

District II
1301 W Grand Ave., Artesia, NM 88210
Phone:(505) 748-1283 Fax:(505) 748-9720

Form C-101
Permit 106968

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

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

1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
4. Property Code 37956		3. API Number 015-37464
5. Property Name PUPPY "BPP" STATE COM.		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	17S	27E	4	360	N	200	W	EDDY

Empire WEC ~~WEC~~ ~~WEC~~ Information 7286
 Wildcat

Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State <input checked="" type="checkbox"/>	13. Ground Level Elevation 3425
14. Multiple N	15. Proposed Depth 10882	16. Formation Wolfcamp	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water
Pit: Liner: Synthetic <input type="checkbox"/> mls thick Clay <input type="checkbox"/> Pit Volume: bbls Drilling Method: Closed Loop System <input type="checkbox"/> Fresh Water <input checked="" type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

19. Proposed Casing and Cement Program

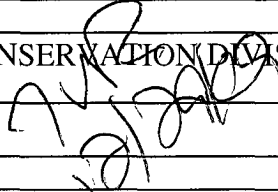
Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	350	375	0
Int1	12.25	9.625	36	1600	575	0
Int2	8.75	7	26	5560	775	0
Prod	6.125	4.5	11.6	10882	0	0

Casing/Cement Program: Additional Comments

H2S is not anticipated. Pressure Control Equipment: 3000 psi system nipped up and tested on 9 5/8" casing.

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
DoubleRam	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"/> . Printed Name: Electronically filed by Monti Sanders Title: Email Address: montis@yatespetroleum.com	OIL CONSERVATION DIVISION  Approved By: Title: Approved Date: Expiration Date:
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Date: 12/18/2009

Phone: 575-748-4244

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88210

District III

1000 Rio Brazos Rd., 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 S. St Francis Dr.
Santa Fe, NM 87505

Form C-102
Permit 106968**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number	2. Pool Code	3. Pool Name Wildcat
4. Property Code	5. Property Name PUPPY "BPP" STATE COM.	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3425

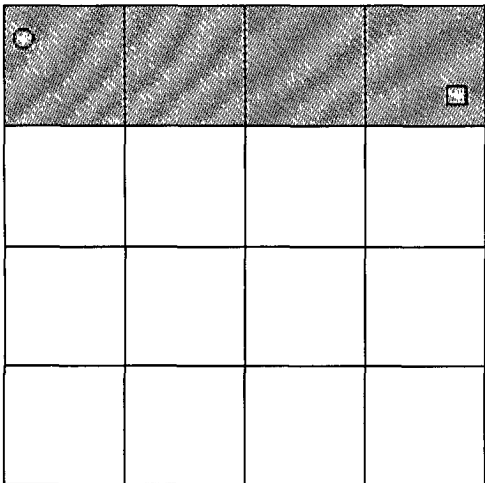
10. Surface Location

UL - Lot 4	Section 2	Township 17S	Range 27E	Lot Idn	Feet From 360	N/S Line N	Feet From 200	E/W Line W	County EDDY
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11. Bottom Hole Location If Different From Surface

UL - Lot 1	Section 2	Township 17S	Range 27E	Lot Idn	Feet From 960	N/S Line N	Feet From 330	E/W Line E	County EDDY
12. Dedicated Acres 162.84		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

	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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(s) 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></p> <p>E-Signed By: Monti Sanders Title: Date: 12/18/2009</p>
	<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> <p>Surveyed By: Gary Jones Date of Survey: 12/18/2009 Certificate Number: 7977</p>

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: PUPPY "BPP" STATE COM. #001H

API:

Created By	Comment	Comment Date
MSANDERS	MUD PROGRAM: 0-350' Fresh Water Gel; 350'-1600' Brine Water; 1600'-5100' Cut Brine; 5100'-6500' Cut Brine; 5821'-10882' Cut Brine (Lateral Section).	12/17/2009
MSANDERS	Pilot hole will be drilled to 6500'. A 400'-500' kick off plug will be set. 7" casing will then be set approximately 60' above the kick off plug and cemented to surface. Well will be kicked off with 6 1/8" hole at 12 degrees per 100' to 10882' MD with a TVD of 6375' where a 4 1/2" (cont.)	12/17/2009
MSANDERS	Peak Completion Liner Assembly will be set and will NOT be cemented. Penetration point of producing formation encountered at 419' FNL and 665' FWL, 32-16S-28E. Deepest TVD of the well will be in the pilot hole @ 6500'. Deepest TVD in the lateral will be 6375'.	12/17/2009
MSANDERS	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0-350' 165 psi; 350'-1600' 850 psi; 1600'-6500' 3110 psi.	12/17/2009
MSANDERS	C-144 and Direction Drilling Plan to follow by mail.	12/17/2009