

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

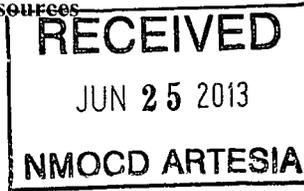
Form C-101
Revised December 16, 2011

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 S. Fourth Street Artesia, NM 88210		⁴ OGRID Number 025575
⁴ Property Code 38672		³ API Number 30-015-39154
⁵ Property Name WOODCHUCK ABW STATE		⁶ Well No 2

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	13	17S	28E	K	2050	S	2265	W	Eddy

⁸ Pool Information

EMPIRE; GLORIETA YESO	96210
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type Oil	¹¹ Cable/Rotary	¹² Lease Type S	¹³ Ground Level Elevation 3715'
¹⁴ Multiple N	¹⁵ Proposed Depth 5200'	¹⁶ Formation Yeso	¹⁷ Contractor	¹⁸ Spud Date ASAP
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
Surf	12.25"	9.625"	36#	300'	165	0
Prod	7.875"	5.50"	15.5#	5200'	815	0

Casing/Cement Program: Additional Comments

Well will be drilled vertically to 5200'. Well will be evaluated & if commercial 5 1/2" casing will be ran and cemented. Surface cement will have 100% excess. Production cement to be done in two stages with stage tools at approx. 3600'. Stage I from 5200'-3600': cement with 300 sacks of Class C Poz 50/50 (YLD 1.30 WT 14.2) TOC=3000'; designed with 35% excess. Stage II from 3600'-0': lead with 415 sacks of Class C Poz 65/35 (YLD 2.10 WT 12.4) designed with 35% excess. Tail with 100 sacks of Class C Poz 50/50 (YLD 1.30 WT 14.2), TOC=0.

MUD PROGRAM: 0-300' will be drilled with fresh water with a weight 8.6-9.2, and a viscosity of 29-36. 300'-5200' will be drilled with cut brine with a weight of 10.0-9.5, a viscosity of 29-35 and a water loss of NC-20cc.

H2S may be anticipated. H2S Contingency Plan is attached. Previously Approved.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Signature: <i>Lori Flores</i>	OIL CONSERVATION DIVISION	
	Approved By: <i>DR Dade</i>	
Printed name: Lori Flores	Title: <i>DIST # Spewison</i>	
Title: Land Regulatory Technician	Approved Date: <i>6/27/2013</i>	Expiration Date: <i>6/21/2014</i>
E-mail Address: lorif@yatespetroleum.com	Conditions of Approval Attached <i>1 year Extension</i>	
Date: 6/21/13	Phone: 575-748-4448	

Original COA's are still in place.