

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 176511

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
4. Property Code 38021		3. API Number 30-015-41780
5. Property Name CHEROOT BPF STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	P	Section	25	Township	25S	Range	27E	Lot Idn		Feet From	760	N/S Line	S	Feet From	330	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	M	Section	25	Township	25S	Range	27E	Lot Idn	M	Feet From	760	N/S Line	S	Feet From	330	E/W Line	W	County	Eddy
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9. Pool Information

HAY HALLOW; BONE SPRING, NORTH	30216
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3239
16. Multiple N	17. Proposed Depth 12159	18. Formation 2nd Bone Spring Sand	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	17.5	13.375	48	400	415	0
Int1	12.25	9.625	36	2400	820	0
Prod	8.5	5.5	17	12159	1315	4500
Prod	8.75	5.5	17	8002	515	1900

Casing/Cement Program: Additional Comments

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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 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: 11/4/2013	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Randy Dade Title: District Supervisor Approved Date: 11/5/2013 Expiration Date: 11/5/2015 Conditions of Approval Attached
Phone: 575-748-4448	

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Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 176511

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41780	2. Pool Code 30216	3. Pool Name HAY HALLOW; BONE SPRING, NORTH
4. Property Code 38021	5. Property Name CHEROOT BPF STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3239

10. Surface Location

UL - Lot P	Section 25	Township 25S	Range 27E	Lot Idn	Feet From 760	N/S Line S	Feet From 330	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 25	Township 25S	Range 27E	Lot Idn	Feet From 760	N/S Line S	Feet From 330	E/W Line W	County Eddy
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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center;">■</td></tr> </table>																■	<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: 11/4/2013</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: 10/3/2013 Certificate Number: 7977</p>
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Santa Fe, NM 87505

Form APD Comments

Permit 176511

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-41780
	Well: CHEROOT BPF STATE COM #002H

Created By	Comment	Comment Date
THAHN	C-102 and drilling plan will follow.	11/4/2013
THAHN	Samples: 30' Samples to 2400', 10' Samples 2400'-TD	11/4/2013
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-400' is 191 PSI 400'-2400' is 1273 PSI 2400'-7714' is 3690 PSI	11/4/2013
THAHN	Well will be drilled to 7237' then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 8002' MD (7714' TVD). Hole size will then be reduced to 8.5" and drilled to 12159' MD (7580' TVD) where 5.5" casing will be set and cemented 500' into intermediate casing with a DV tool at approx. at 4500'. Penetration point of producing zone will be encountered at 761' FNL and 823' FEL, 3-25S-27E. Deepest TVD is 7714' in the lateral.	11/4/2013
CSHAPARD	Land s/s	11/5/2013

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Santa Fe, NM 87505

Form APD Conditions

Permit 178511

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41780
		Well: CHEROOT BPF STATE COM #002H
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	