

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

RECEIVED

NOV 16 2009

HOBBS

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 S 4 th Street Artesia, NM 88210		² OGRID Number 025575 ✓
		³ API Number 30 - 025-39591
³ Property Code 35240 ✓	⁵ Property Name Yarrow BHY State	⁶ Well No. 2 ✓
⁹ Proposed Pool 1 Triple X; Bone Spring 59900		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
H	32	23S	33E		2310	North	330	East	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

Additional Well Information

¹¹ Work Type Code N	¹² Well Type Code Oil	¹³ Cable/Rotary	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 3670'
¹⁶ Multiple N	¹⁷ Proposed Depth 9,140'	¹⁸ Formation Bone Spring	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#	700'	700 sx	0
11"	8.625"	32#	5150'	1250 sx	0
7.875"	5.5"	17#	9140'	1700 sx	0

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 proposes to drill/test the Bone Spring/intermediate formations. Approximately 700' of surface casing will be set/cement circulated Intermediate casing will be set at 5150', cement circulated to surface. If commercial, production casing will be run/cemented, will perforate/stimulate as needed for production

MUD PROGRAM: 0-700' FW/Spud Mud, 700'-1270' FW; 1270'-5150' Brine; 5150'-9000' FW/Cut Brine; 9000'-TD Cut Brine.

BOPE PROGRAM A 3,000# BOPE will be placed on the 8 625" casing and tested daily for operational

H2S is not anticipated.

Previously Approved

C-102 Attached

C-144 Attached

**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

Signature

Cy Cowan

Printed name:

Cy Cowan

Title:

Land Regulatory Agent

E-mail Address:

cy@yatespetroleum.com

Date:

11/12/09

Phone:

575-748-4372

OIL CONSERVATION DIVISION

Approved by:

Title:

[Signature]
PETROLEUM ENGINEER

Approval Date:

DEC 07 2009

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I
1625 N. French Dr., Hobbs, NM 88340

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

RECEIVED

NOV 16 2009

HOBBSOCD

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 30-025-39591	Pool Code 59900	Pool Name Triple X; Bone Spring
Property Code 35240	Property Name Yarrow BHY State	Well Number 2
OGRIID No. 025575	Operator Name Yates Petroleum Corporation	Elevation 3670'

Surface Location

UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
H	32	23S	33E		2310	North	330	East	Lea

Bottom Hole Location If Different From Surface

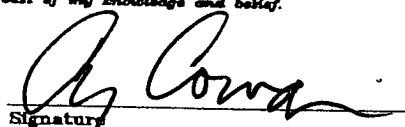
UL or lot No.	Section	Township	Range	Lot 1/4	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40 SENE		Joint or Infill	Consolidation Code	Order No.					

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

					2310'
				VO-6276	330'

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.


Signature
Cy Cowan
Printed Name
Land Regulatory Agent
Title
11/12/09
Date

SURVEYOR CERTIFICATION

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.

REFER TO ORIGINAL PLAT

Date Surveyed
Signature & Seal of Professional Surveyor
Certificate No.