

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-101
Revised July 18, 2013

☐ 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. 4 th STREET ARTESIA, NM 88210		² OGRID Number 25575
		³ API Number 30-05-41692
⁴ Property Code 35384	⁵ Property Name DOC BHU STATE	⁶ Well No. 003H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
N	5	25S	30E	N	330	S	1980	W	EDDY

*** Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
K	5	25S	30E	K	2310	S	1980	W	EDDY

9. Pool Information

Pool Name Pierce Crossing, Bone Spring, North	Pool Code 96448
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Additional Well Information

¹¹ Work Type New Well	¹² Well Type OIL	¹³ Cable/Rotary	¹⁴ Lease Type State	¹⁵ Ground Level Elevation 3216
¹⁶ Multiple N	¹⁷ Proposed Depth 9626	¹⁸ Formation Bone Spring	¹⁹ Contractor	²⁰ Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

☒ We will be using a closed-loop system in lieu of lined pits

RECEIVED
SEP 16 2013

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated SMC
Surf	17.5	13.375	48	650	525	
Int1	12.25	9.625	40	3550	950	
Int2	8.75	7	26	8123	850	3000
Prod	7.875	5.5	11.6	9626	650	6800

Casing/Cement Program: Additional Comments

H2S is not anticipated for this well

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that I have complied with 19.15.14.9 (A) NMAC <input type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input type="checkbox"/> , if applicable. Signature: <i>Lori Flores</i>		OIL CONSERVATION DIVISION Approved By: <i>T. C. Shepard</i> Title: "Geologist" Approved Date: <i>9/19/2013</i> Expiration Date: <i>9/19/2015</i>	
Printed name: Lori Flores Title: Land Regulatory Tech E-mail Address: lorif@yatespetroleum.com		(Conditions of Approval Attached)	
Date: 9/13/2013 Phone: 575-748-4448			

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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 August 1, 2011
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code 96448		³ Pool Name PIERCE CROSSING, BONE SPRING, NORTH	
⁴ Property Code 35384		⁵ Property Name DOC BHU STATE			⁶ Well Number 3H
⁷ OGRID No. 25575		⁸ Operator Name YATES PETROLEUM CORPORATION			⁹ Elevation 3216

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
N	5	25S	30E		330	South	1980	West	Eddy

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
K	5	25S	30E		2310	South	1980	West	Eddy

¹² Dedicated Acres 80.00	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 	VO-6670 BHL 2310' FSL & 1980' FWL Penetration point 807' FSL & 1980' FWL SLH 330' FSL & 1980' FWL	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 12/14/12 Printed Name Lori Flores E-mail Address lorif@yatespetroleum.com
		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> SEE ORIGINAL PLAT ATTACHED Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised October 15, 2009

Submit one copy to appropriate
District Office

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-015-41692	Pool Code 96448	Pool Name PIERCE CROSSING, BONE SPRING, NORTH
Property Code 35384	Property Name DOC "BHU" STATE	Well Number 3H
OGRID No.	Operator Name YATES PETROLEUM CORP.	Elevation 3216'

