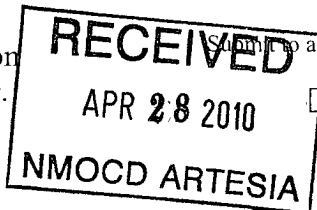


District I
1625 N French Dr, Hobbs, NM 88240
District II
1301 W Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S St. Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-
June 16,

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



Submit to appropriate District O
☐ AMENDED REPORT

**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		² OGRID Number 025575
		³ API Number 30 - 015-23593
³ Property Code 36524	⁵ Property Name Pulsifer/AVR	⁶ Well No 1
⁹ Proposed Pool 1 Wildcat Mississippian GAS		¹⁰ Proposed Pool 2

Surface Location

UL or lot no K	Section 15	Township 19S	Range 26E	Lot Idn	Feet from the 1980'	North/South line South	Feet from the 1980'	East/West line West	County Eddy
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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
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Additional Well Information

¹¹ Work Type Code Re-entry	¹² Well Type Code Gas	¹³ Cable/Rotary Pulsing Unit	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3335'
¹⁶ Multiple N	¹⁷ Proposed Depth 9830'	¹⁸ Formation Wildcat Mississippian	¹⁹ Contractor	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	55.5#	355'	450	In Place
12 1/4"	8 5/8"	24#	1630"	620	In Place
7 7/8"	5 1/2"	15 1/2-17#	9834'	750	TOC-2400'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and propose new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

²³

C-144 Attached.
C-102 Attached.
Previously Approved.

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway
Re-Entry**

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature.

Printed name
Cy Cowan

Title
Land Regulatory Agent

E-mail Address
cy@yatespetroleum.com

Date
4/27/10

Phone
575-748-4372

OIL CONSERVATION DIVISION

Approved by

Title.

Geologist

Approval Date:

05/26/2010

Expiration Date

05/26/2012

Conditions of Approval Attached ☐

YATES PETROLEUM CORPORATION

Pulsifer AVR #1 (Re-entry)

Drilling Prognosis

This well was originally drilled by American Public Energy Company as the Spencer Trust #1. It was spud on July 7, 1981 and was plugged and abandoned September 9, 1981.

Yates' plan is to re-enter the well with a pulling unit and reverse unit to drill out cement plugs in the 8 5/8" casing and the 7 7/8" open hole to 9,834'. The well will be conditioned and a string of 5 1/2" casing will be run to the original TD of 9,834' and cemented with a 13 ppg cement slurry up to +/-2,400'. (13 ppg, 1.61 yield approximately 1,100 sacks of cement). This well will be completed with a pulling unit. Possible formations to be completed include the Morrow, Atoka, Strawn, Canyon, Upper Penn and the Wildcat.

MUD PROGRAM: 0-9,834' Cut Brine Weight: 9.2-10.2 (increase weight as needed) Vis:35,<10-15 cc water loss.

CASING PROGRAM: 5 1/2" casing will be run to the original TD of 9,834'.

CEMENT PROGRAM: 600 sacks of 13lb Super H or Super C slurry, circulate up to 2,400' use filler slurry weight 12.4 to 12.6 per gallon.

BOPE PROGRAM: 3000# BOPE will be nipped up on 13 3/8" casing.

H2S is not anticipated.

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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 October 15, 2009
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-23593		² Pool Code	³ Pool Name Wildcat Mississippian
⁴ Property Code 36524	⁵ Property Name PULSIFER AVR		⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION		⁹ Elevation 3335'

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
K	15	19S	26E		1980	South	1980	West	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 320	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>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 an undivided mineral interest in the land including the proposed bottom hole location and has a right to drill this well at this location pursuant to a contract with an owner, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i> Signature _____ Date 4/27/10 Cy Cowan - Land Regulatory Agent Printed Name _____	
	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> REFER TO ORIGINAL PLAT Date of Survey _____ Signature and Seal of Professional Surveyor _____	
	Certificate Number _____	

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

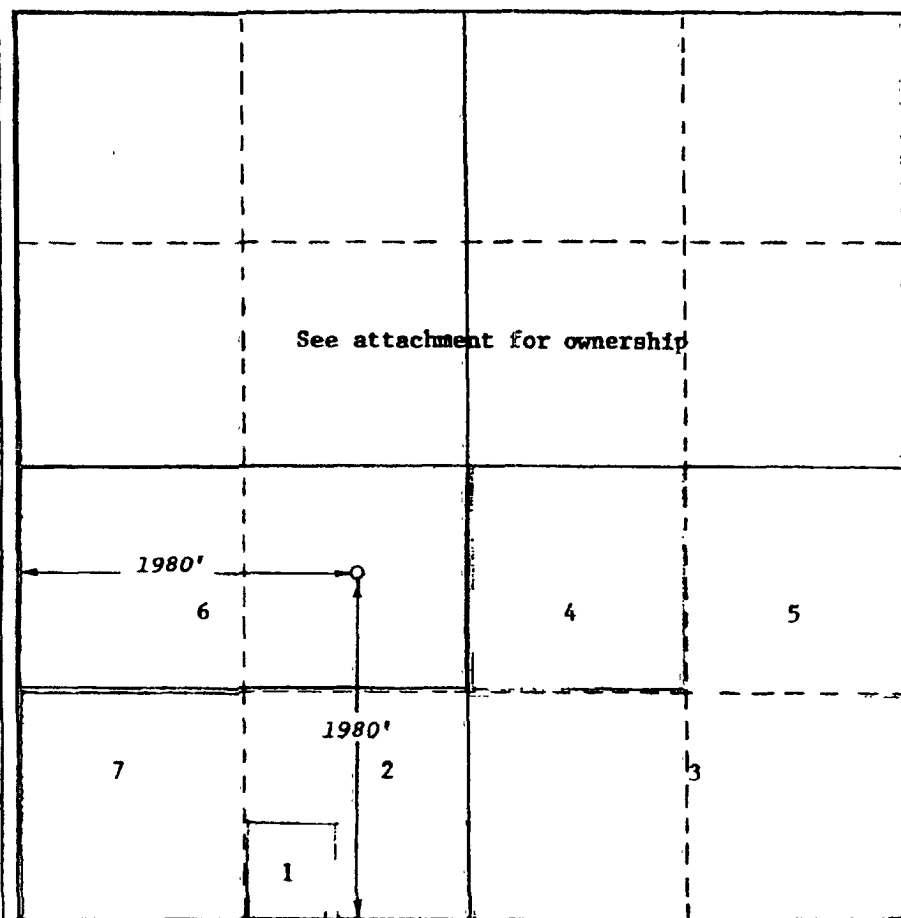
Operator AMERICAN PUBLIC ENERGY COMPANY			Lease Spencer -Spence Trust		Well No. 1
Unit Letter K	Section 15	Township T-19-S	Range R-26-E	County Eddy	
Actual Footage Location of Well: South 1980' feet from the North line and 1980' feet from the West line					
Ground Level Elev. 3335'	Producing Formation Morrow	Pool Undesignated		Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation Will be communitized if productive

