

District I
1625 N French Dr, Hobbs, NM 88240
Phone (575) 393-6161 Fax (575) 393-0720
District II
811 S First St, Artesia, NM 88210
Phone (575) 748-1283 Fax (575) 748-9720
District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone (505) 334-6178 Fax (505) 334-6170
District IV
1220 S St Francis Dr, Santa Fe, NM 87505
Phone (505) 476-3460 Fax (505) 476-3462

State of New Mexico

Form C-101
Revised December 16, 2011

HOBBS OCD

Energy Minerals and Natural Resources

JUL 17 2012

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Permit

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, NM 88210		² OGRID Number 025575
		³ API Number 30-025-27250
⁴ Property Code 17549	⁵ Property Name Berry APN State	⁶ Well No 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
L	5	21S	34E		1980	South	660	West	Lea

⁸ Pool Information

Wildcat, Delaware	
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type O	¹¹ Cable/Rotary N/A	¹² Lease Type S	¹³ Ground Level Elevation 3731' GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Barnett	¹⁷ Contractor N/A	¹⁸ Spud Date N/A
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

¹⁹ Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
REFER TO ORIGINAL COMPLETION						

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation plans to plugback and recomplete this well as follows: MIRU any safety equipment as needed. NU BOP. Fish Standing valve Try to release and pull TAC. If not, free point and go from there TAC is below 3 sets of perf (1717' below top perf), may be debris on top of TAC. POOH with tubing and production string Dig out cellar and evaluate wellhead Repair as needed Set an RBP at +/-8775' with sand on top Perforate Delaware 8542', 44', 46', 72', 74', 76', 84', 85', 86', 87', 88', 89', 90', 91', 92' (15) Acidize with 2500g 7-1/2% NEFE acid. Overdisplace 5 bbls. Swab back load, frac (as attached). Shut well in for a minimum of 4 hrs or overnight if the frac was late in the afternoon to allow gel to break. Flow the well back if it will flow Clean out sand to RBP. Turn well over to production When we have downhole commingling approval, we will pull RBP and produce the Delaware with current Bone Spring Wellbore schematics attached

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Manual BOP	3000 psi	3000 psi	Whichever company is available

Permit Expires 2 Years From Approval
Date Unless Drilling Underway
plugback

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 ☐. YPC uses steel tanks only.

Signature: Tina Huerta

Printed name: Tina Huerta

Title: Regulatory Compliance Supervisor

E-mail Address: tinah@yatespetroleum.com

Date: July 16, 2012

Phone 575-748-4168

Approved By.

Title:

Approved Date:

Expiration Date

Conditions of Approval Attached

OIL CONSERVATION DIVISION

PETROLEUM ENGINEER

JUL 19 2012

JUL 19 2012

8. TIH w tubing and packer, spot, break and acidize 8,542'-8,592' with 2500 gals 7.5% NEFE acid. Over displace 5 bbls. Pump the acid at 3-4 BPM. Flush to bottom perf. with 3% KCL water. Acidizing is to make sure the perfs are open. We are not swab testing for a fracable show.
9. Swab back load. Nu frac tree.
10. MIRU frac crew to frac 8,542'-8,592' through 2 7/8" tubing @ 20bpm;

Treating Schedule

			lbs Proppant		
Stage Number	gal	Prop Conc lb/gal	Stage	Cumulative	Proppant Type
3	9000.	0.00	0.	0.	10# linear Pad
4	1000.	0.50	500.	500.	20/40 Ottawa
7	3000.	1.00	3000.	3500.	20/40 Ottawa
8	3000.	2.00	6000.	9500.	20/40 Ottawa
9	3000.	3.00	9000.	18500.	20/40 Ottawa
10	3000.	4.00	12000.	30500.	20/40 Ottawa
11	3000.	5.00	15000.	45500.	20/40 Ottawa
12	3000.	6.00	18000.	36500.	20/40 Ottawa
13	4000.	6.00	24000.	87500.	20/40 RCS
12	+/-2200.	0.00	0.	87500.	3% KCL Water flush

Estimated Surface Treating Pressure @ 20 BPM = 6,200 psi.

