

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

WF
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**

Operator Name and Address Yates Petroleum Corporation 105 S. 4 th Street Artesia, NM 88210		² OGRID Number 025575
		³ API Number 30 - 025-39298
³ Property Code 34420	⁵ Property Name Kookaburra AZB State Com	⁶ Well No. 3
⁹ Proposed Pool 1 Wildcat Mississippian		¹⁰ Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	12S	34E	C	660'	North	1650'	West	Lea

8 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
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Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4136'
¹⁶ Multiple N	¹⁷ Proposed Depth 12,575'	¹⁸ Formation Mississippian Age Rocks Undivided	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17.5	13.375	48#	400'	400 sx	0
12.25	9.625	40#	4200'	1450 sx	0
8.75	5.5	17#	12575	2650 sx	3700

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the existing productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

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

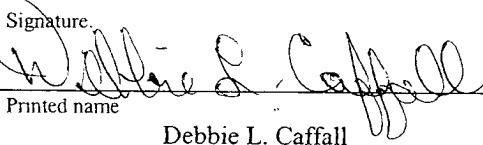
Yates Petroleum Corporation proposes to drill and test the Mississippian/intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4200', cement circulated to surface. If commercial, production casing will be ran can cemented, perforated and stimulated as need to gain production.

MUD PROGRAM: 0-400' FW Gel/Paper; 400'-2150' FW; 2150'-4200' Red Bed Mud/Oil; 4200'-7700' Cut Brine; 7700'-11580' Salt Gel/Oil/Starch; 11580'-TD S Gel/Starch/4-6%KCL

BOPE PROGRAM: a 5000# BOPE will be installed on the 9.625" casing and tested daily for operational..

Sources at YPC have relayed information to me that they believe there will not be enough H2S found from the surface to the Mississippian formation to meet the OCD's minimum requirements for the submission of a contingency plan per Rule 118.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief

Signature:

Printed name
Debbie L. Caffall

Title
Regulatory Agent

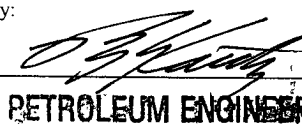
E-mail Address:
debbiec@yatespetroleum.com

Date:
November 7, 2008

Phone:
(575) 748-4376

OIL CONSERVATION DIVISION

Approved by:


Title:
PETROLEUM ENGINEER

Approval Date:

Expiration Date:

DEC 18 2008

Conditions of Approval Attached ☐

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1000 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

Form C-102
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 30-025-39298	Pool Code ✓	Pool Name Wildcat Mississippian
Property Code 34420	Property Name KOOKABURRA "AZB" STATE COM.	Well Number 3
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4137

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	24	12S	34E		660	NORTH	1650	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 320	Joint or Infill	Consolidation Code	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

	<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.</p> <p><i>Debbie L. Caffal</i> Signature Debbie L. Caffal Printed Name Regulatory Agent November 7, 2008 Date</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>12/09/2004 Date Surveyed Signature & Seal of Professional Surveyor <i>[Signature]</i> Certificate No. Herschel L. Jones RLS 3640 KOOKABURRA GENERAL SURVEYING COMPANY</p>
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0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'