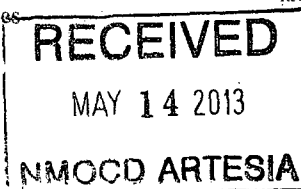


District I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
District II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
District IV  
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  
*Amended*

Form C-101  
Revised December 16, 2011



Permit

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

|   |                               |                            |
|---|-------------------------------|----------------------------|
| Operator Name and Address:<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, NM 88210 |                               | OGRID Number<br>025575     |
|   |                               | API Number<br>30-015-27631 |
| Property Code<br><b>39899</b>   | Property Name<br>Barbara 17SE | Well No.<br>18             |

**7 Surface Location**

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P        | 17      | 19S      | 25E   |         | 660       | South    | 760       | East     | Eddy   |

**8 Pool Information**

|                                |       |
|--------------------------------|-------|
| N. Seven Rivers, Glorieta-Yeso | 97565 |
|--------------------------------|-------|

**Additional Well Information**

|                       |                       |  |                   |                                   |
|-----------------------|-----------------------|--|-------------------|-----------------------------------|
| Work Type<br>P        | Well Type<br>O        | Cable/Rotary<br>N/A                    | Lease Type<br>Fee | Ground Level Elevation<br>3534'GL |
| Multiple<br>N         | Proposed Depth<br>N/A | Formation<br>Cisco                     | Contractor<br>N/A | Spud Date<br>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: NU-BOP. Rig up all safety equipment as needed. Run a GR/JB to 7650'. Set a CIBP at 7644' with 35' cement on top. Set a 110 sx cement plug from 4985'-5620' across Wolfcamp and DV tool. WOC. Pressure test casing to 3500 psi. Perforate Yeso 2412'-2636' (117). If decision is made to frac, pump a 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 NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐. YPC uses steel tanks only.

Signature: *Tina Huerta*

Printed name: Tina Huerta

Title: Regulatory Reporting Supervisor

E-mail Address: tina@yatespetroleum.com

Date: May 14, 2013

Phone: 575-748-4168

**OIL CONSERVATION DIVISION**

Approved By:

Title:

Approved Date:

Expiration Date:

Conditions of Approval Attached

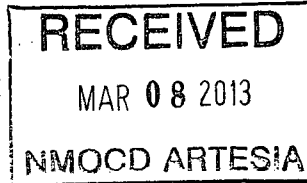
*Subsequent to w/o provide amended C102 with well name change*

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State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
Revised December 16, 2011

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

|   |  |   |
|---|--|---|
| <sup>1</sup> Operator Name and Address<br>Yates Petroleum Corporation<br>105 South Fourth Street<br>Artesia, NM 88210 |  | <sup>2</sup> OGRID Number<br>025575     |
|   |  | <sup>3</sup> API Number<br>30-015-27631 |
| <sup>4</sup> Property Code<br>34689   | <sup>5</sup> Property Name<br>NDDUP Unit | <sup>6</sup> Well No.<br>40             |

<sup>7</sup> Surface Location

| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| P        | 17      | 19S      | 25E   |         | 660       | South    | 760       | East     | Eddy   |

<sup>8</sup> Pool Information

|                                |       |
|--------------------------------|-------|
| N. Seven Rivers; Glorieta-Yeso | 97565 |
|--------------------------------|-------|

Additional Well Information

|                             |                                     |  |                                 |   |
|-----------------------------|-------------------------------------|--|---------------------------------|---|
| <sup>9</sup> Work Type<br>P | <sup>10</sup> Well Type<br>O        | <sup>11</sup> Cable/Rotary<br>N/A      | <sup>12</sup> Lease Type<br>Fee | <sup>13</sup> Ground Level Elevation<br>3534'GL |
| <sup>14</sup> Multiple<br>N | <sup>15</sup> Proposed Depth<br>N/A | <sup>16</sup> Formation<br>Cisco       | <sup>17</sup> Contractor<br>N/A | <sup>18</sup> Spud Date<br>N/A                  |
| Depth to Ground water       |                                     | Distance from nearest fresh water well |                                 | Distance to nearest surface water               |

