

District I
1525 N. French Dr., Hobbs, NM 88241
Phone (505) 495-6181 Fax (505) 595-6121

District II
1111 N. First St., Artesia, NM 87211
Phone (505) 740-1203 Fax (505) 740-6121

District III
1111 N. First St., Artesia, NM 87211
Phone (505) 740-1203 Fax (505) 740-6121

District IV
1111 N. First St., Santa Fe, NM 87505
Phone (505) 477-3471 Fax (505) 477-3462

State of New Mexico

Form O-101
August 1, 2001

Energy, Minerals and Natural Resources HOBBS OCD Oil Conservation Division

Permit 146502

MAR 26 2012

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

RECEIVED

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. OGPID Number 25575
		3. API Number 30-025-40489
4. Property Code 39118	5. Property Name HEMLOCK BSH STATE	6. Well No 001H

7. Surface Location

TL - Lot	Section	Township	Range	Lot 1/4	Feet From	N/S Line	Feet From	E/W Line	County
C	32	23S	33E	C	330	N	1380	W	LEA

★ Triple X;

8. Pool Information

59900
23223

WMC 025 C 30 025 40489 BONE SPRING

Additional Well Information

9. Well Type New Well	10. Well Type OIL	11. Casing Footing	12. Lease Type State	13. Ground Level Elevation 3667
14. Multiple N	15. Proposed Depth 13646	16. Formation 3rd Bone Spring Sand	17. Contractor	18. Spud Date 6/1/2012
Depth to Groundwater		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	700	545	0
Int	12.25	9.625	40	5150	1740	0
Prod	8.5	5.5	20	13646	1340	7500
Prod	8.75	5.5	20	8753	550	4650

Casing/Cement Program: Additional Comments

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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 correct to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCDD guidelines, a general permit, or an (attached) alternative OGD-approved plan.		OIL CONSERVATION DIVISION	
Printed Name: Electronically filed by: Monni Sanders		Approved By: Paul Kautz	
Title:		Title: Geologist	
Email Address: monni@yatespetroleum.com		Approved Date: 3/15/2012 Expiration Date: 3/15/2014	
Date: 3/15/2012	Phone: 505-740-2444	Conditions of Approval Attached	

★ Amended

MAR 26 2012

District I
1425 N. French Dr. Hobbs, NM 88249
Phone (505) 393-6161 Fax (505) 393-6171

District II
611 S. First St. Amarillo, NM 89101
Phone (505) 740-1303 Fax (505) 740-9729

District III
1040 Elm Branch Rd. Aztec, NM 87411
Phone (505) 334-6170 Fax (505) 334-6179

District IV
1111 E. St Francis Dr. Santa Fe, NM 87505
Phone (505) 475-3471 Fax (505) 475-3462

State of New Mexico
Energy, Minerals and Natural Resources

Form O-102
August 1, 2011

Permit 145522

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 APN Number 50-025-40489	2 Pool Code 59900 59900	3 Pool Name Triple X; WY-011 O-06 51333330 BONE SPRING
4 Property Code 39118	5 Property Name HEMLOCK BSH STATE	6 Well No 001H
7 OGFID No 20077	8 Operator Name YATES PETROLEUM CORPORATION	9 Elevation 3667

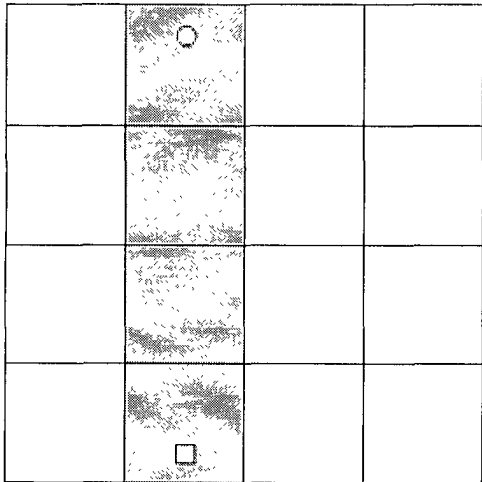
10. Surface Location

UL - Lot	Section	Township	Range	Lot 126	Feet From	N/S Line	Feet From	E/W Line	County
C	32	25S	33E		330	N	1980	W	LEA

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot 126	Feet From	N/S Line	Feet From	E/W Line	County
N	32	25S	33E	N	330	S	1980	W	LEA
12. Dedicated Acres 360.10		13. Unit or Unit		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

	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 undivided mineral interest in the land including the proposed bottom hole locations, 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. E-Signed By: Monte Sanders Title: Date: 5/15/2012
	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. Surveyed By: Gary Jones Date of Survey: 12/22/2012 Certificate Number: 7977

Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HEMLOCK BSH STATE #001H

API: 30-025-40489

Created By	Comment	Comment Date
clif	Q-144 and Q-132 to follow by mail	3/13/2012
clif	HCS is not anticipated	3/13/2012
clif	Samples: 20 samples from surface to 5000' 10' samples for 5000' to TD	3/13/2012
clif	Maximum anticipated BHP: 0'-700' is 225 PSI, 700'-5150' is 2732 PSI, 5150'-9230' is 4416 PSI	3/13/2012
clif	Penetration point of the producing zone will be encountered at 807' FSL & 1992' FwL of Section 20, T23S R22E	3/13/2012
clif	Well will be drilled vertically to 9762'. Well will then be drilled bit at 8752' and directionally drilled at 10 degrees per 100' with a 8.75" hole to 9502' MD (9030' TVD). If hole conditions dictate 7" casing will be set and cemented. A 6.125" hole will then be drilled to 13848' MD (9230' TVD) and 4.5" casing will be set and cemented. If 7" is not set then hole will be reduced to 5.5" and drilled to 12543' MD (9220' TVD) where 5.5" casing will be set and cemented to 500' into the intermediate casing	3/13/2012
chautz	Land sale	3/14/2012
CHULL	ODD: Hoods office has received form Q-144C LER. ODD: Permit number P1-04321	3/15/2012

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HEMLOCK BSH STATE #001H

API: 30-025-40489

OCD Reviewer	Condition
pkautz	Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string.