

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

**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, New Mexico 88210					² OGRID Number 25575									
³ Property Code 32178					⁴ Property Name Abby BLF State					⁵ API Number 30-025-3895132178				
⁶ Well No. 001														
⁷ Proposed Pool 1 Flying M Wildcat Upper Penn					⁸ Proposed Pool 2									
⁹ Surface Location														
UL or Int no N	Section 10	Township 09S	Range 33E	Lot Idn	Feet from the 660	North/South line South	Feet from the 2310	East/West line West	County Lea					
¹⁰ Proposed 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					
Additional Well Information														
¹¹ Work Type Code New			¹² Well Type Code Oil			¹³ Cable/Rotary Rotary			¹⁴ Lease Type Code State			¹⁵ Ground Level Elevation 4386		
¹⁶ Multiple No			¹⁷ Proposed Depth 9650			¹⁸ Formation Upper Penn			¹⁹ Contractor			²⁰ Spud Date		

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75"	11.75"	42	400	250	Surface
11"	8.625"	32	4000	1075	Surface
7.875"	5.5	17	9650	575	TOC 7000

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.
Yates Petroleum Corporation is presently drilling this well at this time. Yates wishes to drill the borehole deeper to a depth of 9650' to test the Upper Penn for oil. The production casing would be set at 9650' and cemented. Then Yates would perforate and stimulate as needed for production. The mud program would continue the SW Gel/Starch from 7500' to TD. The BOPE would still be a 3000 psi system. The same logging program would still be used.

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

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.		OIL CONSERVATION DIVISION	
Signature: <i>Clifton R. May</i>		Approved by: <i>Chris Williams</i>	
Printed name: Clifton R. May		Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER	
Title: Regulatory Agent		Approval Date: JUN 27 2008	
E-mail Address:		Expiration Date:	
Date: June 25, 2008	Phone: 575-748-4347	Conditions of Approval Attached <input type="checkbox"/>	

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State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 12, 2005

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-38951	Pool Code 24615	Pool Name Flying M. WATER PENN
Property Code 37178	Property Name ABBY "BLF" STATE	Well Number 1
GRID No. 025575	Operator Name YATES PETROLEUM CORP.	Elevation 4386

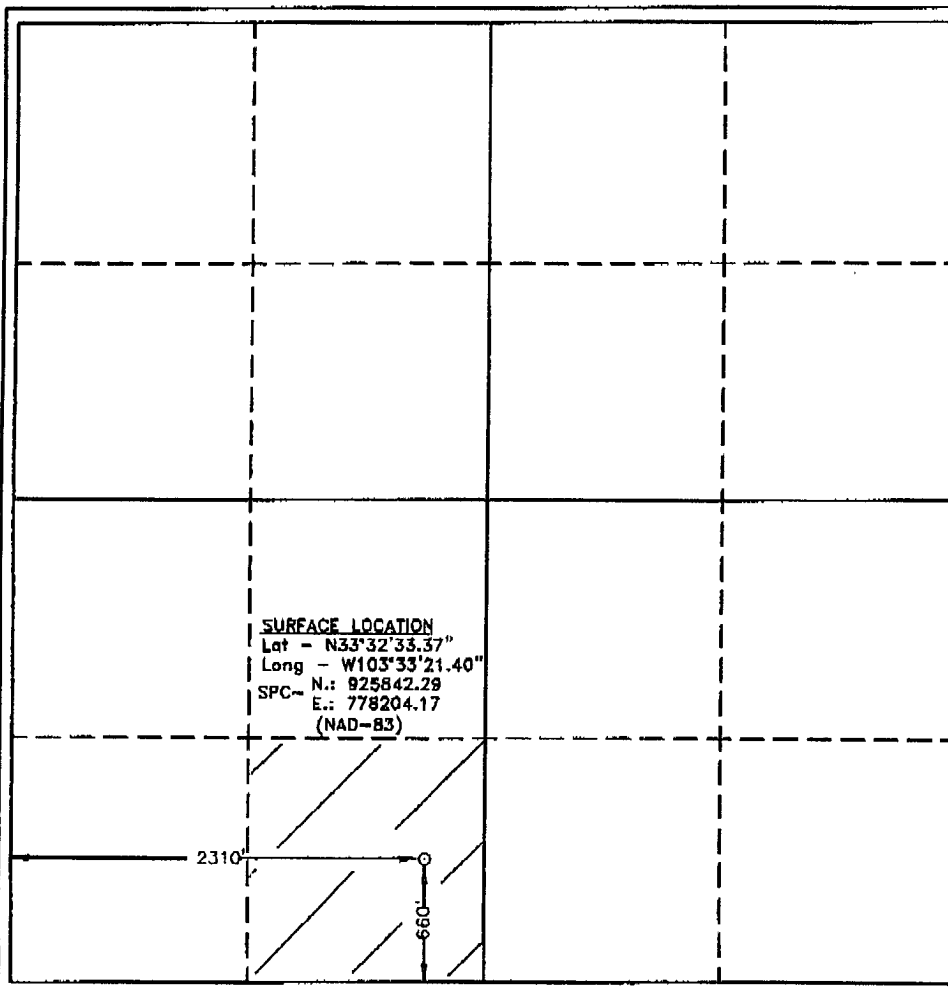
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	10	9 S	33 E		660	SOUTH	2310	WEST	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 40	Joint or Infill	Consolidation Code	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

 <p>SURFACE LOCATION Lat - N33°32'33.37" Long - W103°33'21.40" N.: 825842.29 E.: 778204.17 (NAD-83)</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 unleased 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>Clifton R. May 6/2/08 Signature Date CLIFTON R. MAY Printed Name</p>
	<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>MAY 23 2008 Date Surveyed Signature of Surveyor Professional Surveyor W.O. Jones Certificate No. Gary L. Jones 7977</p>
	<p>BASIN SURVEYS</p>