<sup>19</sup> 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: NU BOP. Rig up all safety equipment as needed. Run a GR/JB to 7650'. Set a CIBP at 7644' with 35' cement on top. Set a 110 sx cement plug from 4985'-5620' across Wolfcamp and DV tool. WOC. Pressure test casing to 3500 psi. Perforate Yeso 2412'-2636' (117). If decision is made to frac, pump a 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.<br>I further certify that the drilling pit will be constructed according to NMOCD 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:   |                     | Approved By:  |  |
| Printed name: Tina Huerta  |                     | Title: <u>Geologist</u>   |  |
| Title: Regulatory Reporting Supervisor   |                     | Approved Date: <u>3/21/2013</u> Expiration Date: <u>3/21/2015</u> |  |
| E-mail Address: tinah@yatespetroleum.com   |                     |   |  |
| Date: March 6, 2013  | Phone: 575-748-4168 | Conditions of Approval Attached                                   |  |

### Treating Schedule

| Sta. # | Fluid       | Stg. Type | Cln. Vol.<br>(gals) | Rate<br>(bpm) | Proppant    | Conc.<br>(lb/gal) | Stage<br>Prop.<br>(lbs) | Cum.<br>Prop.<br>(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 = 2,142 psig.**

**Maximum Surface Treating Pressure = 3,400 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.

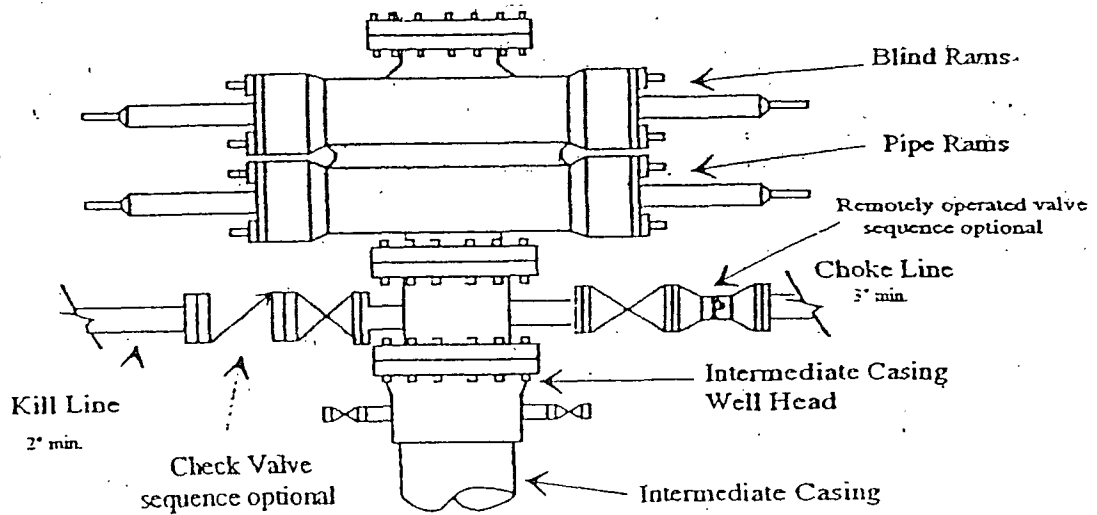
**YPC will provide:**

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

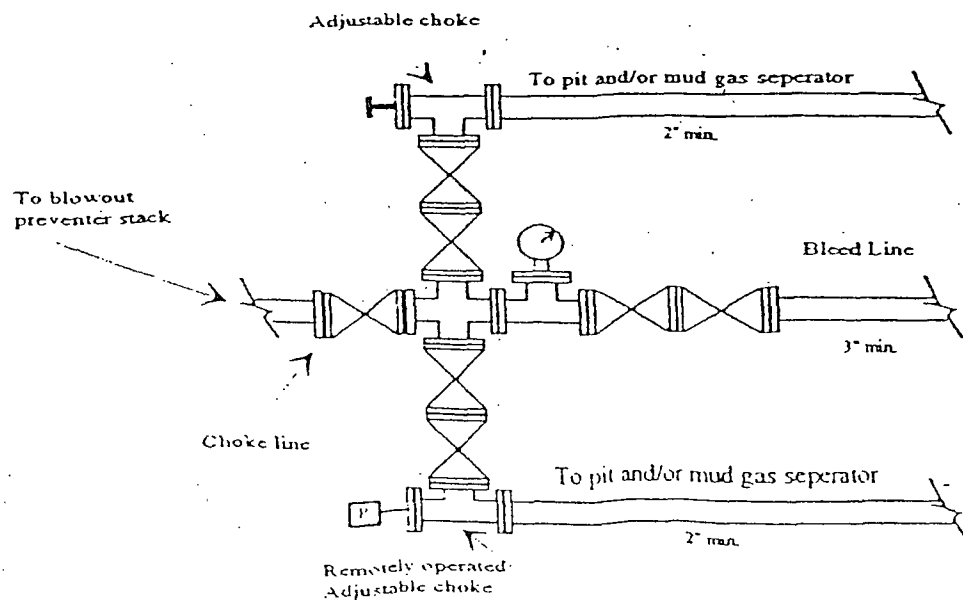
**Service Company to provide:** computer van with job reports, weight tickets, on location and QC lab van.

