

District I
1625 G 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

Energy Minerals and Natural Resources

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Permit

HOBBS OCD

AUG 20 2012

RECEIVED

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 30 025-40729
⁴ Property Code 34987	⁵ Property Name Vaughn BGZ	⁶ Well No 1

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Lane	County
J	19	9S	34E		1980	S	1980	E	Lea

⁸ Pool Information

Wildcat Mississippian	WC-025 5093419J; MISS (GAS)	77974
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Additional Well Information

⁹ Work Type N	¹⁰ Well Type Gas	¹¹ Cable/Rotary R	¹² Lease Type Private	¹³ Ground Level Elevation 4309'
¹⁴ Multiple N	¹⁵ Proposed Depth 12,400'	¹⁶ Formation Mississippian	¹⁷ Contractor ASAP	¹⁸ Spud Date ASAP
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
Surf	17 5"	13 375"	48#	400'	400	0
Int1	12 25"	9.625"	40#	4100'	1400	0
Prod	8 75"	5.5"	17#	12400'	2650	3600

Casing/Cement Program: Additional Comments

Yates Petroleum Corporation proposes to drill/test the Mississippian and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel andavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM 0-400' Fresh Water/Spud Mud, 400'-2120' Fresh Water, 2120'-4100' Red Bed Mud/Oil, 4100'-7700' Cut Brine, 7700'-11555' Salt Gel/Oil/Starch, 11555'-TD' Sgel/Starch 4-6% KCL.

H2S is not anticipated

C-144 Attached

C-102 Attached

Previously Approved.

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

Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	5000	5000	

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 ☐.

Signature *Lori Flores*

Printed name Lori Flores

Title Land Regulatory Technician

E-mail Address lorif@yatespetroleum.com

Date 8/17/2012

Phone 575-748-4448

OIL CONSERVATION DIVISION

Approved By

Title: **Petroleum Engineer**

Approved Date **AUG 23 2012**

Expiration Date

Conditions of Approval Attached

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811 South First, Artesia, NM 88210

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1600 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30 025-40729	Pool Code 97974	Pool Name WC-025 50934195- Wildcat Mississippian (GAS)
Property Code 34987	Property Name VAUGHN "BGZ"	Well Number 1
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4309

Surface Location

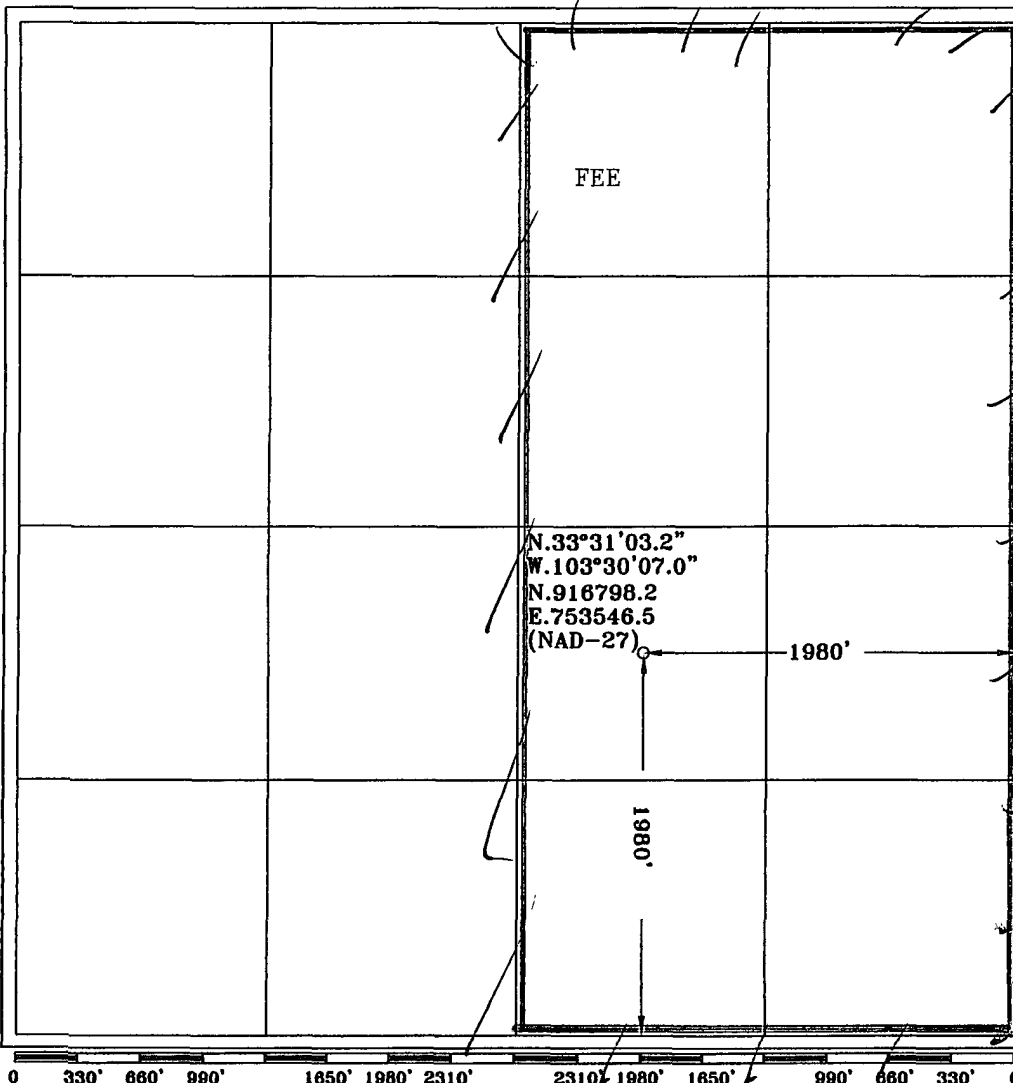
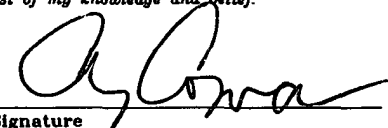

