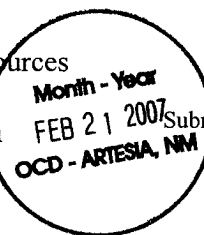


District I
1625 N. French Dr., Hobbs, NM 88240
District II*
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources



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



Form C-101
May 27, 2004

☐ 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 Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
³ Property Code 27836	³ Property Name Program "AXP" State	³ API Number 30-005-63906
⁹ Proposed Pool 1 Feet Ranch; Pre-Permian 76730		⁹ Well No. 2
¹⁰ Proposed Pool 2		

7 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	10S	26E		660'	South	660'	West	Chaves

8 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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3778'
¹⁶ Multiple N	¹⁷ Proposed Depth 6150	¹⁸ Formation Basement	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP
Depth to Groundwater 50' or more		Distance from nearest fresh water well 1000' or more		Distance from nearest surface water 1000' or more
Pit: Liner: Synthetic XX 12_mils thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input checked="" type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	1100'	750 sx	Surface
7 7/8"	5 1/2"	15.5#	6150'	500 sx	**

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 Basement and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off gravel and carvings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1100' FWGel/Paper/LCM; 1100-42120' Brine; 4210-6150' starch. Salt Gel.

BOPE PROGRAM: A 2000# BOPE will be installed on the 8 5/8" casing and tested daily.

²³ 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 ☐.

Signature: *Debbie L. Caffall*

Printed name: Debbie L. Caffall

Title: Regulatory Agent

E-mail Address:

Date: 2/16/07

Phone: (505) 748-4376

OIL CONSERVATION DIVISION

Approved by:

BRYAN G. ARRANT

DISTRICT II GEOLOGIST

Title:

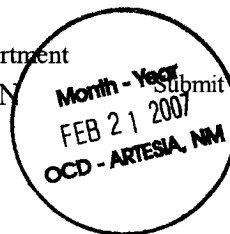
Approval Date: **FEB 27 2007**

Expiration Date: **FEB 27 2008**

Conditions of Approval Attached ☐

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State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
20 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 26730	³ Pool Name Four Ranch; Phe - Permian	
⁴ Property Code	⁵ Property Name Program "AXP" State			⁶ Well Number 2
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3778

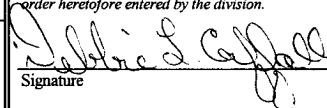
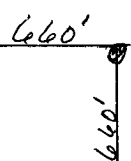
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	5	10 S	26 E		660	South	660	West	Chaves

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 320 S/2	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.

¹⁶				¹⁷ OPERATOR CERTIFICATION 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.  Signature Date 1/30/2007 Debbie L. Caffall, Regulatory Agent Printed Name
				¹⁸ 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. Date of Survey Signature and Seal of Professional Surveyor: REFER TO ORIGINAL PLAT Certificate Number

Artemia. NM 86210

III
 22000 Rd., Artes, NM 87410

ACT IV
South Pacheco, Santa Fe, NM 87506

OIL CONSERVATION DIVISION

**P.O. Box 2088
Santa Fe, New Mexico 87504-2088**

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name Wildcat Precambrian
Property Code	Property Name PROGRAM "AXP" STATE		Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3778

Surface Location

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

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

**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**

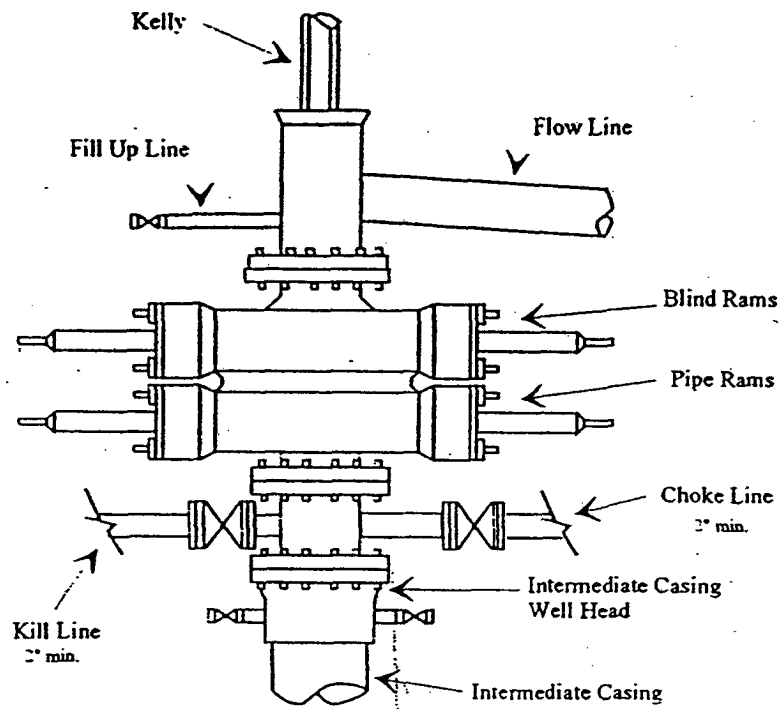
<div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <!-- North Arrow --> <div style="position: absolute; top: 10px; left: 10px;"> <p>N.33°28'08.9" W.104°19'36.4"</p> </div> <!-- Dimensions --> <div style="position: absolute; top: 10px; left: 100px;"> <p>660'</p> </div> <div style="position: absolute; top: 100px; left: 10px;"> <p>660'</p> </div> <!-- Well Location --> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p>V- 5656</p> </div> <div style="position: absolute; top: 80%; left: 40%;"> <p>Program "A.X.D." St. #1</p> </div> <div style="position: absolute; top: 80%; left: 55%;"> <p>1980'</p> </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;"><i>Perez</i></p> <p style="text-align: center;">Signature</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Pat Perez</p> <p style="text-align: center;">Printed Name</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">Regulatory Agent</p> <p style="text-align: center;">Title</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">3-27-01</p> <p style="text-align: center;">Date</p> </div> </div>
<div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <!-- North Arrow --> <div style="position: absolute; top: 10px; left: 10px;"> <p>N.33°28'08.9" W.104°19'36.4"</p> </div> <!-- Dimensions --> <div style="position: absolute; top: 10px; left: 100px;"> <p>660'</p> </div> <div style="position: absolute; top: 100px; left: 10px;"> <p>660'</p> </div> <!-- Well Location --> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%);"> <p>V- 5656</p> </div> <div style="position: absolute; top: 80%; left: 40%;"> <p>Program "A.X.D." St. #1</p> </div> <div style="position: absolute; top: 80%; left: 55%;"> <p>1980'</p> </div> </div>	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;">3/15/2001</p> <p style="text-align: center;">Date Surveyed</p> </div> <div style="border-bottom: 1px solid black; margin-bottom: 5px;"> <p style="text-align: center;"><i>[Signature]</i></p> <p style="text-align: center;">Signature of Legal or Professional Surveyor</p> </div> </div> <div style="border: 2px solid black; border-radius: 50%; width: 150px; height: 150px; margin: 10px auto; text-align: center;"> <p style="font-size: 24px; font-weight: bold;">3640</p> <p style="font-size: 12px; font-weight: bold;">NEW MEXICO</p> <p style="font-size: 12px; font-weight: bold;">SURVEYOR</p> </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <p style="font-size: 10px;">Certificate No. Herschel L. Jones RLS 3640</p> <p style="font-size: 10px; text-align: center;">PROGRAM PROFESSIONAL GENERAL SURVEYING COMPANY</p> </div>



Yates Petroleum Corporation

BOP-2

Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features

