

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
RECEIVED
JUN 23 2010
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
June 16, 2008

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, NM 88210		² OGRID Number 025575
³ Property Code 37522	³ Property Name Cash BNG State Com	³ API Number 30 - 025-36748
⁹ Proposed Pool 1 Vada; Upper Penn (Oil)		¹⁰ Proposed Pool 2 Wildcat; Wolfcamp (Oil)

7 Surface Location

UL or lot no K	Section 18	Township 10S	Range 34E	Lot Idn	Feet from the 1400	North/South line South	Feet from the 1605	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 P	¹² Well Type Code O	¹³ Cable/Rotary NA	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4205' GL
¹⁶ Multiple N	¹⁷ Proposed Depth NA	¹⁸ Formation Mississippian	¹⁹ Contractor NA	²⁰ Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC

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 plug back and recompleat this well as follows:

ND wellhead. NU BOP. Release pkr. TOH w/tbg & pkr. Set CIBP @ 11,680' w/35' cement. Perforate Penn 9896-9904' (16). Stimulate as needed. If Penn is not productive set CIBP @ 9850' w/35' cement. Perforate Wolfcamp 9388-9395' (14). Stimulate as needed.

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

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

Signature

Allison Barton

Printed name: Allison Barton

Title Regulatory Compliance Technician

E-mail Address abarton@yatespetroleum.com

Date: 6/17/10

Phone (575) 748-1471

OIL CONSERVATION DIVISION

Approved by

[Signature]

