

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
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised December 16, 2011

Permit

HOBBS OCD

AUG 30 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 30-005-29202
⁴ Property Code 36457	⁵ Property Name Tillis BJZ	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
A	34	11S	31E		990	N	660	E	Chaves

⁸ Pool Information

Mississippian

Additional Well Information

⁹ Work Type N	¹⁰ Well Type Gas	¹¹ Cable/Rotary R	¹² Lease Type Private	¹³ Ground Level Elevation 4455'
¹⁴ Multiple N	¹⁵ Proposed Depth 11,350'	¹⁶ Formation Mississippian Age Rocks Undivided	¹⁷ Contractor	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	14 75"	11 75"	42#	400'	275	0
Intl	11"	8 625"	24#	3,600'	1000	0
Prod	7 875"	5.50"	17#	11,350'	1375	0

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 and cavings. If commercial, production casing will be run and cemented, well perforated and stimulate as needed for production.

MUD PROGRAM 0-400' FW/Gel, 400'-1450' FW, 1450'-3600' Red Bed Mud/Oil, 3600'-7100' Cut Brine, 7100'-10460' SWGel/Starch, 10460'-11000' SWGel/Starch 4-6% KCL.

No H2S is 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: 8/29/2012

Phone: 575-748-4448

OIL CONSERVATION DIVISION

Approved By

[Signature]

Title

Petroleum Engineer

Approved Date

AUG 31 2012

Expiration Date:

Conditions of Approval Attached

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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

HOBBS OCD

Form C-102

Revised August 1, 2011

Submit one copy to appropriate

AUG 30 2012

District Office

☐ AMENDED REPORT

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-005-29202	² Pool Code 96039 97978	³ Well Name WC-005 S113134A MISS (GAS) Mississippian Wildcat
⁴ Property Code 36457	⁵ Property Name TILLIS BJZ	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 4455'

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
A	34	11S	31E		990'	North	660'	East	Chaves

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 N2	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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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 Date 8/29/12 Cy Cowan Printed Name cy@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 REFER TO ORIGINAL PLAT Certificate Number

RECEIVED

MAR 12 2010

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1625 N. French Dr., Hobbs, NM 88240

DISTRICT II
1201 W. Grand Avenue, Artesia, NM 88210

DISTRICT III
1000 Old Brazos Rd., Aztec, NM 87410

DISTRICT IV
1220 S. St. Francis Dr., Santa Fe, NM 87305

HOBBSD

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 South St. Francis Dr. Hobbs
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 30-05-27958	Pool Code	Pool Name Mississippian
Property Code	Property Name TILLIS "BJZ"	Well Number 1
OGWD No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4455

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	34	11S	31E		990	NORTH	660	EAST	CHAVES

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.
N/2 320			

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

		<p>N.33.325222° W.103.802556° X=846257.8 N Y=662137.4 E (NAD-27)</p>	<p>0.000 660'</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 undivided 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>4/11/2007</p> <p><i>Debbie L. Caffall</i> Signature</p> <p>Date</p> <p>Debbie L. Caffall Printed Name</p>
Fee - Multiple				<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>4/16/2007</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Herschell L. Jones</i> Herschell L. Jones Professional Surveyor</p> <p>Certificate No. (Herschell L. Jones 3640)</p>