Surface Location

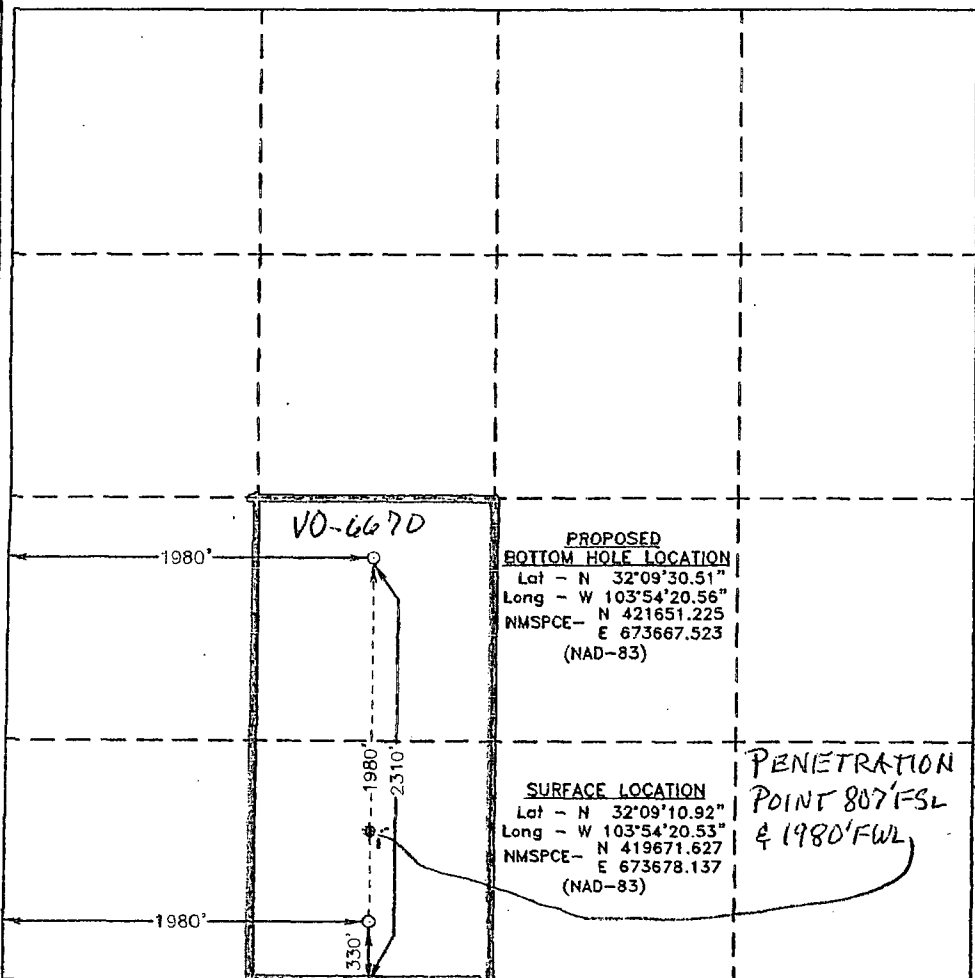
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	5	25 S	30 E		330	SOUTH	1980	WEST	EDDY

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
K	5	25 S	30 E		2310	SOUTH	1980	WEST	EDDY

Dedicated Acres 80	Joint or Infill	Consolidation Code	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

 <p>PROPOSED BOTTOM HOLE LOCATION Lat - N 32°09'30.51" Long - W 103°54'20.56" NMSPCE - N 421651.225 E 673667.523 (NAD-83)</p> <p>SURFACE LOCATION Lat - N 32°09'10.92" Long - W 103°54'20.53" NMSPCE - N 419671.627 E 673678.137 (NAD-83)</p> <p>PENETRATION POINT 807' FSL & 1980' FWL</p>	<p>OPERATOR CERTIFICATION</p> <p>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>Clifton May</i> Signature Date 11/20/2009</p> <p>CLIFTON MAY Printed Name</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>NOVEMBER 02 2009 Date Surveyed Signature of Surveyor Professional Surveyor No. 2190 Certificate No. 7977</p> <p>BASIN SURVEYS</p>
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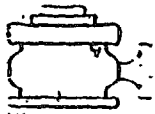
Permit Comments