# 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 Unit #40 FIELD: Dagger Draw  
 LOCATION: 660' FSL & 760' FEL of Section 17-19S-25E Eddy Co., NM  
 GL: 3,507' ZERO: 14' KB: 3,521  
 SPUD DATE: 9/23/93 COMPLETION DATE: 11/12/93  
 COMMENTS: API No.: 30-015-27631  
 (Formerly Barbara 17SE Com #18)

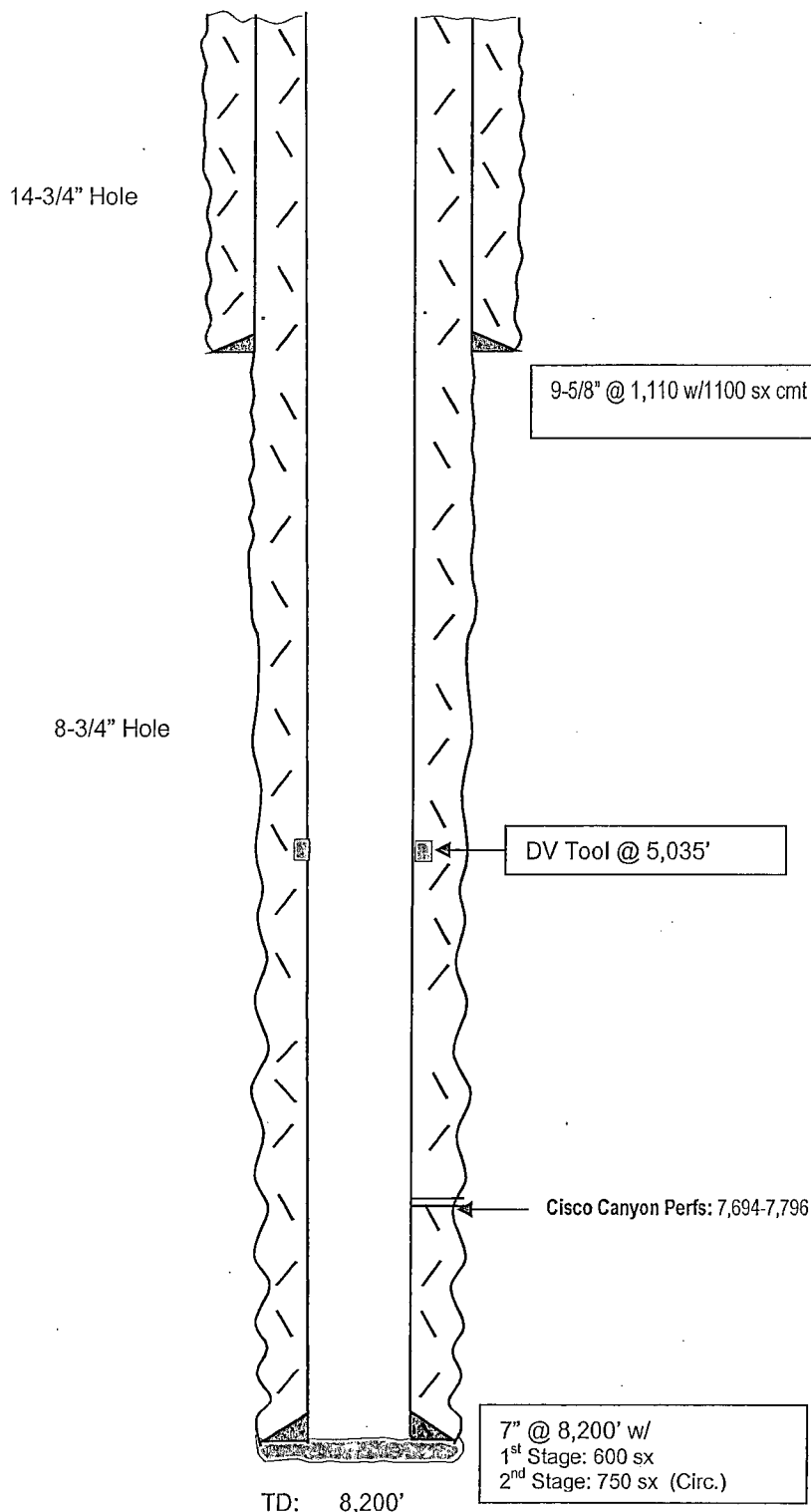
# CASING PROGRAM

|                 |        |
|-----------------|--------|
| 9-5/8" 36# K-55 | 1,110' |
| 7" 26#          | 8,200' |

Before

## TOPS

Yeso 2,160'  
 WC 5,570'  
 Cisco 7,652'



