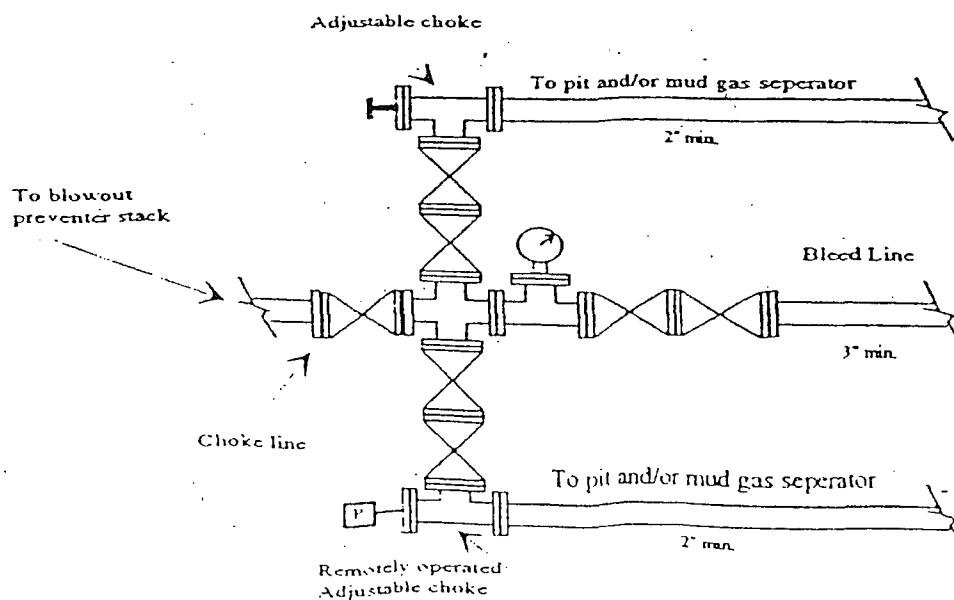
Service Company to provide: computer van with job reports, weight tickets, on location and QC lab van.

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



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



WELL NAME: NDDUP #27 FIELD: Dagger Draw
 LOCATION: 1,650' FSL & 1,650' FEL of Section 17-19S-25E Eddy Co., NM
 GL: 3,533' ZERO: _____ KB: _____
 SPUD DATE: 11/7/93 COMPLETION DATE: 3/10/94
 COMMENTS: API No.: 30-015-27417
(Formerly Barbara 17SW Com #17)

CASING PROGRAM

9-5/8" 36# K-55 LTC	1,132'
7" 26# K-55 LTC	9,370'

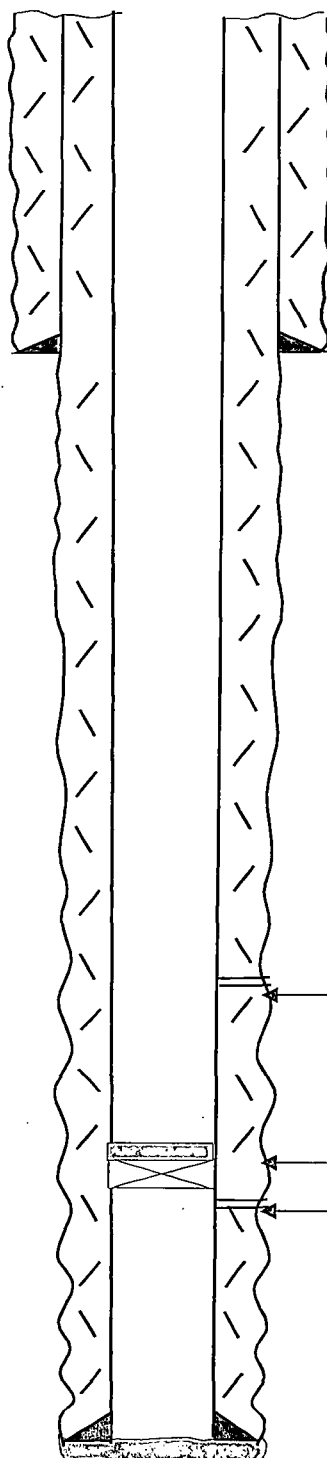
14-3/4" Hole

Before

9-5/8" @ 1,132' w/1,600 sx
(Circ)

TOPS	
Glorieta	2,129'
Yeso	2,286'
BS	4,410'
Canyon	7,608'

8-3/4" Hole



Perfs: 7,710-7,717'; 7,742-7,758'; 7,772-7,788';
7,790-7,798'; 7,800-7,814'; 7,826-7,832'

CIBP @ 8,896' w/ 40' cmt

Perfs: 9,071-9,087'

PBTD: 9,320'
TD: 9,370'

7" @ 9,370' w/ 1300 (Circ)