Operator: YATES PETROLEUM CORPORATION, 25575

Well: DOC BHU STATE #003H

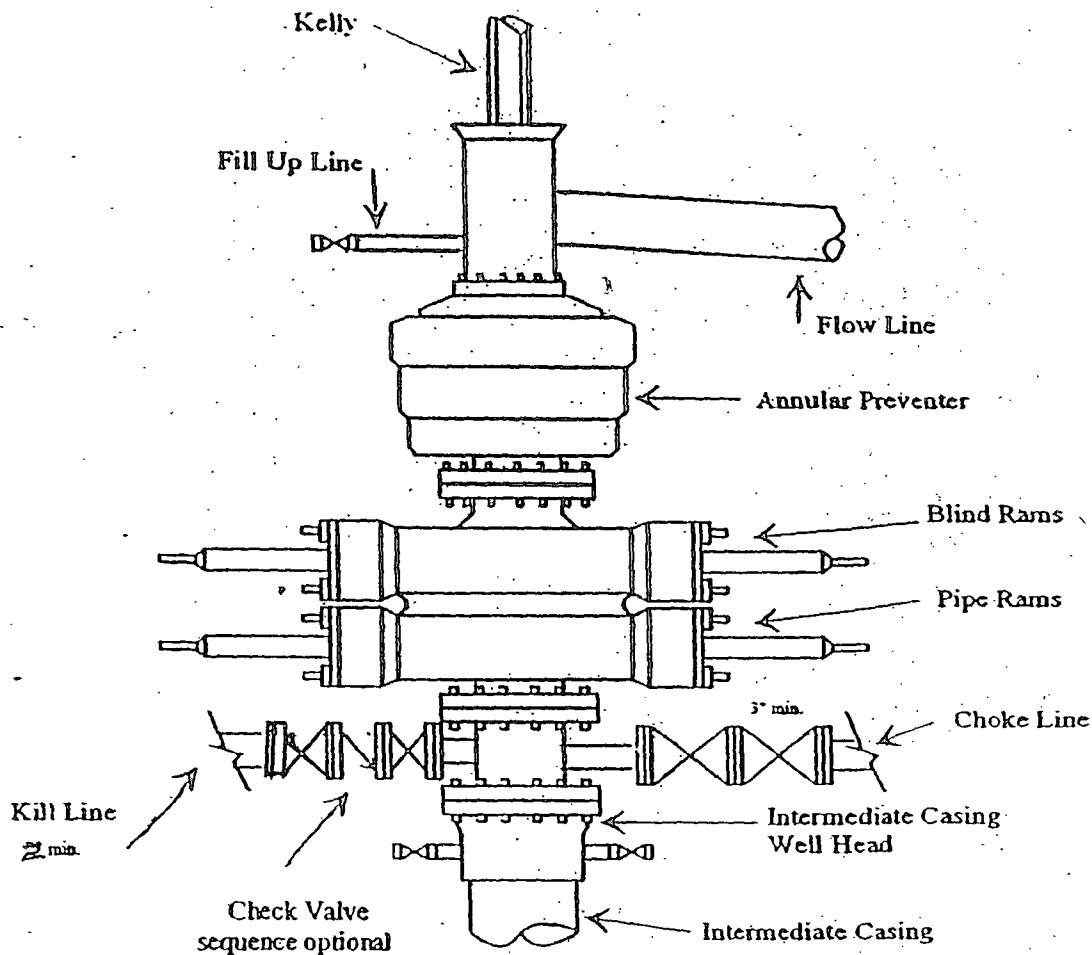
API:

Created By	Comment	Comment Date
LFILORES	Well will be drilled vertically to 7373'. At 7373' well will be kicked off at 12 degrees per 100' with an 8 3/4" hole to 8123'MD (7850'TVD). If hole conditions dictate, 7" casing will be set. A 6 1/8" hole will then be drilled to 9626'MD(7850'TVD) where 4 1/2" casing will be set and cemented.	12/13/2012
LFILORES	If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 9626'MD(7850'TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be at 807'FSL and 1980'FWL, 5-25S-30E. Deepest TVD in the well is 7850' in the lateral.	12/13/2012
LFILORES	MUD PROGRAM: 0-650' Fresh Water; 650'-3550' Brine Water; 3550'-7575' Cut Brine; 7373'-9626' Cut Brine(lateral).	12/13/2012
LFILORES	BOP PROGRAM: 3000# psi system nipped up on 13 3/8" and 8 5/8" casing.	12/13/2012
LFILORES	Maximum Anticipated BHP: Depths are TVD 0-650' 311 PSI, 650'-3550' 1883 PSI, 3550'-7850' 3796 PSI	12/13/2012
N/A b LFILORES	C-144 for a Closed Loop System to follow by mail. Contingency Casing Design and Directional Drilling Plan also to follow by mail.	12/13/2012
LFILORES	Previously approved.	12/13/2012