Title

PETROLEUM ENGINEER

Approval Date

JUN 24 2010

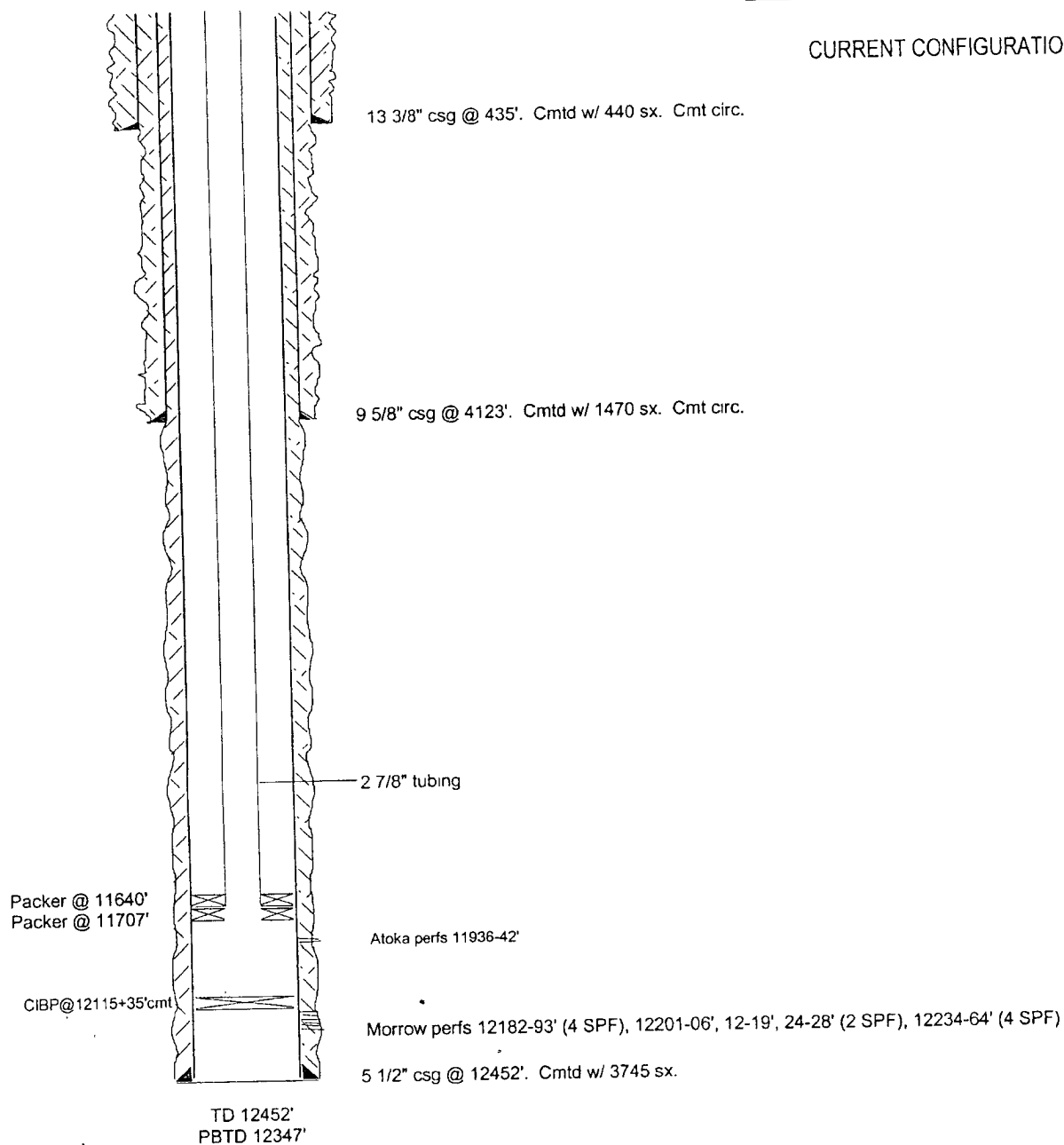
Expiration Date

CONDITIONS OF APPROVAL of Non-Standard Location
Intent to drill ONLY --- CANNOT produce until the Non-Standard
Location has been approved by OCD Santa Fe office

Well Name: Cash State Unit No. 3 Field: _____
 Location: 1500' FSL & 1535' FWL Sec. 18-10S-34E Lea Co, NM
 GL: 4205' Zero: _____ AGL: _____ KB: 4223'
 Spud Date: 10/5/04 Completion Date: _____
 Comments: Packer @ 11707' would not release.

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# H40	435'
9 5/8" 36 & 40# J55	4123'
5 1/2" 17# J55, L80 & P110	12452'