Not to Scale
8/11/09
DC/M. Hill

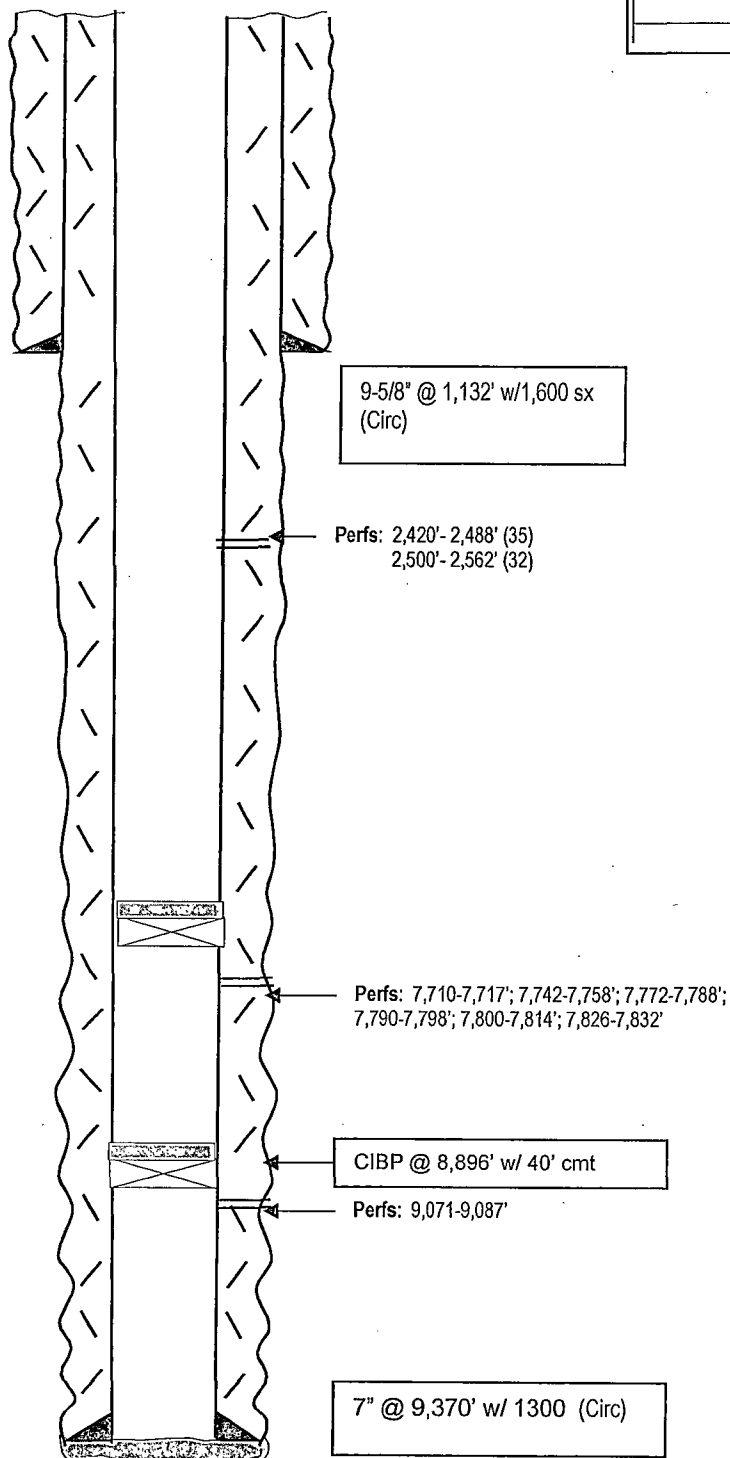
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9-5/8" 36# K-55 LTC	1,132'
7" 26# K-55 LTC	9,370'

14-3/4" Hole

After

8-3/4" Hole



TOPS	
Glorieta	2,129'
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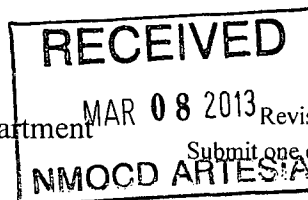
7" @ 9,370' w/ 1300 (Circ)

PBTD: 9,320'
 TD: 9,370'

Not to Scale
 11/13/09
 Hill

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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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-27417	² Pool Code 97565	³ Pool Name N. Seven Rivers; Glorieta-Yeso ✓
⁴ Property Code 34689	⁵ Property Name NDDUP Unit	⁶ Well Number 27
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3534'GL

¹⁰ Surface Location									
UL or lot no. K	Section 17	Township 19S	Range 25E	Lot Idn	Feet from the 1650	North/South line South	Feet from the 1650	East/West line West	County 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.					

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.

	¹⁷ OPERATOR CERTIFICATION <i>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.</i> Signature March 6, 2013 Date Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address	
	¹⁸ SURVEYOR CERTIFICATION <i>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.</i> Date of Survey Signature and Seal of Professional Surveyor:	
	Certificate Number	