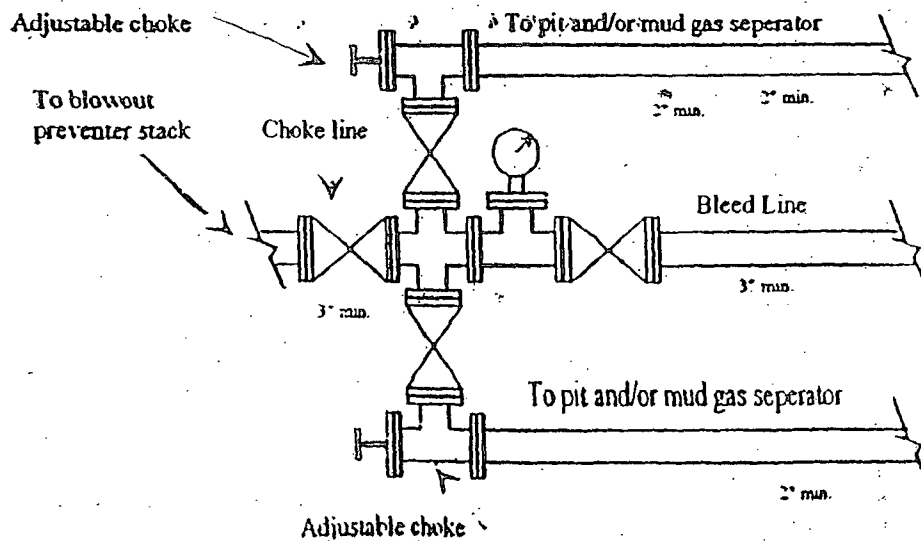


Yates Petroleum Corporation
Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

BOP-3



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



Doc BHU State #3H

Contingency Casing Design

If hole conditions dictate, 7" casing will be set at 8,123' MD (7,850' TVD). A 6 1/8" hole will then be drilled to 9,626' MD (7,850' TVD) where 4 1/2" casing will be set and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 7300'.

2nd Intermediate

0 ft to 100 ft				Make up Torque ft-lbs			Total ft = 100
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
4,320 psi	4,980 psi	367,000 #	415,000 #	6.151			

100 ft to 5,700 ft				Make up Torque ft-lbs			Total ft = 5,600
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	23 #/ft	J-55	LT&C	3130	2350	3910	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
3,270 psi	4,360 psi	313,000 #	366,000 #	6.25			

5,700 ft to 8,123 ft				Make up Torque ft-lbs			Total ft = 2,423
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
7 inches	26 #/ft	J-55	LT&C	3670	2750	4590	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
4,320 psi	4,980 psi	367,000 #	415,000 #	6.151			

DV tool placed at 6800'

Stage I: Cemented w/300sx PVL (YLD 1.41 Wt 13) TOC= 6800'

Stage II: Cemented w/810sx PVL (YLD 1.41 Wt 13) TOC= 3000'

Production

0 ft to 9,626 ft				Make up Torque ft-lbs			Total ft = 9,626
O.D.	Weight	Grade	Threads	opt.	min.	mx.	
4.5 inches	11.6 #/ft	HCP-110	LT&C	3020	2270	3780	
Collapse Resistance	Internal Yield	Joint Strength	Body Yield	Drift			
8,650 psi	10,690 psi	279,000 #	367,000 #	3.875			

DV tool placed at approx. 7300' and cemented with one stage up to dv tool. After completion procedures, the 4 1/2" casing will be cut and pulled at 7300'.

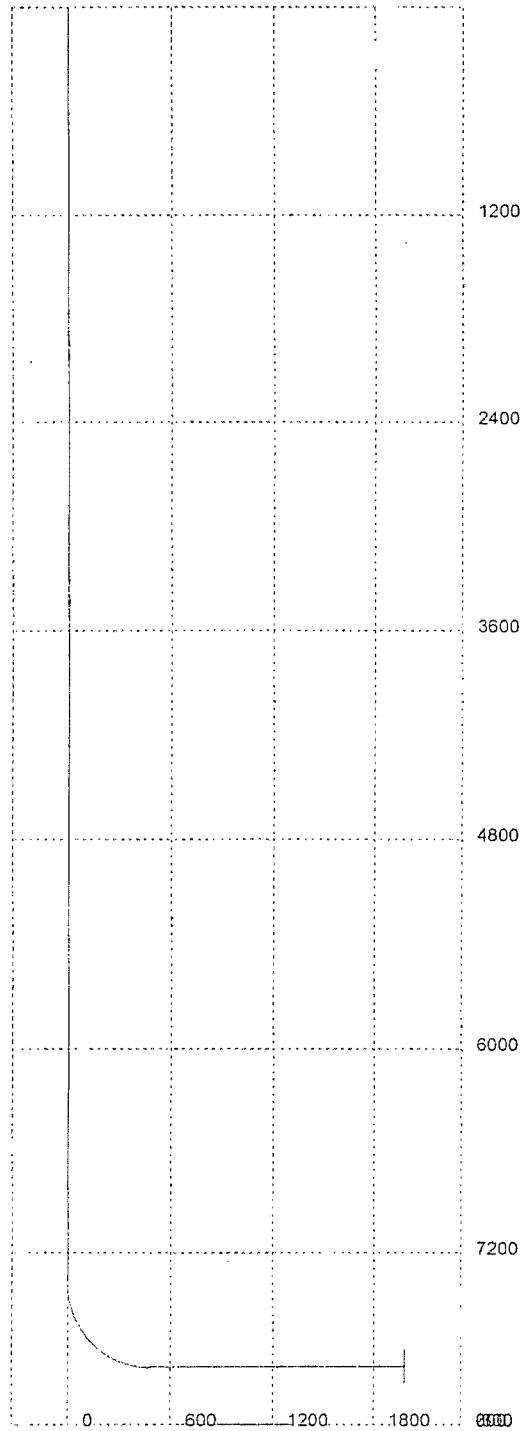
Cemented w/310sx PVL (YLD 1.41 Wt 13) TOC= 7300'

