

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 171668

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 30-015-41604
4. Property Code 40075	5. Property Name LOLA BUG	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
L	21	18S	26E	L	2040	S	230	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
L	20	18S	26E	L	2240	S	330	W	Eddy

9. Pool Information

ARTESIA; GLORIETA-YESO (O)	96830
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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 3414
16. Multiple N	17. Proposed Depth 7493	18. Formation Yeso Formation	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 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	2375	365	0
Prod	8.5	5.5	17	7493	825	2700

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: 8/14/2013 Phone: 575-748-4448	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 8/16/2013 Expiration Date: 8/16/2015 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 171668

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41604	2. Pool Code 96830	3. Pool Name ARTESIA; GLORIETA-YESO (O)
4. Property Code 40075	5. Property Name LOLA BUG	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3414

10. Surface Location

UL - Lot L	Section 21	Township 18S	Range 26E	Lot Idn	Feet From 2040	N/S Line S	Feet From 230	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;">OPERATOR CERTIFICATION</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: 8/14/2013</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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: 7/25/2013 Certificate Number: 7977</p>	
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: LOLA BUG #001H

API: 30-015-41604

Created By	Comment	Comment Date
THAHN	C-102, Drilling plan and H2S plan will follow in hard copy.	8/14/2013
THAHN	H2s is anticipated.	8/14/2013
THAHN	Maximum anticipated BHP: 0'-1000' is 452 PSI and 1000'-2545' is 1150 PSI.	8/14/2013
THAHN	Hole will be drilled vertically to 2068' and then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 2818' MD (2545' TVD). Hole size will then be reduced to 8.5" and drilled to 7493' MD (2545' TVD) where at tapered string of 7" and 5.5" casing will be set, with the 7" casing set at approximately 2375' MD and 5.5" casing from 2375' MD to TD at 7493' MD. Production string will be cemented in two stages to surface with a DV Tool at approximately 2700'. Penetration point of the producing zone to be stimulated will be encountered at 2062' FSL and 330' FEL, Sec. 2	8/14/2013
CSHAPARD	Land s/S	8/14/2013

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: LOLA BUG #001H

API: 30-015-41604

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