

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

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APR 25 2011
HOBBSCO

Oil Conservation Division

1220 South St. Francis Dr.

Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORTAPPLICATION 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 27836 12353	⁵ Property Name HARRIS AAU STATE	³ API Number 30 - 025 - 40121
⁹ Proposed Pool 1 Saunders Perno Upper Penn (55120)		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
E	12	14S	33E		1650'	North	330'	West	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 R	¹⁴ Lease Type Code State	¹⁵ Ground Level Elevation 4188'
¹⁶ Multiple N	¹⁷ Proposed Depth 10100'	¹⁸ Formation Bough	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#	400'	450	Surface
12.5"	9.625"	40#	4250'	1400	Surface
8.75	5.5	17#	10100'	1700	3750'

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.

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Yates Petroleum Corporation proposes to drill and test the Bough and intermediate formations. Approximately 400' of surface casing will be set and cemented. Intermediate casing will be set at 4250', 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' Fresh Water Gel; 400'-1740' Fresh Water; 1740'-4250' Red Bed Mud/Oil; 4250'-7650' Cut Brine; 7650'-10100' SW Gel/Starch.

BOPE PROGRAM: A 5000# BOPE will be installed on the 9.625" casing and tested daily.

No H2S is anticipated.

C-144 attached.

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

Signature:



Printed name:

Monti Sanders

Title:

Land Regulatory Technician

E-mail Address:

montis@yatespetroleum.com

Date:

4/22/11

Phone:

575-748-4244

OIL CONSERVATION DIVISION

Approved by:



Title:

Geologist

Approval Date:

4/28/11

Expiration Date:

4/28/13

Conditions of Approval Attached ☐

MAY 04 2011

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2040 South Pacheco, Santa Fe, NM 87505

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APR 25 2011

HOBBS

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

HOBBSD CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-40121	Pool Code 55120	Pool Name Saunders; Permo Upper Penn
Property Code 12353	Property Name HARRIS "AAU" STATE	Well Number 3
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 4188

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	12	14S	33E		1650	NORTH	330	WEST	LEA

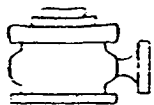
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40 SW/NW		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

<div>1650'</div> <div>330'0</div> <div>N.33°07'18.6" W.103°34'31.3" N.772699.8 E.773397.1 (NAD-83) LG-2359</div>				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Monti Sanders</i></p> <p>Signature</p> <p>Monti Sanders</p> <p>Printed Name</p> <p>Land Regulatory Technician</p> <p>Title</p> <p>April 22, 2011</p> <p>Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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>5/10/2006</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>Herschel L. Jones</p> <p>Certificate No. Herschel L. Jones RLS 3640</p> <p>GENERAL SURVEYING COMPANY</p>

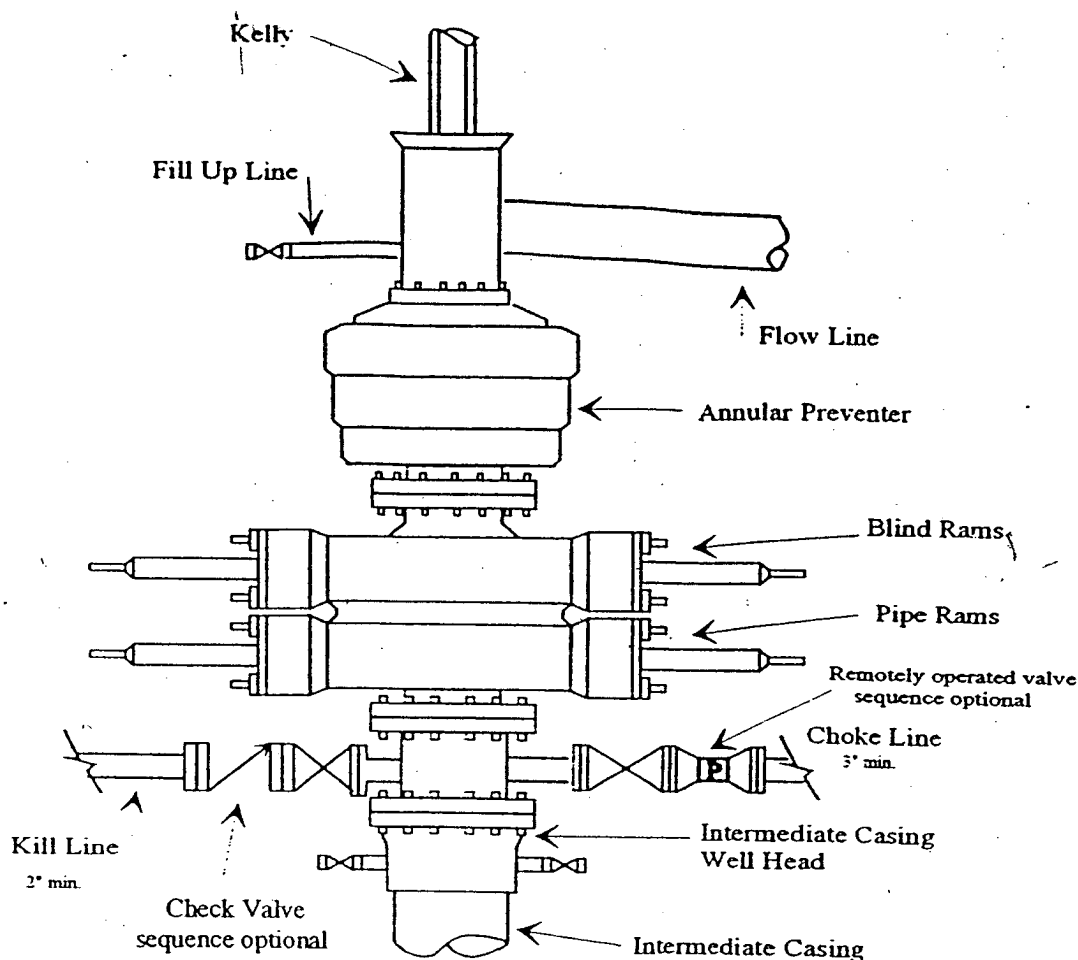
0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'



Yates Petroleum Corporation

BOP-4

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