M.D.	Inclination	Azimuth	T.V.D.	N+S	E+W	D.L.S.	ToolFace	T.F. Ref. (HS/GN)	
0	0	0	0	0	0	0			
625	0	0	625	0	0	0			RUSTLER
695	0	0	695	0	0	0			TOP OF SALT
3,455	0	0	3,455	0	0	0			BASE OF SALT
4,065	0	0	4,065	0	0	0			BELL CANYON
5,430	0	0	5,430	0	0	0			CHERRY CANYON
6,670	0	0	6,670	0	0	0			BRUSHY CANYON
7,240	0	0	7,240	0	0	0			BRUSHY CANYON MARKER
7373	0	0	7373	0	0	12	0	GN	KOP
7375	0.24	0	7375	0	0	12	0	HS	
7400	3.24	0	7399.99	0.76	0	12	0	HS	
7425	6.24	0	7424.9	2.83	0	12	0	HS	BONE SPRINGS
7450	9.24	0	7449.67	6.2	0	12	0	HS	
7475	12.24	0	7474.23	10.85	0	12	0	HS	
7500	15.24	0	7498.51	16.79	0	12	0	HS	
7525	18.24	0	7522.45	23.99	0	12	0	HS	
7550	21.24	0	7545.97	32.43	0	12	0	HS	
7575	24.24	0	7569.03	42.1	0	12	0	HS	
7600	27.24	0	7591.54	52.95	0	12	0	HS	
7625	30.24	0	7613.46	64.97	0	12	0	HS	
7650	33.24	0	7634.72	78.12	0	12	0	HS	
7675	36.24	0	7655.26	92.37	0	12	0	HS	
7700	39.24	0	7675.03	107.67	0	12	0	HS	
7725	42.24	0	7693.97	123.98	0	12	0	HS	
7750	45.24	0	7712.03	141.26	0	12	0	HS	
7775	48.24	0	7729.16	159.47	0	12	0	HS	
7800	51.24	0	7745.32	178.54	0	12	0	HS	
7825	54.24	0	7760.45	198.44	0	12	0	HS	
7850	57.24	0	7774.52	219.1	0	12	0	HS	
7875	60.24	0	7787.49	240.46	0	12	0	HS	
7900	63.24	0	7799.33	262.48	0	12	0	HS	
7925	66.24	0	7810	285.09	0	12	0	HS	
7950	69.24	0	7819.47	308.22	0	12	0	HS	
7975	72.24	0	7827.71	331.82	0	12	0	HS	
8000	75.24	0	7834.71	355.82	0	12	0	HS	
8025	78.24	0	7840.45	380.15	0	12	0	HS	
8050	81.24	0	7844.9	404.75	0	12	0	HS	
8075	84.24	0	7848.06	429.54	0	12	0	HS	
8100	87.24	0	7849.91	454.47	0	12	0	HS	
8123.15	90.02	0	7850.47	477.61	0	12	0	HS	BONE/SPRINGS PAY
9625.54	90.02	0	7850	1980	0	0			LATERAL TD

Well will be drilled vertically to 7373'. At 7373' well will be kicked off at 12 degrees per 100' with an 8 3/4" hole to 8123' MD (7,850' TVD). If hole conditions dictate, 7" casing will be set. A 6 1/8" hole will then be drilled to 9,626' MD (7,850' TVD) where 4 1/2" casing will be set and cemented. If 7" is not set, then hole size will be reduced to 7 7/8" and drilled to 9,626' MD (7,850' TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be at 807' FSL and 1980' FWL, 5-25S-30E. Deepest TVD in the well is 7850' in the lateral.

