

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

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FEB 12 2010

HOBBSDO

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 S. Fourth Street Artesia, NM 88210		² OGRID Number 025575 ✓
³ Property Code 37111		³ API Number 30 - 025-39714
⁵ Property Name Strait BLL State Com		⁶ Well No 3
⁹ Proposed Pool 1 Wildcat Mississippian		¹⁰ Proposed Pool 2 (96040)

⁷ Surface Location

UL or lot no D	Section 20	Township 10S	Range 34E	Lot Idn	Feet from the 660'	North/South line North	Feet from the 990'	East/West line West	County Lea
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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 Gas	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3138'
¹⁶ Multiple N	¹⁷ Proposed Depth 12900'	¹⁸ Formation Mississippian Age Rocks-	¹⁹ Contractor	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	0
12.25"	9.625"	40#	4100'	1400	0
8.75"	5.5"	17#	12630'	2650	3600'

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.

²³

Yates Petroleum Corporation proposes to drill/test the Mississippian and intermediate formations Approximately 400' of surface casing will be set and cement circulated to shut off gravel and carvings Intermediate casing will be set at 4100', cement circulated to surface. If commercial, production casing will be run and cemented, well perforated and stimulate as needed for production

MUD PROGRAM 0-400' FW Gel/Paper, 400'-2022' Fresh Water, 2022'-4100' Red Bed Mud/Oil; 4100'-7650' Cut Brine; 7650'-12043' Gel/Starch 4-6% KCL; 12043'-TD Sgel/Starch/4-6% KCL

BOPE PROGRAM A 5000# BOPE will be installed on the 9 625" casing and tested daily

H2S is not anticipated for this well

C-102 attached

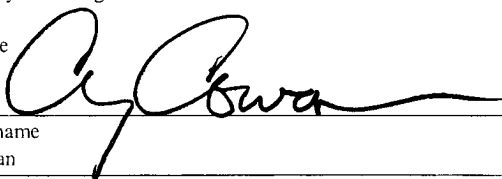
C-144 attached

(Previously Approved APD # 30-025-38341)

**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



Printed name

Cy Cowan

Title

Land Regulatory Agent

E-mail Address

cy@yatespetroleum.com

Date

2/12/10

Phone

575-748-4372

OIL CONSERVATION DIVISION

Approved by.



Title

PETROLEUM ENGINEER

Approval Date

MAR 19 2010

Expiration Date.

Conditions of Approval Attached ☐

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

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 October 15, 2009
Submit one copy to appropriate
District Office
☐ AMENDED REPORT

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FEB 12 2010
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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-39714		² Pool Code 96040	³ Pool Name Wildcat Mississippian
⁴ Property Code 37111	⁵ Property Name Strait BLL State Com		⁶ Well Number 3
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation		⁹ Elevation 4223'

¹⁰ Surface Location

UL or lot no. D	Section 20	Township 10S	Range 34E	Lot Idn	Feet from the 660	North/South line North	Feet from the 990	East/West line West	County Lea
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¹¹ 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
¹² Dedicated Acres 320		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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>¹⁷ OPERATOR CERTIFICATION 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.</p> <p><i>Cy Cowan</i> 2/12/10 Signature Date</p> <p>Cy Cowan Printed Name</p>	
	<p>¹⁸ 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.</p> <p>REFER TO ORIGINAL PLAT</p> <p>Date of Survey Signature and Seal of Professional Surveyor</p>	

OPERATOR: Please do not report production under this pool code until you have checked with the OCD District I Geologist Paul Kautz, and he confirms where your perms are producing from and gives you the correct pool code.

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

Energy, Minerals and Natural Resources Department

DISTRICT II
811 South First, Artesia, NM 88210

FEB 12 2010

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410**HOBBSON CONSERVATION DIVISION**DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

Revised March 17, 1999

Instruction on back

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name Wildcat Mississippian
Property Code	Property Name STRAIT STATE UNIT	Well Number 3
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4223

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	20	10S	34E		660	NORTH	990	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	Joint or Infill	Consolidation Code	Order No.
320 W/2			

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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Clifton R. May Printed Name Regulatory Agent Title March 7, 2005 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. 3/03/2005 Date Surveyed Signature Herschel L. Jones Professional Surveyor 3640 Certificate No. 3640 STRAIT STATE LAND GENERAL SURVEYING COMPANY	