

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

NM OIL CONSERVATION
ARTESIA DISTRICT

Form C-101
Revised July 18, 2013

SEP 08 2015

☐ AMENDED REPORT

RECEIVED

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

| | | |
|--|---|---------------------------|
| 1. Operator Name and Address YATES PETROLEUM CORPORATION 105 S 4th St Artesia, NM 88210 | | 2. OGRID Number 025575 |
| 3. API Number 30-015-43367 | | 4. Well No. 011 |
| 5. Property Code 315260 | 6. Property Name Lost Tank SWD STATE | |

| 7. Surface Location | | | | | | | | | |
|---------------------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| K | 36 | 21S | 31E | | 2080 | S | 2397 | E | Eddy |

| 8. Proposed Bottom Hole Location | | | | | | | | | |
|----------------------------------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
| UL - Lot | Section | Township | Range | Lot Idn | Feet from | N/S Line | Feet From | E/W Line | County |
| | | | | | | | | | |

| | | |
|---|--|--------------------|
| 9. Pool Information | | 96101 |
| Pool Name SWD Lost Tank, Delaware | | Pool Code 40299 |

| Additional Well Information | | | | |
|-----------------------------|-----------------------------|--|-------------------------|---|
| 11. Work Type New Well | 12. Well Type SWD | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3675 3586 |
| 16. Multiple N | 17. Proposed Depth 15158 | 18. Formation Devonian | 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

21. Proposed Casing and Cement Program

| Type | Hole Size | Casing Size | Casing Weight/ft | Setting Depth | Sacks of Cement | Estimated TOC |
|-------|-----------|-------------|------------------|---------------|-----------------|---------------|
| Surf | 26 | 20 | 94 | 610 | 980 | 0 |
| Int 1 | 17.5 | 13.375 | 54.50 | 4500 | 3190 | 0 |
| Int 2 | 12.25 | 9.625 | 43.50 | 11700 | 1915 | 0 |
| Prod | 8.5 | 7 | 32 | 15265 | 515 | 11200 |
| Prod | 5.875 | Open Hole | 0 | 15600 | 0 | 15265 |

Casing/Cement Program: Additional Comments

Samples: 30' Sample to 4500'. 10' Samples 4500'-TD; Logging: SCH: PLATFORM EXPRESS CNL/LDT/NGT-TD-INTERM CSG CNL/GR-TD-SURF CSG DLL-MSFL-TD-SURF CSG BHC-SONIC-TD-SURF CSG; Mudlogging: On Below Surface Casing; MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-610' 292 PSI 610'-4500' 2387 PSI 4500'-11700' 5597 PSI 11700'-15265 8732 PSI 15265'-15600' 6976 PSI; H2S is not anticipated. Well will be drilled vertically to 15,600'. 7" casing will be set and cemented 500' into previous casing string with a liner hanger at approx. 11,200'. Open hole approx. from 15,265'-15,600'.

22. Proposed Blowout Prevention Program

| Type | Working Pressure | Test Pressure | Manufacturer |
|------------|------------------|---------------|--------------|
| Double Ram | 3000 | 3000 | |
| Double Ram | 5000 | 5000 | |

| | | | |
|--|---------------------|---|--|
| 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>[Signature]</i> | | OIL CONSERVATION DIVISION | |
| Printed name: Travis Hahn | | Approved By: <i>[Signature]</i> | |
| Title: Land Regulatory Agent | | Title: <i>District Supervisor</i> | |
| E-mail Address: thahn@yatespetroleum.com | | Approved Date: 9/16/2015 Expiration Date: 9/16/2017 | |
| Date: 9/8/2015 | Phone: 575-748-4120 | Conditions of Approval Attached | |

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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 August 12, 2011

Submit one copy to appropriate
District Office

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

| | | | |
|-----------------------------------|---|---------------------------------|--|
| API Number 30-015-43367 | | Pool Code 40299-96101 | Pool Name SWD Leat Tank; Delaware |
| Property Code 315260 | Property Name LOST TANK SWD STATE | | Well Number 11 |
| OGRID No. 025575 | Operator Name YATES PETROLEUM CORPORATION | | Elevation 3586' |

Surface Location

| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | SOUTH/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 36 | 21 S | 31 E | | 2080 | SOUTH | 2397 | WEST | EDDY |

