

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**

**Oil Conservation Division**

Permit

MAY 09 2013

1220 South St. Francis Dr.

Santa Fe, NM 87505

RECEIVED

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
		3 API Number 30-025-35842
<sup>4</sup> Property Code 36435	<sup>5</sup> Property Name New Grass BJV State Com	<sup>6</sup> Well No. 1

**<sup>7</sup> Surface Location**

UL - Lot A	Section 22	Township 15S	Range 34E	Lot Idn	Feet from 660	N/S Line North	Feet From 660	E/W Line East	County Lea
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**<sup>8</sup> Pool Information**

Wildcat; Atoka
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**Additional Well Information**

<sup>9</sup> Work Type P	<sup>10</sup> Well Type G	<sup>11</sup> Cable/Rotary N/A	<sup>12</sup> Lease Type S	<sup>13</sup> Ground Level Elevation 4074'GR
<sup>14</sup> Multiple N	<sup>15</sup> Proposed Depth N/A	<sup>16</sup> Formation Atoka	<sup>17</sup> Contractor N/A	<sup>18</sup> Spud Date N/A
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**<sup>19</sup> Proposed Casing and Cement Program**

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

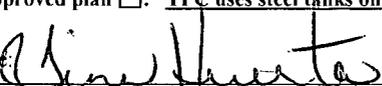
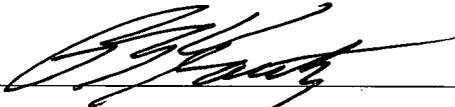
**Casing/Cement Program: Additional Comments**

Yates Petroleum Corporation plans to plugback and recompleate this well as follows: MIRU any safety equipment as needed. Release packer. Set a CIBP at 13,400' with 35' cement on top. Perforate Atoka 12,304'-12,322' (108). Acidize with 1500g 7-1/2% Morrow type acid and 200 ball sealers. Flow back and swab. If frac is warranted (see attached). RIH with blanking plug and set in profile on/off tool. Release 3-1/2" tubing from packer and TOH. TIH with tubing and latch on to packer. Retrieve blanking plug. Flow well to clean up and turn over to production. 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 Noting Underway**

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 <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . <b>YPC uses steel tanks only.</b>		<b>OIL CONSERVATION DIVISION</b>	
Signature: 		Approved By: 	
Printed name: Tina Huerta		Title: <b>Petroleum Engineer</b>	
Title: Regulatory Reporting Supervisor		Approved Date: <b>MAY 10 2013</b>	Expiration Date: _____
E-mail Address: tinah@yatespetroleum.com		Conditions of Approval Attached	
Date: May 7, 2013	Phone: 575-748-4168		

MAY 20 2013

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**HOBBS OCD**

**MAY 09 2013**

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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**

<sup>1</sup> API Number <b>30-025-35842</b>		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name <b>Wildcat; Atoka</b>	
<sup>4</sup> Property Code <b>36435</b>		<sup>5</sup> Property Name <b>New Grass BJV State Com</b>			<sup>6</sup> Well Number <b>1</b>
<sup>7</sup> OGRID No. <b>025575</b>		<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>			<sup>9</sup> Elevation <b>4074'GL</b>

<sup>10</sup> Surface Location

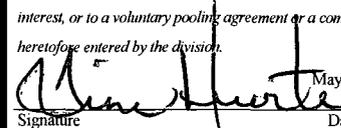
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>A</b>	<b>22</b>	<b>15S</b>	<b>34E</b>		<b>660</b>	<b>North</b>	<b>660</b>	<b>East</b>	<b>Lea</b>

<sup>11</sup> 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

<sup>12</sup> Dedicated Acres <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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.

<div data-bbox="893 957 1023 1106" style="border: 1px solid black; padding: 5px; transform: rotate(-90deg);">         660'N 660'E       </div>	<p><b><sup>17</sup> OPERATOR CERTIFICATION</b></p> <p><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></p> <p style="text-align: right;">         May 7, 2013        Signature Date     </p> <p>Tina Huerta Printed Name</p> <p>tinah@vatespetroleum.com E-mail Address</p>
	<p><b><sup>18</sup> SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>Certificate Number</p>

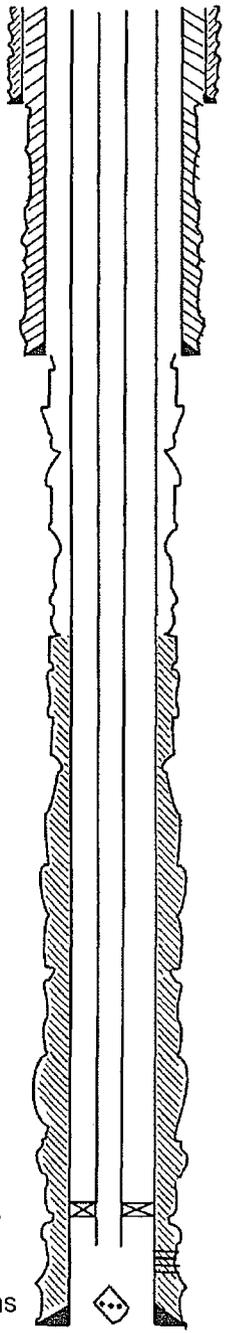
Rig up a service company and frac the Atoka down 3½" tubing at 25-30 BPM, max TP of 9000 psi with 36000 gallons and 36000# of prop (Versaprop or equivalent). Hold 2000 psi on backside. Do not exceed 12000 psi. NOTE: If pressure limit is approached, do not reduce rate below 15 BPM to attempt to flush. Just shut down and prepare to clean out sand. Make a determination during 1.5 ppg stage whether to increase to 2.0 ppg or stay on 1.5 ppg.