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name M. J. Walker
Position
Agent
Company
American Public Energy Co.
Date
December 22, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

STATE OF NEW MEXICO
GARY D. BOSWELL
December 13, 1980
Date Surveyed
Gary D. Boswell
Registered Professional Engineer
and/or Land Surveyor

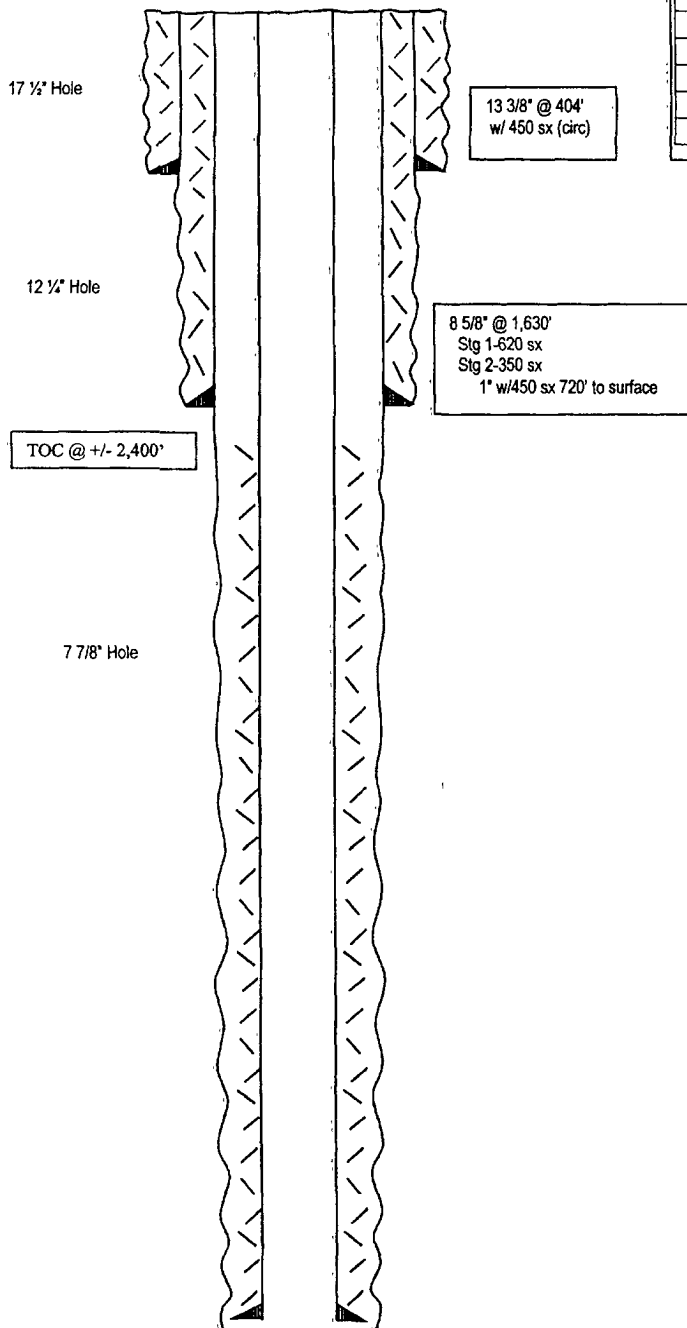
Gary D. Boswell
Certificate No.

6689

WELL NAME: Spencer Trust ADD #1 **FIELD:** Wildcat
LOCATION: Sec 15, 19S-26E 1980' FSL & 1980' FWL Eddy County NM
GL: 3335" **ZERO:** KB:
SPUD DATE: 07/31/81 **COMPLETION DATE:** 9/9/81
COMMENTS: P & A 9/28/81
30-015-23593

CASING PROGRAM

13 3/8" 54.5# K-55	355'
8 5/8" 24# J-55	1630'
5 1/2" 15.5-17 #/ft LT&C	9,834'



After

TOPS

San Andres	1315'
Yeso	2928'
Bone Spring	4630'
Bone Spring Sd	6571'
Wolfcamp	6956'
U Penn	7846'
Canyon	8260'
Strawn	8516'
Atoka	9042'
Morrow Lm	9197'
Morrow Cl	9446'
Chester	9768'

TD @ 9834'

Not to Scale

11/18/04
CAM/ MH