Fluid Specifications: A 25# Delayed Borate Crosslinked Guar gel, with a sand surfactant package, 1 gpt migrating clay control additive. Design breakers for 50% retained viscosity for 2 hours with a complete break in 4 hours. Use encapsulated enzyme breaker and liquid enzyme breaker to achieve a 4-hour break. The liquid breaker must be pumped into the downhole side of the blender so that when the tub is bypassed breaker will still be going into the system. When the sand starts to fall off go to bypass and flush. Under flush the well 2-3 bbl short of the top perf. For resin coated sand use 10 gpt activator.

YPC to furnish: 2 clean frac tank with 480 BBL of 3% KCL water in each.

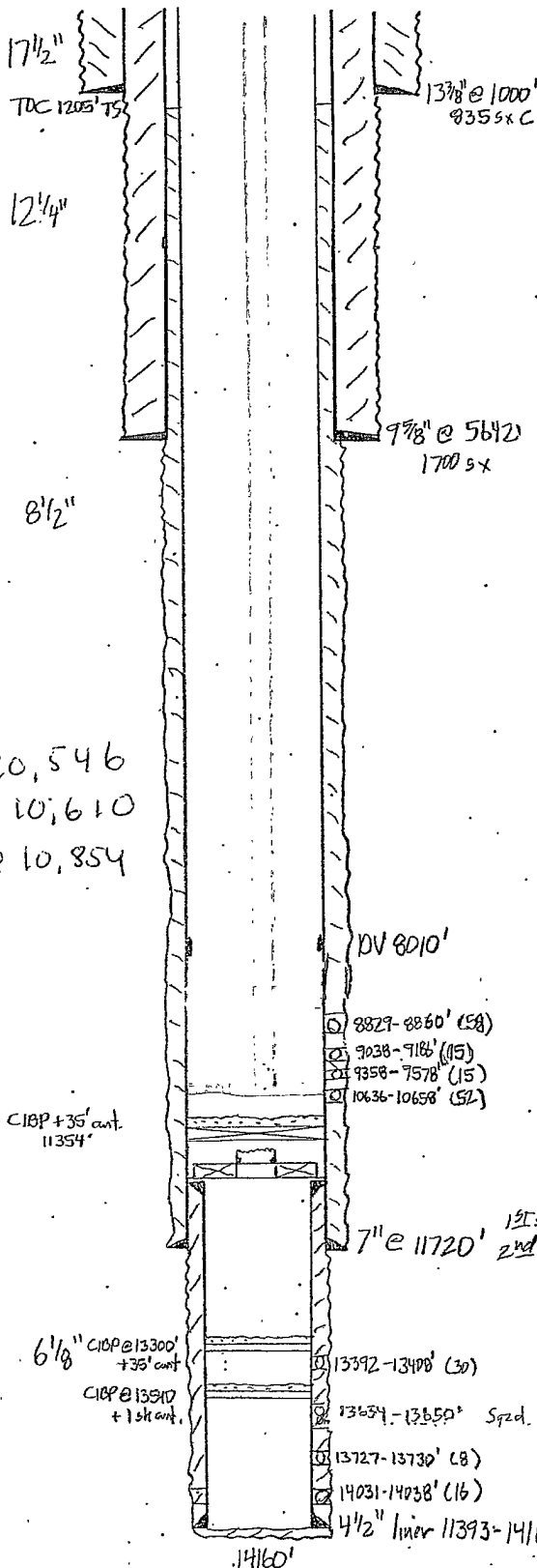
Service company to provide: computer van with job reports, weight tickets, on location and QC lab van.

11. RD frac equipment. Shut the well in for a minimum of 4 hrs, or overnight if the frac was late in the afternoon to allow the gel to break.
12. Flow the well back if it will flow. TIH with tubing to clean out sand to RBP @ +/- 8,775'. POOH.
13. TIH w production equipment as per Production Department's specifications.