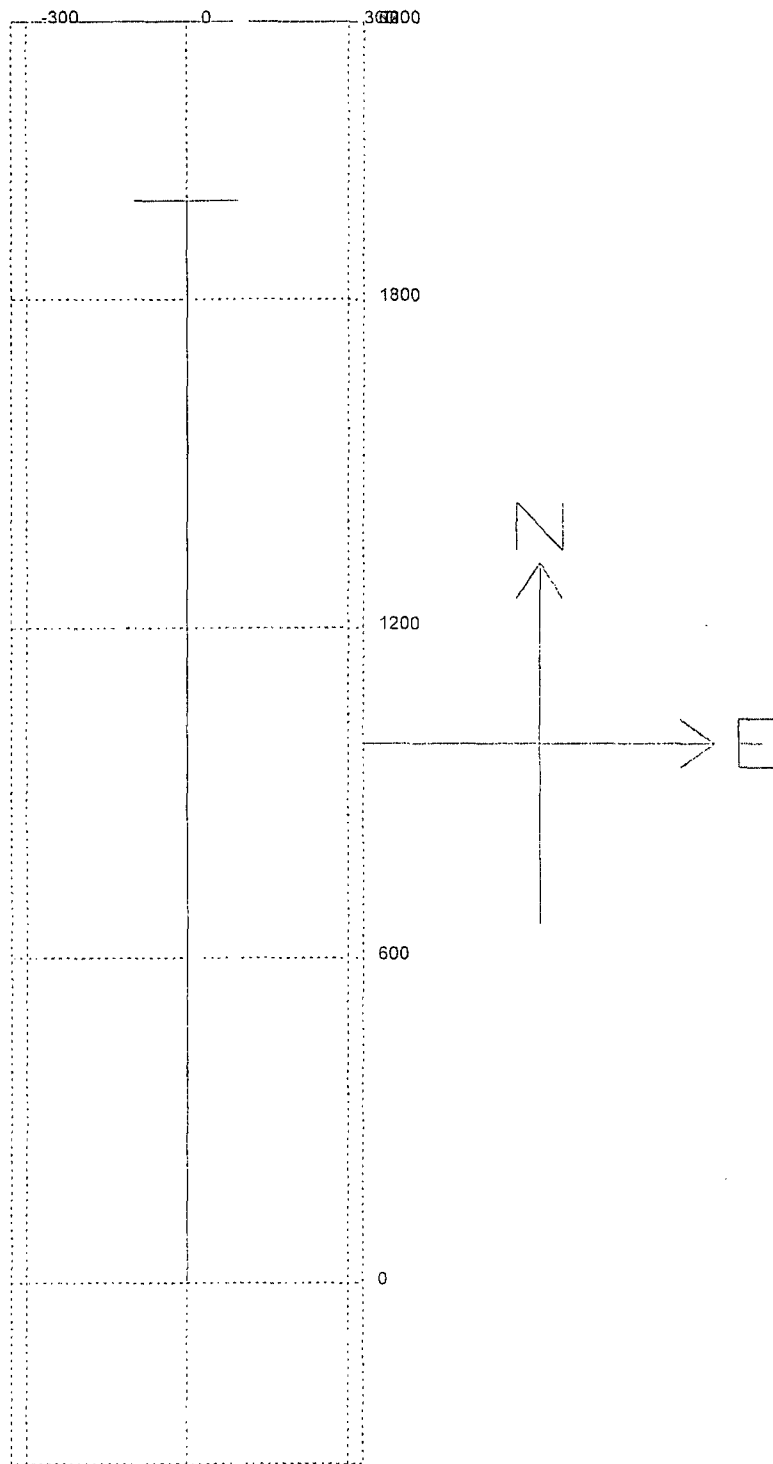
3D Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Doc BHU State #3H



3D Directional Drilling Planner - 3D View

Company: Yates Petroleum Corporation
Well: Doc BHU State #3H



Permit Conditions of Approval

API: 30-015-41692

OCD Reviewer	Condition
CSHAPARD	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

*Per Lori to KS 9/19: Closed loop System
will be utilized during dily/
Completion operations*