State of New Mexico

District II
1301 W. Grand Avenue, Artesia, NM 88240 Pistrict III

District III

1000 Rio Brazos Road, Aztec, NM 874 APR 1 3 2011 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505BSOCD Oil Conservation Division 1220 South St. Francis Dr. Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

Form C-101 June 16, 2008

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

			Yates Petroleum (105 South Fou Artesia, NM	Corporation rth Street		30 - 07	² OGRID Number 025575 ³ API Number	13	
³ Property Code					⁵ Property Name			⁶ Well No.	
37154				Da	alton BLD State C	1	1		
		Rang	⁹ Proposed Pool 1 ger Lake; Morrow, No	orth		¹⁰ Proposed Pool 2			
⁷ Surface	Locatio	n							
UL or lot no.	Section 13	Township 12 S	Range 34 E	Lot Idn	Feet from the 800	North/South line South NORTH	Feet from the 1980	East/West line East	County Lea
⁸ Proposed	Bottom F	Iole Loc	ation If Different	From Surf	ace				
UL or lot no.	Section	Townshij	Range	Lot Idn Feet from the		North/South line	Feet from the	East/West line	County
Additiona	al Well!	Inform	ation				· · ·		
11 Work Type Code New		¹² Well Type Cod Gas	e	13 Cable/Rotary Rotary	14 Lease Type Cod State		15 Grou	and Level Elevation 4140	
¹⁶ Multiple No		¹⁷ Proposed Deptl 12450	n	¹⁸ Formation Morrow	¹⁹ Contractor			²⁰ Spud Date 5/7/11	

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14.75"	11.75"	42#	400'	250	0
11"	8 5/8"	32#	4300'	1175	0
7 7/8"	5 ½"	17#	12450'	1425	3800'

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 Chester and intermediate formations. Approximately 400' of surface casing will be set and cement circulated. Intermediate casing will be set at 4300', cement circulated to surface. If believed to be commercial production casing will be ran and cemented, perforated, and stimulated as needed to gain production.

MUD PROGRAM: 0-400' Fresh Water Gel; 400'2076' Fresh Water; 2076'-4300' Red Bed Mud/Oil; 4300'7700' Cut Brine; 7700'11641' SW Gel/Starch; 11641'TD SW Gel/Starch/4/6% KCL..

BOPE PROGRAM: A 5000 psi system nippled up on the 8 5/8" casing.

H2S is not anticipated.

C144 Attached.

Previously Approved 30-025-38891					
²³ I hereby certify that the information given above is true and complete to the					
best of my knowledge and belief.	OIL CONSERVATION DIVISION				
Signature:	Approved by:				
Menders	Mank				
Printed name: Monti Sanders	Title: Geologist				
Title: Land Regulatory Technician	Approval Date: Expiration Date: 6 × 11913				
E-mail Address: montis@yatespetroleum.com					
Date: 4/11/11 Phone: 575-748-4244	Conditions of Approval Attached APR 2 1 2011				

