

W8

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

MAY 20 2010

HOBBSOCD

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

<sup>1</sup> Operator Name and Address Yates Petroleum Corporation 105 South 4 <sup>th</sup> Street Artesia, NM 88210		<sup>2</sup> OGRID Number 025575
<sup>3</sup> Property Code 35136		<sup>3</sup> API Number 30 - 025 - 39753
<sup>5</sup> Property Name MILSAP STATE UNIT		<sup>6</sup> Well No. 3
<sup>9</sup> Proposed Pool 1 Hightower; Devonian		<sup>10</sup> Proposed Pool 2 <3116D>

<sup>7</sup> Surface Location

UL or lot no K	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
	25	12S	33E		1878	S	1874	W	Lea

<sup>8</sup> 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

<sup>11</sup> Work Type Code New Well	<sup>12</sup> Well Type Code Oil	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code State	<sup>15</sup> Ground Level Elevation 4233
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth 12,800'	<sup>18</sup> Formation Devonian	<sup>19</sup> Contractor	<sup>20</sup> Spud Date

<sup>21</sup> 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	4200	1400	0
8.75	7	26	12800	2200	3700

<sup>22</sup> 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 and test the Devonian/Intermediate formations. Approximately 400' of surface casing will be set/cement circulated to shut off gravel and cavings Intermediate casing will be set @ 4200', cement circulated to the surface If commercial, production casing will be ran and cemented, perforated, and stimulated as needed for production.

BOPE PROGRAM: A 5000# Double Ram BOPE will be installed on the 9 5/8" casing and tested daily for operational.

MUD PROGRAM: 0-400' FW Gel; 400'-1885' FW; 1885'-4200' Red Bed Mud/Oil; 4200'-7550' Cut Brine; 7550'-11390' SW Gel/Oil; 11390'-TD SW /Starch/4-6% KCL.

H2S is not anticipated.

C-102 Attached.

A Closed Loop System will be used, C-144 Attached.

Previously Approved

Permit Expires 2 Years From Approval  
Date Unless Drilling Underway

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Clifton May

Printed name:  
Clifton May

Title.  
Land Regulatory Agent

E-mail Address:  
cliff@yatespetroleum.com

Date:  
4/15/10

Phone:  
575-748-4347

OIL CONSERVATION DIVISION

Approved by:

Title.

PETROLEUM ENGINEER

Approval Date:

MAY 27 2010

Expiration Date:

CONDITION OF APPROVAL FOR APD'S

"Once the well is spud, to prevent ground water contamination through whole or partial conduits from the surface, the operator shall drill without interruption through the fresh water zone or zones and shall immediately set in cement the water protection string "

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State of New Mexico  
Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

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

Form C-102  
Revised October 12, 2005

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

☐ AMENDED REPORT

### WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-025-39753</b>	Pool Code <b>3116D</b>	Pool Name Hightower; Devonian
Property Code <b>35136</b>	Property Name MILSAP STATE UNIT	Well Number 3
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4231

#### Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	25	12S	33E		1878	SOUTH	1874	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 80	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

				<b>OPERATOR CERTIFICATION</b>  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.  <i>Clifton May</i> 4-15-10 Signature Date  Clifton May Printed Name	
				<b>SURVEYOR CERTIFICATION</b>  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 of Registered Professional Surveyor	
				Certificate No. <b>Herschel L. Jones 3640</b> GENERAL SURVEYING	