Stage	Fluid	Sand Conc.	Lbs of Sand
10500 gal.	CMHPG 40# gel Zr x-lnk + 40% CO <sub>2</sub>	pad	0
6500 gal.	CMHPG 40# gel Zr x-lnk + 70% CO <sub>2</sub>	0.5ppg	3250 lbs 20/40 Versaprop
7100 gal.	CMHPG 40# gel Zr x-lnk + 70% CO <sub>2</sub>	1.0 ppg	7100 lbs 20/40 Versaprop
8300 gal.	CMHPG 40# gel Zr x-lnk + 70% CO <sub>2</sub>	1.5 ppg	12450 lbs 20/40 Versaprop
9600 gal.	CMHPG 40# gel Zr x-lnk + 70% CO <sub>2</sub>	2.0 ppg	19200 lbs 20/40 Versaprop
4441 gal.	CMHPG 40# gel Zr x-lnk + 70% CO <sub>2</sub>	0 ppg	flush – no sand
36000 gallons + flush			36000# total

Leave frac shut-in while rigging down the frac equipment. Rig up flow back equipment. Shut in over night. Flow the frac back to remove all the frac fluids and gels.

<b>Well Name:</b> New Grass BJV Late Com No. 1		<b>Field:</b>	
<b>Location:</b> 660' FNL & 660' FEL Sec. 22-15S-34E Lea Co, NM			
<b>GL:</b> 4074'	<b>Zero:</b>	<b>AGL:</b>	<b>KB:</b> 4094'
<b>Spud Date:</b>		<b>Completion Date:</b>	
<b>Comments:</b>			

Casing Program	
Size/Wt/Grade/Conn	Depth
13 3/8" 48# H40	400'
9 5/8" 36&40#J55	6100'
5 1/2" 17&20# L80 & P110	13846'



13 3/8" csg @ 400'. Cmtd w/ 400 sx.  
Cmt circ.

**CURRENT CONFIGURATION**

9 5/8" csg @ 6100'. Cmtd w/1900 sx. Cmt circ.

TOC 7800'  
by CBL.

AS-1 pkr  
@ 13295'

TCP guns  
dropped

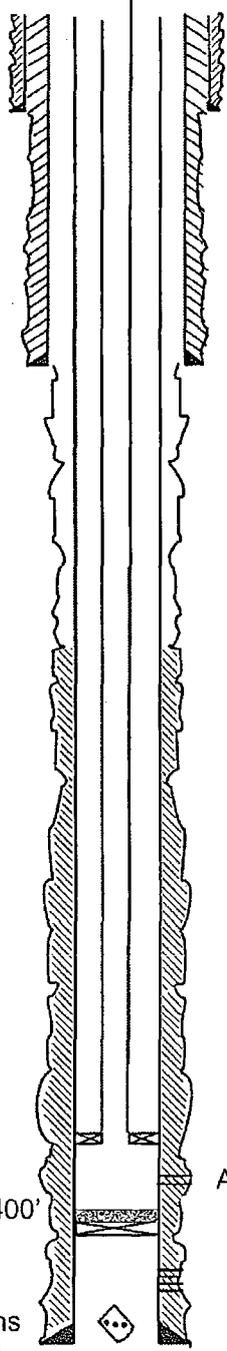
Austin Cycle perfs 13440-46' & 13457-77'

5 1/2" csg @ 13846' Cmtd w/1670 sx,

TD 13846'  
PBD 13798'

<b>Well Name:</b> New Grass BJV Site Com No. 1		<b>Field:</b>	
<b>Location:</b> 660' FNL & 660' FEL Sec. 22-15S-34E Lea Co, NM			
<b>GL:</b> 4074'	<b>Zero:</b>	<b>AGL:</b>	<b>KB:</b> 4094'
<b>Spud Date:</b>		<b>Completion Date:</b>	
<b>Comments:</b>			

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13 3/8" csg @ 400'. Cmtd w/ 400 sx.  
Cmt circ.

9 5/8" csg @ 6100'. Cmtd w/1900 sx. Cmt circ.

TOC 7800'  
by CBL.

CIBP@13400'  
+35' cmt

TCP guns  
dropped

TD 13846'  
PBSD 13798'

Atoka perfs 13304-22'

Austin Cycle perfs 13440-46' & 13457-77'

5 1/2" csg @ 13846' Cmtd w/1670 sx,

**PROPOSED CONFIGURATION**