

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 174455

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

<b>1. Operator Name and Address</b> YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		<b>2. OGRID Number</b> 25575
<b>4. Property Code</b> 12594		<b>3. API Number</b> 30-015-41725
<b>5. Property Name</b> Nickson "BM"		<b>6. Well No.</b> 005H

**7. Surface Location**

UL - Lot	A	Section	30	Township	18S	Range	26E	Lot Idn	A	Feet From	600	N/S Line	N	Feet From	150	E/W Line	E	County	Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot	D	Section	30	Township	18S	Range	26E	Lot Idn	1	Feet From	400	N/S Line	N	Feet From	330	E/W Line	W	County	Eddy
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**9. Pool Information**

PENASCO DRAW;SA-YESO (ASSOC)	50270
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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 3440
16. Multiple N	17. Proposed Depth 2525	18. Formation Yeso Formation	19. Contractor	20. Spud Date 10/30/2013
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 Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	14.75	9.625	36	1000	750	0
Prod	8.75	5.5	17	2525	1180	0

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	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: 10/7/2013	<div style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></div>  Approved By: Randy Dade Title: District Supervisor Approved Date: 10/8/2013 Expiration Date: 10/8/2015 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102  
August 1, 2011  
Permit 174455

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-41725	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 12594	5. Property Name Nickson "BM"	6. Well No. 005H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3440

**10. Surface Location**

UL - Lot A	Section 30	Township 18S	Range 26E	Lot Idn	Feet From 600	N/S Line N	Feet From 150	E/W Line E	County Eddy
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 30	Township 18S	Range 26E	Lot Idn 1	Feet From 400	N/S Line N	Feet From 330	E/W Line W	County Eddy
12. Dedicated Acres 158.83	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**

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> </div> <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> <div style="width: 40px; height: 40px; border: 1px solid black; background-color: white; margin-bottom: 5px;"></div> </div>	<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:                10/7/2013</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:    8/6/2013 Certificate Number: 7977</p>
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**Santa Fe, NM 87505**

Form APD Comments

Permit 174455

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-41725
	Well: Nickson "BM" #005H

Created By	Comment	Comment Date
CMAY	Hole drilled vertically to 2115'. Well will be kicked off at approx. 2115' and drilled directionally at 12 degrees per 100' with an 8 3/4" hole to 2872' MD (2592' TVD). Hole size will be reduced to 8 1/2" and drilled to 6975' MD (2525' TVD) where 5 1/2" casing will be set. Production string will be cemented to surface. Penetration zone will be encountered at 582' FNL & 635' FEL, 30-18S-26E. Deepest TVD in the well is 2592' in the lateral.	10/3/2013
CSHAPARD	Land p/P	10/8/2013

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Form APD Conditions

Permit 174455

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41725
		Well: Nickson "BM" #005H

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