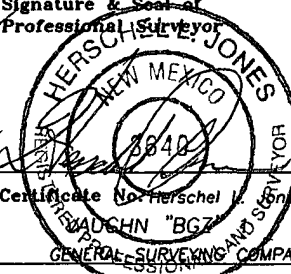
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	19	9S	34E		1980	SOUTH	1980	EAST	LEA

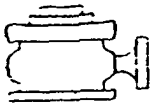
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
320			

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

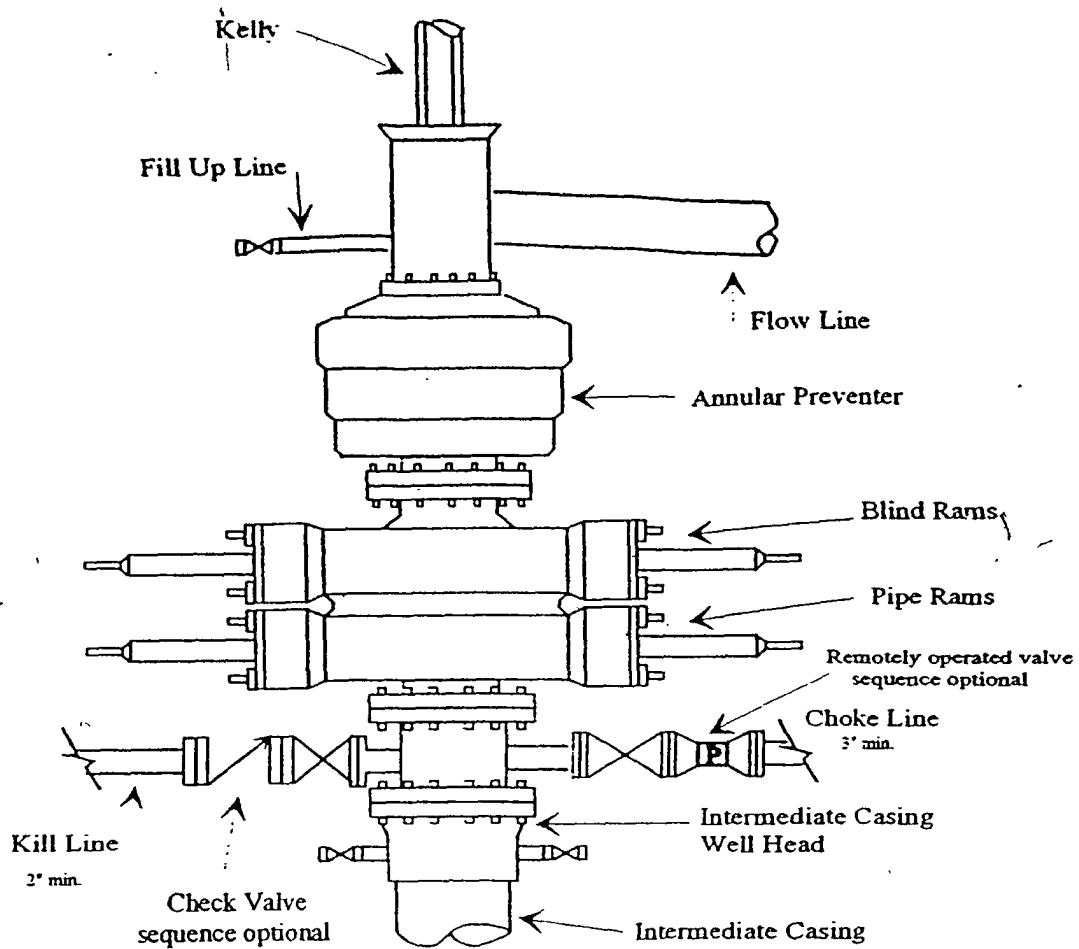
	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Cy Cowan Printed Name Land Regulatory Agent Title August 15, 2012 Date
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 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. 7/29/2005 Date Surveyed  Signature & Seal of Professional Surveyor  Certificate No. Herschel V. Jones RLS 3640 VAUGHN "BGZ" GENERAL SURVEYING AND CONSULTING COMPANY



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