CURRENT CONFIGURATION



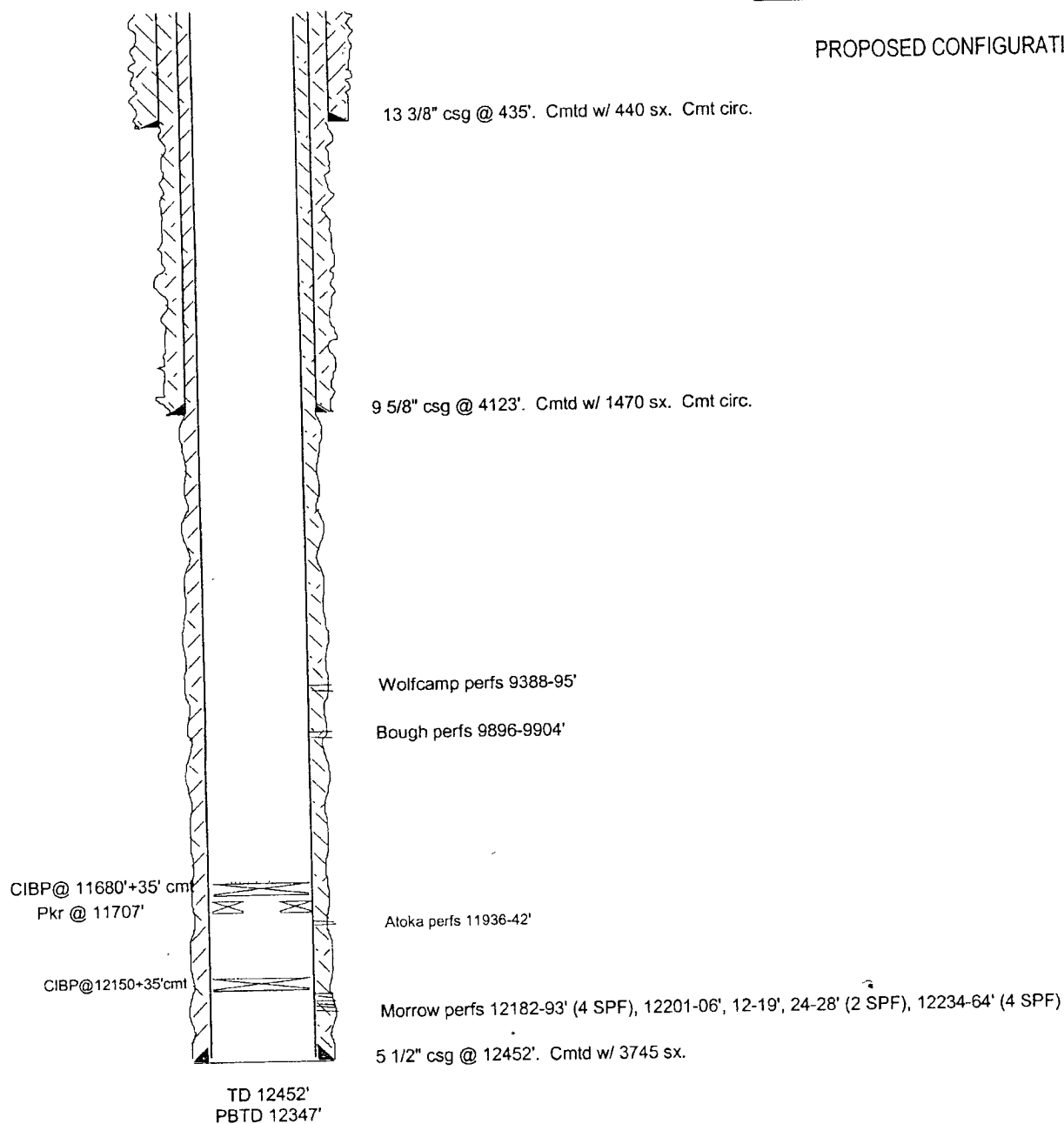
SKETCH NOT TO SCALE

DATE: 2/17/10 CASH3D

Well Name: Cash State Unit No. 3 Field: _____
 Location: 1500' FSL & 1535' FWL Sec. 18-10S-34E Lea Co, NM
 GL: 4205' Zero: _____ AGL: _____ KB: 4223'
 Spud Date: 10/5/04 Completion Date: _____
 Comments: _____

Casing Program	
Size/Wt/Grade/Conn	Depth Set
13 3/8" 48# H40	435'
9 5/8" 36 & 40# J55	4123'
5 1/2" 17# J55, L80 & P110	12452'

