

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-101
June 16, 2008

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

Submit to appropriate District Office

☐ 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 4 th Street Artesia, NM 88210		² OGRID Number 025575
³ Property Code 37251	³ Property Name Hank BMH State Com	³ API Number 30 - 025-40195
⁹ Proposed Pool 1 Wildcat Mississippian		¹⁰ Proposed Pool 2

Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	1	10S	32E	J	1980	South	1800	East	Lea

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	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4233'
¹⁶ Multiple No	¹⁷ Proposed Depth 10850'	¹⁸ Formation Mississippian Age Rocks- Undivided	¹⁹ Contractor	²⁰ Spud Date ASAP

Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75	11.75	42	400	250	Surface
11	8.625	32	3500	950	Surface
7.875	5.5	17	10850	910	6600'

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 proposed to drill and test the Mississippian Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to surface. Intermediate casing will be set a 3500' and cement circulated to surface. If the well is determined that it may be commercial, production casing will be ran to TD and cemented back to approximately 6600', perforated and stimulated as needed to gain production.

MUD PROGRAM 0-400' w/ Fresh Water Gel 400'-1605' w/ Fresh Water 1605'-3500' w/ Red bed Mud/Oil 3500'-7050' w/ Cut Brine 7050'-10190' w/ SW Gel/Starch/4-6%KCL 10190'-10850' w/ SW Gel/Starch/4-6% KCL

BOP PROGRAM A 5000 psi BOP will be nipped on the 8 5/8" casing
H2S is not anticipated
C-144 attached
Previously approved 30-025-39022

**Permit Expires 2 Years From Approval
Date Unless Drilling Underway**

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

Signature *Clifton May*
Printed name. Clifton May

Title Land Regulatory Agent

E-mail Address. cliff@yatespetroleum.com

Date 06-14-2011

Phone (575) 748- 4347

OIL CONSERVATION DIVISION

Approved by.

Title

PETROLEUM ENGINEER

Approval Date **JUL 26 2011**

Expiration Date

Conditions of Approval Attached ☐

27 2011

DISTRICT I
1685 N. French Dr., Hobbs, NM 88240

DISTRICT II
1301 W. Grand Avenue, Artesia, NM 88203

DISTRICT III
1000 Rio Brazos Rd., Artesia, NM 88210

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

HOBBS OCD

JUN 15 2011

RECEIVED

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, New Mexico 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

API Number 30-025-40195	Pool Code 97791	Pool Name Wildcat Mississippian
Property Code 37251	Property Name HANK "BMH" STATE COM	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4233'

Surface Location

UL or lot No. J	Section 1	Township 10 S	Range 32 E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 1800	East/West line EAST	County LEA
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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
Dedicated Acres E2					Joint or Infill	Consolidation Code	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>OPERATOR: Please do not report production under this temporary pool code until you have checked with the OCD District I Geologist Paul Kautz, and he confirms where your parts are producing from and gives you the correct pool code.</p>	<p>VO-6409</p> <p>SURFACE LOCATION Lot - N33°28'24.54" Long - W103°37'20.91" SPC- N.: 900550.243 E.: 758100.947 (NAD-83)</p>	<p>OPERATOR CERTIFICATION</p> <p>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 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.</p> <p><i>Debbie L. Caffall</i> 6/23/2008 Signature Date</p> <p>Debbie L. Caffall Printed Name</p>
	<p>VO-6379</p> <p>1800'</p> <p>1980'</p>	<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JUNE 16, 2008 Date Surveyed</p> <p><i>Gary L. Jones</i> Signature & Seal of Professional Surveyor</p> <p>W.C. 10586 Certificate No. Gary L. Jones 7977</p> <p>BASIN SURVEYS</p>