

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 180420

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 30-025-41631
		6. Well No. 002H
4. Property Code 39754	5. Property Name ACTION BTI STATE COM	

7. Surface Location

UL - Lot	C	Section	16	Township	24S	Range	33E	Lot Idn		Feet From	320	N/S Line	N	Feet From	1980	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	--	-----------	-----	----------	---	-----------	------	----------	---	--------	-----

8. Proposed Bottom Hole Location

UL - Lot	N	Section	16	Township	24S	Range	33E	Lot Idn	N	Feet From	330	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	------	----------	---	--------	-----

9. Pool Information

TRIPLE X;BONE SPRING, WEST	96674
----------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3608
16. Multiple N	17. Proposed Depth 15565	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	1255	945	0
Int1	12.25	9.625	36	5300	1730	0
Prod	8.5	5.5	17	15565	840	10700
Prod	8.75	5.5	17	11197	1075	4800

Casing/Cement Program: Additional Comments

--

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: 1/24/2014	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 1/27/2014 Expiration Date: 1/27/2016 Conditions of Approval Attached
Phone: 575-748-4448	

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 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-102
August 1, 2011
Permit 180420

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41631	2. Pool Code 96674	3. Pool Name TRIPLE X;BONE SPRING, WEST
4. Property Code 39754	5. Property Name ACTION BTI STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3608

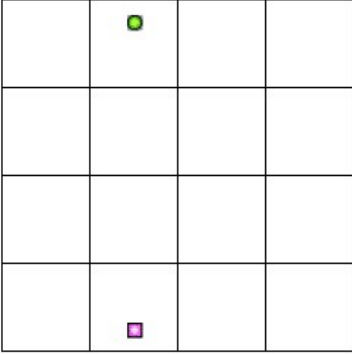
10. Surface Location

UL - Lot C	Section 16	Township 24S	Range 33E	Lot Idn	Feet From 320	N/S Line N	Feet From 1980	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

UL - Lot N	Section 16	Township 24S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	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

	<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: 1/24/2014</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: 1/8/2014 Certificate Number: 7977</p>
-----------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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

Form APD Comments

Permit 180420

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

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41631
	Well: ACTION BTI STATE COM #002H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated, C-102 and C-144 to follow by mail.	1/24/2014
THAHN	Samples: 30' Sample to 5300'. 10' Samples 5300'-TD Logging: HORIZONTAL-MWD-GR-HORIZONTAL DST's: None Coring: None Mudlogging: 2000' to TD	1/24/2014
THAHN	Mud Level Monitoring: After surface casing is set an electronic PVT system will be installed as our primary mud level monitoring system. A secondary system will also be implemented as to insure the PVT system is functioning properly. The secondary system will be comprised of the derrick hand checking the fluid level in the pit.	1/24/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1255' is 600 PSI 1255'-5300' is 2811 PSI 5300'-11197' is 5357 PSI	1/24/2014
THAHN	Well will be drilled vertically to 10719' and then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11473' MD (11197' TVD). Hole size will then be reduced to 8.5" and drilled to 15565' MD (11170' TVD) where 5.5" casing will be set and cemented 500' into intermediate casing with a DV/Stage Packer Tool at approx. 10700'. Penetration point of producing zone will be encountered at 801' FNL and 1980' FWL, 16-24S-33E. Deepest TVD is 11197' in lateral.	1/24/2014
pkautz	Land s/S	1/27/2014

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

Form APD Conditions

Permit 180420

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

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41631
	Well: ACTION BTI STATE COM #002H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
DMULL	Spacing rule violation. Operator must follow up with Change of Status notification on other well to be shut in or abandoned
DMULL	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