Not to Scale  
 11/4/10  
 DC/Hill

WELL NAME: NDDUP Unit #40 FIELD: Dagger Draw  
 LOCATION: 660' FSL & 760' FEL of Section 17-19S-25E Eddy Co., NM  
 GL: 3,507' ZERO: 14' KB: 3,521  
 SPUD DATE: 9/23/93 COMPLETION DATE: 11/12/93  
 COMMENTS: API No.: 30-015-27631  
 (Formerly Barbara 17SE Com #18)

# CASING PROGRAM

|                 |        |
|-----------------|--------|
| 9-5/8" 36# K-55 | 1,110' |
| 7" 26#          | 8,200' |

After

## TOPS

Yeso 2,160'  
 WC 5,570'  
 Cisco 7,652'

14-3/4" Hole

9-5/8" @ 1,110 w/1100 sx cmt (Circ)

Yeso Perfs: 2,412-22' (11); 2,430-36' (7);  
 2,486-548' (63); 2,570-94' (25); 2,626-36' (11)

8-3/4" Hole

DV Tool @ 5,035'

110 sx plug 4,985-5,620'  
 across DV tool and WC top

CIBP @ 7,644' w/ 35' cmt

Cisco Canyon Perfs: 7,694-7,796

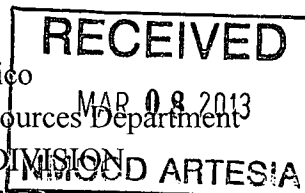
7" @ 8,200' w/  
 1<sup>st</sup> Stage: 600 sx  
 2<sup>nd</sup> Stage: 750 sx (Circ.)

TD: 8,200'

Not to Scale  
 11/4/10  
 DC/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  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

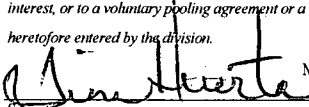
|   |  |   |  |  |                                   |
|---|--|---|--|--|-----------------------------------|
| <sup>1</sup> API Number<br>30-015-27631 |  | <sup>2</sup> Pool Code<br>97565                           |  | <sup>3</sup> Pool Name<br>N. Seven Rivers; Glorieta-Yeso |                                   |
| <sup>4</sup> Property Code<br>34689     |  | <sup>5</sup> Property Name<br>NDDUP Unit                  |  |  | <sup>6</sup> Well Number<br>40    |
| <sup>7</sup> OGRID No.<br>025575        |  | <sup>8</sup> Operator Name<br>Yates Petroleum Corporation |  |  | <sup>9</sup> Elevation<br>3534'GL |

| <sup>10</sup> Surface Location |               |                 |              |         |                      |                           |                      |                        |                |
|--------------------------------|---------------|-----------------|--------------|---------|----------------------|---------------------------|----------------------|------------------------|----------------|
| UL or lot no.<br>P             | Section<br>17 | Township<br>19S | Range<br>25E | Lot Idn | Feet from the<br>660 | North/South line<br>South | Feet from the<br>760 | East/West line<br>East | County<br>Eddy |

| <sup>11</sup> 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 |

|                                     |                               |                                  |                         |
|-------------------------------------|-------------------------------|----------------------------------|-------------------------|
| <sup>12</sup> Dedicated Acres<br>40 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> 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.

|               |  |  |  |  |  |  |
|---------------|--|--|--|--|--|--|
| <sup>16</sup> |  |  |  | <sup>17</sup> OPERATOR CERTIFICATION<br><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 this division.</i><br> March 6, 2013<br>Signature Date |  |  |
|               |  |  |  | Tina Huerta<br>Printed Name  |  |  |
|               |  |  |  | tinah@yatespetroleum.com<br>E-mail Address   |  |  |
|               |  |  |  |  |  |  |
|               |  |  |  | <sup>18</sup> SURVEYOR CERTIFICATION<br><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   |  |  |

