

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

Energy Minerals and Natural Resources

Oil Conservation Division

HOBBS OCD

Permit

1220 South St. Francis Dr.

Santa Fe, NM 87505

JUN 07 2013

RECEIVED

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 30-025-38887 ✓
⁴ Property Code 37670 ✓	⁵ Property Name Oakridge BIO State Com	⁶ Well No. 3 ✓

⁷ Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
J	31	11S	34E		1700	South	1980	East	Lea ✓

⁸ Pool Information

Well: Atoka	EIGHT MILE DRAW; ATOKA, WEST (GAS)	97379
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Additional Well Information

⁹ Work Type P	¹⁰ Well Type G	¹¹ Cable/Rotary N/A	¹² Lease Type S	¹³ Ground Level Elevation 4215'GL
¹⁴ Multiple N	¹⁵ Proposed Depth N/A	¹⁶ Formation Atoka	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 recompleate this well as follows: NU BOP. Set a CIBP at 12,180' with 35' cement on top. Perforate Atoka 11,893'-11,979' (156). Set packer at +/-11,650'. Acidize Lower Atoka with 1000g 7-1/2% Morrow type acid with 95 ball sealers. Swab and flow and report results. If productive, frac well (details attached) down tubing at 25 BPM, max TP 11,000 psi with 23,000g 70Q CO2 foam and 24,000# Carboprop (or equivalent). Hold 2500 psi on backside. Do not exceed 13,000 psi. NOTE: if pressure limit is approached, consider reducing foam quality but do not reduce rate below 15 BPM to attempt 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. Flow the frac back to remove all frac fluids and gels. Swab well and turn over to production. Possibly perforate Atoka 11,702'-11,707' (30). If not productive, swab well 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 Drilling Underway
OIL CONSERVATION DIVISION

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 checked="" type="checkbox"/> . YPC uses steel tanks only. *	Approved By:
Signature: <i>Tina Huerta</i>	<i>[Signature]</i>
Printed name: Tina Huerta	Title: Petroleum Engineer
Title: Regulatory Reporting Supervisor	Approved Date: 07/17/13
E-mail Address: tinah@yatespetroleum.com	Expiration Date: 07/17/15
Date: June 6, 2013	Phone: 575-748-4168
Conditions of Approval Attached	

JUL 17 2013

5.) If a frac is warranted, rig up a slickline company. RIH with a blanking plug and set in profile in on-off tool. Rig down slickline. TOH with tubing. TIH with 3 1/2" frac string and latch on to packer. Rig up slickline and pull blanking plug. Swab and flow to clean up.

6.) Rig up a service company and frac the Lower Atoka down 3 1/2" tubing at 25 BPM, max TP of 11000 psi with 23000 gallons of 70Q CO₂ foam and 24000# of Carboprop (or equivalent). Hold 2500 psi on backside. Do not exceed 13000 psi. NOTE: If pressure limit is approached, consider reducing foam quality but 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
9600 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	pad	0
3720 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	0.5 ppg	1860 lbs 20/40 Carboprop
4080 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	1.0 ppg	4080 lbs 20/40 Carboprop
4680 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	1.5 ppg	7020 lbs 20/40 Carboprop
5520 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	2.0 ppg	11040 lbs 20/40 Carboprop
4475 gal.	CMHPG 40# gel Zr x-lnk + 70% CO ₂	0 ppg	flush - no sand
27600 gallons + flush			24000# total

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

7.) Rig up a slickline company and RIH with blanking plug. Release on-off tool from packer and TOH with 3 1/2" tubing. TIH with 2 3/8" tubing and latch on to packer. Retrieve blanking plug.

8.) Swab well in and turn over to production.

9.) Rig up wireline company. RIH with 2" thru-tubing guns loaded 4:spf, 90° phasing, premium charges and perforate the Upper Atoka sand (Bagley East Atoka) in the following interval:

11702' - 11707' (30 holes) 5 net feet

Rig down wireline.

