

**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  
Revised July 18, 2013  
Permit 170871

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

1. Operator Name and Address <b>YATES PETROLEUM CORPORATION</b> 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-015-41583
4. Property Code 40048	5. Property Name SEARS BRS	6. Well No. 002H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	21	18S	26E	D	300	N	220	W	EDDY

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	17	18S	26E	M	960	S	330	W	Eddy

**9. Pool Information**

ATOKA;GLORIETA-YESO	3250
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**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3388
16. Multiple N	17. Proposed Depth 7822	18. Formation Yeso Formation	19. Contractor	20. Spud Date 9/15/2013
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 Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	1000	750	0
Prod	8.75	5.5	26	2300	350	0
Prod	8.5	5.5	17	7822	200	0

**Casing/Cement Program: Additional Comments**

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**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 I have complied with 19.15.14.9 (A) NMAC <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable. Signature: _____ Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 7/31/2013	<b>OIL CONSERVATION DIVISION</b> Approved By: Randy Dade Title: District Supervisor Approved Date: 8/7/2013    Expiration Date: 8/7/2015 Conditions of Approval Attached
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 170871

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-41583	2. Pool Code 3250	3. Pool Name ATOKA;GLORIETA-YESO
4. Property Code 40048	5. Property Name SEARS BRS	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3388

**10. Surface Location**

UL - Lot D	Section 21	Township 18S	Range 26E	Lot Idn	Feet From 300	N/S Line N	Feet From 220	E/W Line W	County EDDY
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**11. Bottom Hole Location If Different From Surface**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
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**

<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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(s) 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></p> <p>E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 7/31/2013</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></p> <p><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></p> <p>Surveyed By: Gary Jones Date of Survey: 7/9/2013 Certificate Number: 7977</p>	
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## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** SEARS BRS #002H

**API:** 30-015-41583

Created By	Comment	Comment Date
THAHN	C-102, H2S plan and drilling program hard copies will be turned in.	7/31/2013
THAHN	Hole will be drilled vertically to 1952'. Well will then be kicked off at approximately 1952' and directionally drilled at 10 degrees per 100' with a 8.75" hole to 2955' MD (2565' TVD). Hole size will then be reduced to 8.5" and drilled to 7822' MD (2500' TVD) where a tapered string of 7" and 5.5" will be set with 7" casing set at approximately 2300' MD and 5.5" casing from 2300' MD to TD at 7822' MD. Production string will be cemented to surface with DV tool at approximately 2775' and packers and ports will be utilized in the lateral.	7/31/2013
THAHN	Penetration point of the producing zone to be stimulated will be encountered at 330' FSL and 330' FEL in Section 17-T18S-R26E. Deepest TVD in the well will be 2565' in the lateral.	7/31/2013
THAHN	Maximum anticipated BHP (Depths are TVD): 0'-1000' is 480 PSI, 1000'-2565' is 1227 PSI.	7/31/2013
CSHAPARD	Land f/P	7/31/2013

## Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** SEARS BRS #002H

**API:** 30-015-41583

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