PROPOSED CONFIGURATION

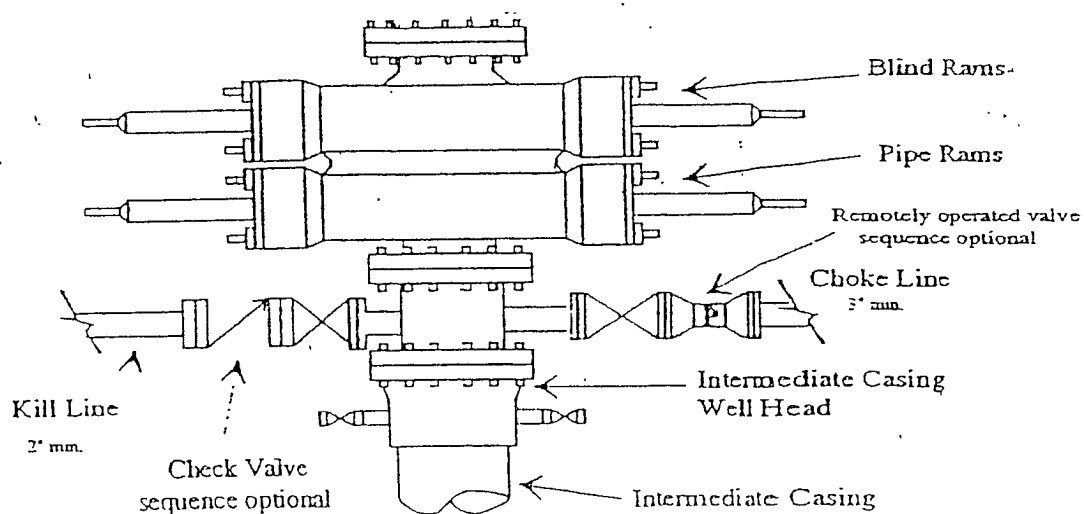


SKETCH NOT TO SCALE

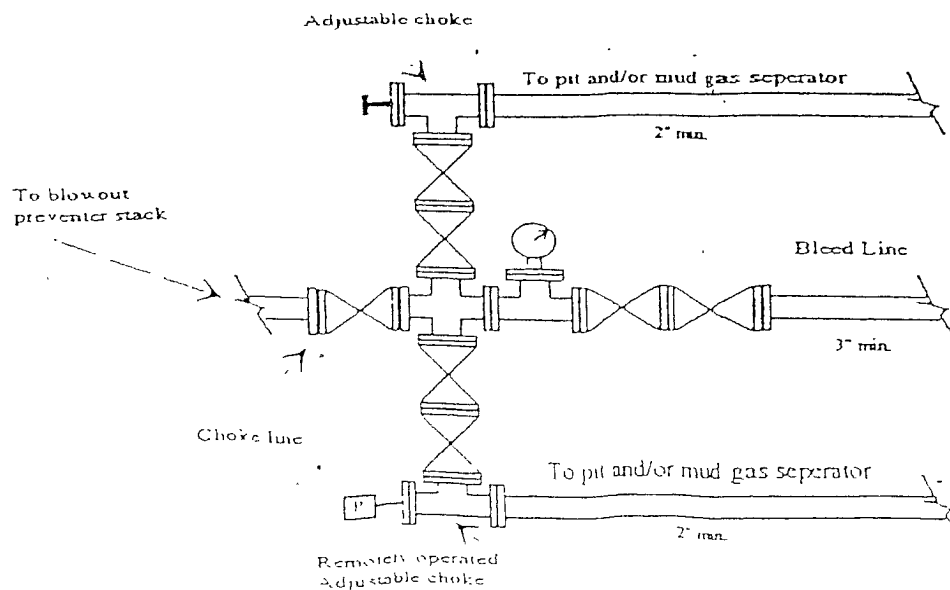
DATE: 2/17/10 CASH3E

Yates Petroleum Corporation

Typical 3,000 psi Pressure System Schematic



Typical 3,000 psi choke manifold assembly with at least these minimum features



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Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

JUN 23 2008

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

HOBBSOCD

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36748	² Pool Code 62459	³ Pool Name Vada; Upper Penn (Oil)
⁴ Property Code 33100	⁵ Property Name Cash BNG State Com	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4205' GL

¹⁰ Surface Location

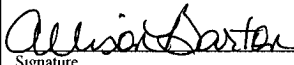
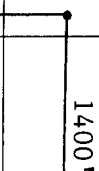
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	18	10S	34E		1400	South	1605	West	Lea

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 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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.

16				¹⁷ OPERATOR CERTIFICATION <i>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</i>  Signature Date 6/17/10 Allison Barton Printed Name
1605'				¹⁸ SURVEYOR CERTIFICATION <i>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</i> Date of Survey Signature and Seal of Professional Surveyor Certificate Number

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WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-36748	² Pool Code /	³ Pool Name Wildcat Wolfcamp (Oil)
⁴ Property Code 33100	⁵ Property Name Cash BNG State Com	⁶ Well Number 1
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 4205' GL

¹⁰ Surface Location

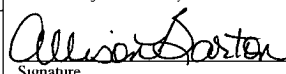
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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1605'

1400'