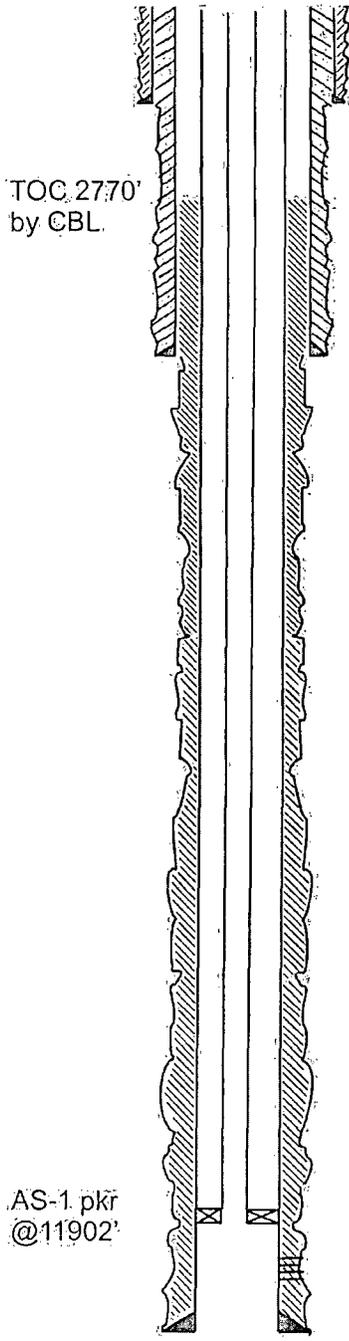
10.) Swab well in and turn over to production.

Area Engineer: Sam Brandon Date: 3-11-13 *[Signature]*
 Sam Brandon

March 11, 2013
 CC: Master File

Well Name: Oakridge BIO St	Com No. 3	Field:
Location: 1700' FSL & 1980' FEL Sec. 31-11S-34E Lea Co, NM		
GL: 4215'	Zero:	AGL: KB: 4237'
Spud Date:		Completion Date:
Comments:		

Casing Program	
Size/Wt/Grade/Conn	Depth
11 3/4" 42# H40	381'
8 5/8" 24&32#J55	4144'
5 1/2" 17# J55 & HCP110	12400'



11 3/4" csg @ 381'. Cmtd w/300 sx.
Cmt circ.

CURRENT CONFIGURATION

8 5/8" csg @ 4144'. Cmtd w/1220 sx. Cmt circ.

Basal Morrow perms 12204-16'

5 1/2" csg @ 12400'. Cmtd. w/2235 sx,

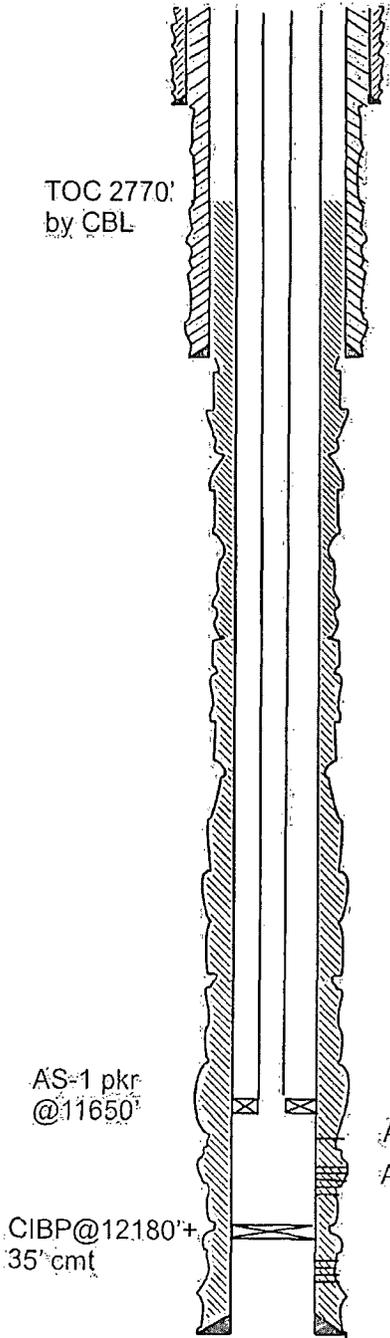
TD 12400'
PBD 12348'

TOC 2770'
by CBL

AS-1 pkr
@11902'

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11 3/4" csg @ 381'. Cmtd w/ 300 sx.
Cmt circ.

8-5/8" csg @ 4144'. Cmtd w/1220 sx. Cmt circ.

Atoka perms 11702-07'

Atoka perms 11893-97', 11929-36', 51-55', 60-67', 76-79'

Basal Morrow perms 12204-16'

5 1/2" csg @ 12400' Cmtd w/2235 sx,

TD 12400'
PBD, 12348'

PROPOSED CONFIGURATION

Date: 3/7/13

Oakridge 3a.