WELL NAME: 3erry APN State 1 FIELD AREA: Grana Ridge
 LOCATION: 1980' F9, 660' F10 T-5-216-34e 2-11
 GL: 3731' ZERO: 23' AGL:
 KB: 3754' ORIG. DRLG./COMPL. DATE:
 COMMENTS:

CASING PROGRAM:

SIZE/WT./GR./CONN.	DEPTH SET
13 3/8 48 H40 STC	1000'
9 7/8 36 40	5642'
7 26 N80 LTC	9317'
26 595 LTC	11720'
4 1/2 13.5 595 LTC Liner	11393'-14160'



Fm. Tops

Yates: 3,628'
 Capitan Reef 3,966'
 Delaware 5,848'
 Bone Springs 8,621'
 WC 11,251'
 Strawn 12,632'
 Atoka 12,850'
 Morrow 13,458'
 Morrow Clastics 13,544'
 Barnett Shale 14,150'

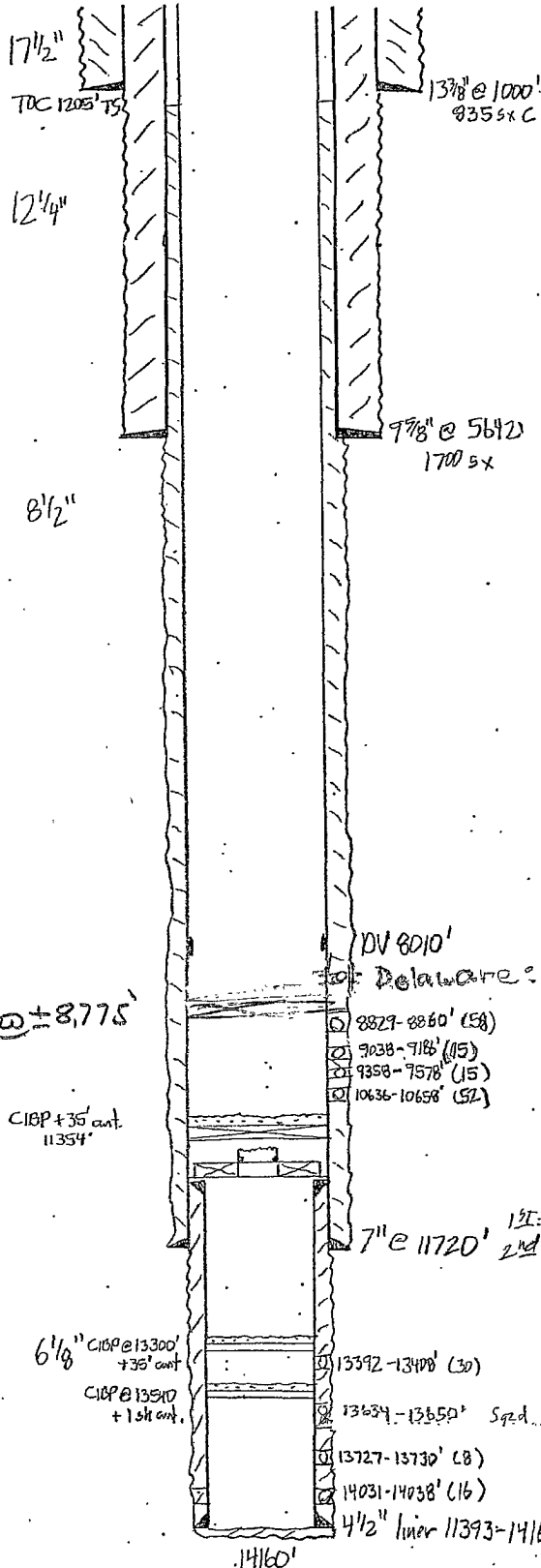
CURRENT

REVISED:

WELL NAME: 2rry APN State 1 FIELD AREA: Grana Ridge
 LOCATION: 1980' FGL, 660' Fm T-5-216-34e sea 11/11
 GL: 3731' ZERO: 23' AGL:
 KB: 3754' ORIG. DRLG./COMPL. DATE:
 COMMENTS:

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SIZE/WT./GR./CONN.	DEPTH SET
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Fm. Tops