Bottom Hole Location If Different From Surface

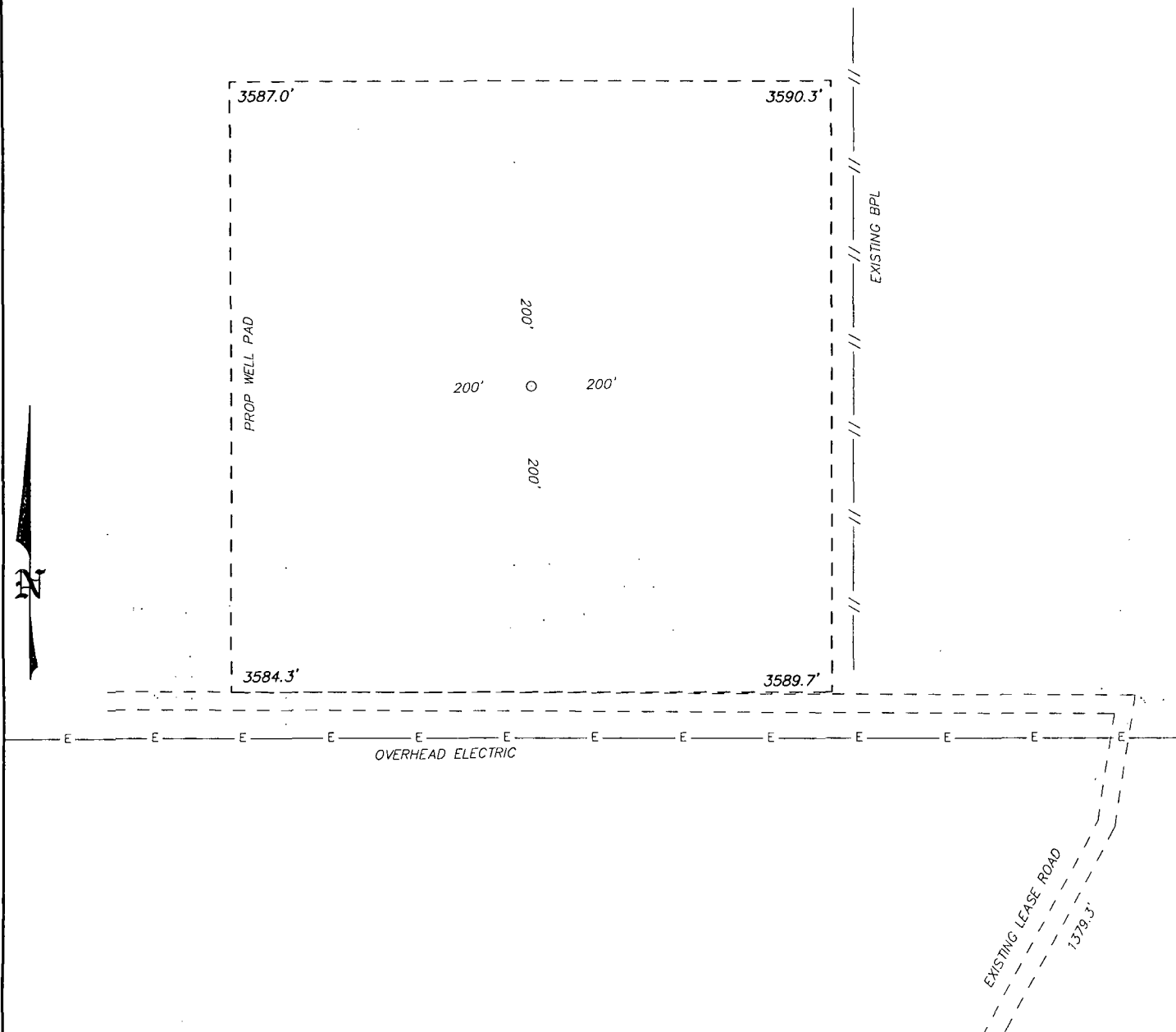
| UL or lot No. | Section | Township | Range | Lot Idn | Feet from the | SOUTH/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

| Dedicated Acres | Joint or Infill | Consolidation Code | Order No. |
|-----------------|-----------------|--------------------|-----------|
| 40.00 | | | |

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>SURFACE LOCATION Lat - N 32°26'00.64" Long - W 103°43'56.23" NMSPCE - N 521962.6 E 726776.8 (NAD-83)</p> | | <p>OPERATOR CERTIFICATION 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>Cy Cowan</i> 9/25/15 Signature _____ Date _____ Printed Name _____ Email Address <u>cy@yatespetroleum.com</u></p> | |
| <p>SURVEYOR CERTIFICATION 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. ALICIA L251015 Date Surveyed _____ Signature & Seal of Professional Surveyor _____ Certificate No. 7977 BRANN SURVEYORS</p> | | <p>Scale: 1" = 2000' WO Num.: 31899</p> | |

SECTION 36, TOWNSHIP 21 SOUTH, RANGE 31 EAST. N.M.P.M.,
EDDY COUNTY, NEW MEXICO.



basin
surveys
focused on excellence
in the oilfield

P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

REF: LOST TANK SWD STATE #11/ WELL PAD TOPO

THE LOST TANK SWD STATE #11 LOCATED 2080' FROM
THE SOUTH LINE AND 2397' FROM THE WEST LINE OF
SECTION 36, TOWNSHIP 21 SOUTH, RANGE 31 EAST.

N.M.P.M., EDDY COUNTY, NEW MEXICO.

W.O. Number: 31899

Drawn By: J GOAD

Date: 8-25-2015

Survey Date: 8-24-2015

Sheet 1 of 1 Sheets