RECEIVED

WELL LOCATION AND ACREAGE DEDICATION PLAT Property Name Property Code Property Code Property Name Palton BLD State Com Palton Block Com Palton BLD State Com Palton Block Com Pa	1 API Number 2 Pool Code 3 Pool Name 3 O-025-401/3 97362 Ranger Lake; Morrow, North 1 Property Code 5 Property Name 6 Well Number 37/54 Dalton BLD State Com 1 1 OGRID No. 8 Operator Name 9 Elevation
Property Code Property Name Dalton BLD State Com 1	Property Code *Property Name *Well Number 37164 Dalton BLD State Com 1 **OGRID No. *Operator Name *Elevation
Dalton BLD State Com 'OGRID No. 25575 Yates Petroleum Corporation Operator Name Yates Petroleum Corporation OSUrface Location UL or lot no. B 13 12S 34E 800 North 1980 East Lea The 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 Composition In Surface UL or lot no. Dedicated Acres Operation Township Range Lot Idn Feet from the North/South line Feet from the East/West line Composition In Surface UL or lot no. Dedicated Acres Operation Township Range Lot Idn Feet from the North/South line Feet from the East/West line Composition In Surface UL or lot no. Dedicated Acres Operation In In In Interest Surface In Surface In Surface In Interest Surface	Dalton BLD State Com OGRID No. Dalton BLD State Com Belevation
*Operator Name Yates Petroleum Corporation *Operator Name Yates Feet from the East/West line Consciled Company **Operator Name **Operator Name Yates Feet from the East/West line Consciled	OGRID No. Operator Name Selevation
UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line C 800 North 1980 East 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 C 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 320 E/2 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division.	Vator Dates I am Company (1/0)
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B 13 12S 34E 800 North 1980 East 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 C 12 Dedicated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 320 E/2 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division. 16 17 OPERATOR CERTIFICATION Interest or unleased mineral interest in the land including the bottom hole location or has a right to drill this well at this location, and that this organization either on working interest or unleased mineral interest in the land including the bottom hole location or has a right to drill this well at this location, and that this location, and that this organization either on working interest or unleased mineral interest in the land including the bottom hole location or has a right to drill this well at this location, and that this location, and that this location, and that this location, and that this organization either on working interest or unleased mineral interest in the land including the location or has a right to drill this well at this location, and that this location, and that this location, and the location or has a right to drill this well at this location, and the location or has a right to drill this well at this location, and the location or has a right to drill this well at this location, and the location or has a right to drill this well at this location, and the location or has a right to drill this well at this location, and the location or has a right to drill this location, and the location or has a right to drill this location, and the location or has a right to drill this location.	¹⁰ Surface Location
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 Consolidated Acres 13 Joint or Infill 14 Consolidation Code 15 Order No. 320 E/2 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division. 16 PERATOR CERTIFICATION In the Information contained herein is true and contained herein is tr	UL or lot no. Section Township Range Lot I'dn Feet from the North/South line Feet from the East/West line
UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line Dedicated Acres 3 Joint or Infill 4 Consolidation Code 15 Order No. 3 2 0 E / 2 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division. To OPERATOR CERTIFICATION In the information contained here in true and contained here in true and contained here in the land including the potential or or has a right to drill this well at this location.	1700 2000 1000
Dedicated Acres 3 Joint or Infill 4 Consolidation Code 5 Order No. 320 E/2 No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division. 16 17 OPERATOR CERTIFICATION Interest or unlessed mineral interest in the land including the bottom hole location or has a right to drill this well at this location,	
No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division. 16 17 OPERATOR CERTIFICATION Interest of the land industry of the land	UL or lot no. Section Township Range Lot Idn Feet from the North/South line Feet from the East/West line
VO-5873 VO-5873 VO-5873 Woluntary pooling agreement or a compulsory pooling order heretoft by the division. Monti Sanders Printed Name montis@yatespetroleum.co E-mail Address 18SURVEYOR CERTIFICATI I hereby certify that the well location shown on this p plotted from field notes of actual surveys made by me my supervision, and that the same is true and correct	No allowable will be assigned to this completion until all interests have been consolidated or a non-standard unit has been approved by division. 16 17 OPERATOR CERTIFICATION In the information contained herein is true and contained the initial interest in the land including the bottom hole location or has a right to drill this well at this location a contract with an owner of such a mineral or working interest, or voluntary pooling agreement or a compulsory pooling order hereton by the division.

EO-9718

Signature and Seal of Professional Surveyor:

Certificate Number

REFER TO ORIGINAL PLAT

DISTRICT I 1625 N. French Dr., Hobbs, NM 88240

APR 13 2011

Form C-102 Revised October 12, 2005

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

DISTRICT II 1301 W. Grand Avenue, Artesia, NM 68210

DISTRICT III

HOBBSUCE 1220 South St. F----

1000 Rio Brazos Rd., Aztec, NM 8741 DISTRICT IV 1229 S. St. Francis Dr., Santa Fe, NM 87505 Santa Fe, New Mexico 87505

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name Wildcat Pennsylvanian		
Property Code	Property DALTON "BDE"		Well Number	
OGRID No. 025575	Operato YATES PETRO	•	Elevation 4140°	

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
В	13	12 S	34 E		800	NORTH	1980	EAST	LEA

Bottom Hole Location If Different From Surface

Docton note pocación a parocera a como como como como como como como c									
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acre	s Joint o	r Infill Co	onsolidation	Code Or	der No.	<u> </u>			<u> </u>
320 E/2									

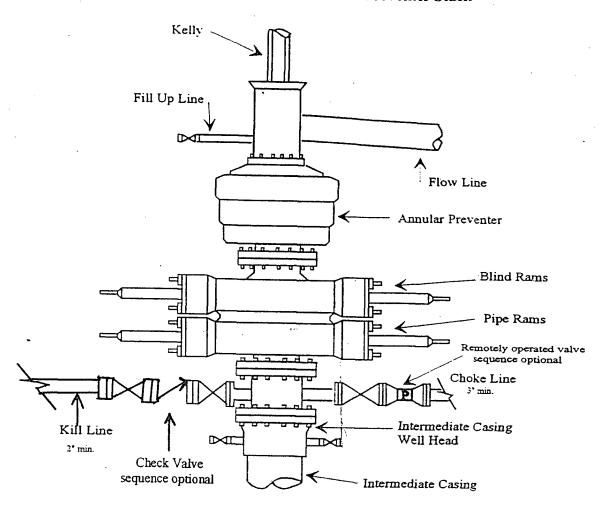
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

 OR R NON STAN			
1	/ / /		OPERATOR CERTIFICATION
SURFACE LOCATION Lat - N33*17*01.58* Long - W103*27*42.99* SPC- N.: 831894.221 E.: 807631.158 (NAD-83)	800,	1980'	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 confract 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.
 + 			Cliffu R. May 5/6/08 Signature Date
1			Clifton R. May
1			SURVEYOR CERTIFICATION
		L	
: 			I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by ms or under my supervison and that the same is true and correct to the best of my belief.
			APRIL 22, 2008
 			Signatur & Cal Mix Professional States
[]]			7 3 3
į	1///	i ///	Certificate No. Ggry L. Jones 7977
!		////	Basin surveyS



Yates Petroleum Corporation

Typical 5,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