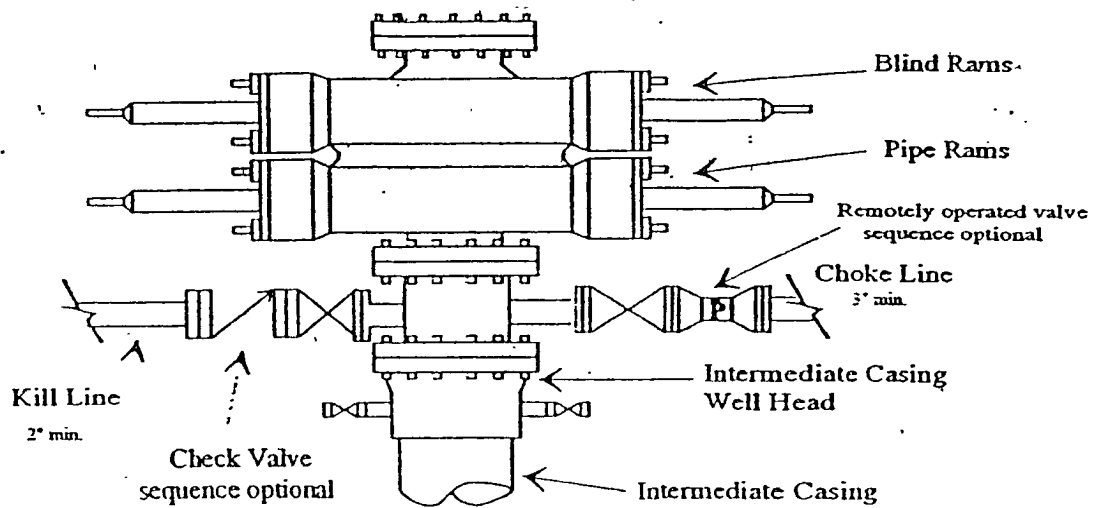
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AFTER

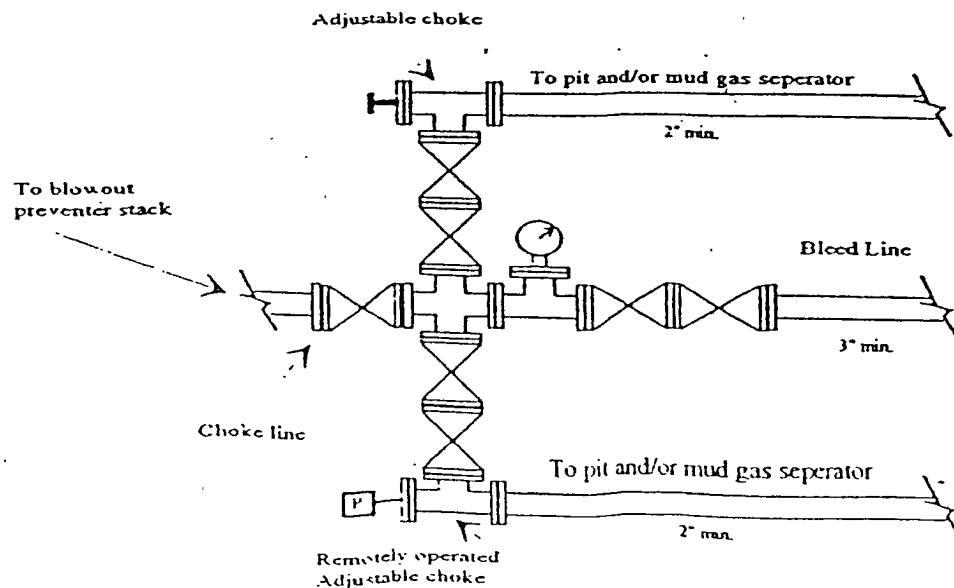
REVISED:

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



Typical 3,000 psi choke manifold assembly with at least these minimum features



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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 August 1, 2011

Submit one copy to appropriate

District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-27250	² Pool Code	³ Pool Name Wildcat; Delaware
⁴ Property Code 17549	⁵ Property Name Berry APN State	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3731'GR

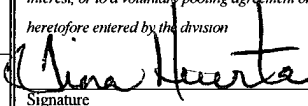
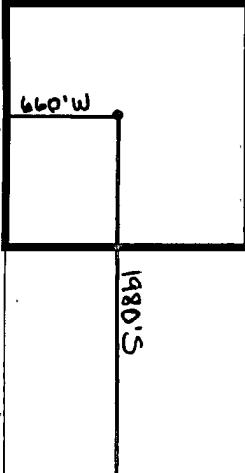
¹⁰ Surface Location

UL or lot no. L	Section 5	Township 21S	Range 34E	Lot Idn	Feet from the 1980	North/South line South	Feet from the 660	East/West line West	County Lea
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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 40	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 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</i>  Signature July 16, 2012 Date Tina Huerta Printed Name tinah@yatespetroleum.com E-mail Address
				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> Date of Survey Signature and Seal of Professional Surveyor Certificate Number