

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 Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

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

Form C-101
August 1, 2011
Permit 146564

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 25575
		3. API Number 30-025-40513
4. Property Code 39142	5. Property Name ADDER BSE STATE	6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	31	24S	33E	B	175	N	2200	E	LEA

8. Pool Information

WILDCAT G-06 S253201N;BONE SPRING	97784
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Additional Well Information

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3547
14. Multiple N	15. Proposed Depth 14110	16. Formation 2nd Bone Spring Carbonate	17. Contractor	18. Spud Date 7/1/2012
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

19. Proposed Casing and Cement Program

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	48	600	478	0
Int1	12.25	9.625	40	5060	1640	0
Prod	8.75	5.5	20	14110	1265	8500
Prod	8.75	5.5	20	9060	750	4050

Casing/Cement Program: Additional Comments

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Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines ☐ , a general permit ☐ , or an (attached) alternative OCD-approved plan ☐ .	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by LORI FLORES	Approved By: Paul Kautz
Title:	Title: Geologist
Email Address: lorif@yatespetroleum.com	Approved Date: 4/6/2012 Expiration Date: 4/6/2014
Date: 4/2/2012 Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 146564

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-40513	2. Pool Code 97784	3. Pool Name WILDCAT G-06 S253201N;BONE SPRING
4. Property Code 39142	5. Property Name ADDER BSE STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3547

10. Surface Location

UL - Lot B	Section 31	Township 24S	Range 33E	Lot Idn	Feet From 175	N/S Line N	Feet From 2200	E/W Line E	County LEA
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11. Bottom Hole Location If Different From Surface

11. Bottom Hole Location If Different From Surface									
UL - Lot O	Section 31	Township 24S	Range 33E	Lot Idn O	Feet From 330	N/S Line S	Feet From 2200	E/W Line E	County LEA
12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code			15. 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

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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ADDER BSE STATE #001H

API: 30-025-40513

Created By	Comment	Comment Date
clif	C-144, C-102 and H2S plan to follow by mail.	4/2/2012
clif	H2S is anticipated.	4/2/2012
clif	Samples: 30' samples to 4500' then 10' samples to TD.	4/2/2012
clif	Maximum anticipated BHP (Depths are TVD): 0'-600' is 287 PSI, 600'-5000' is 2652 PSI, 5000'-9540' is 4564 PSI, and 9540'-11300' is 5406 PSI.	4/2/2012
clif	Pilot hole will be drilled vertically to 11300'. Well will be plugged back at pilot hole TD with a 200' cement plug at KOP with a 500'-800' kick off plug. Well will then be kicked off at approximately 9063' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 9813' MD (9540' TVD). Hole size will then be reduced to 8.5" and drilled to 14110' MD (9540' TVD). Penetration point will be encountered at 652' FNL & 2196' FEL, deepest TVD will be 11300' in the pilot hole, deepest TVD in lateral will be 9540'.	4/2/2012
pkautz	land s/S	4/2/2012
CHERRERA	OCD RECIEVED FORM C144 CLEZ. OCD PERMIT # P1-04407	4/6/2012

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ADDER BSE STATE #001H

API: 30-025-40513

OCD Reviewer	Condition
pkautz	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