

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-101
August 1, 2011
Permit 181510

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 39273		3. API Number 30-025-41669
5. Property Name BELFAST BSL STATE COM		6. Well No. 003H

7. Surface Location

UL - Lot J	Section 6	Township 21S	Range 34E	Lot Idn 15	Feet From 2625	N/S Line S	Feet From 1980	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot B	Section 6	Township 21S	Range 34E	Lot Idn 2	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County Lea
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9. Pool Information

BERRY;BONE SPRING, NORTH	5535
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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 3728
16. Multiple N	17. Proposed Depth 15501	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 6/15/2014
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	1780	1310	0
Int1	12.25	9.625	36	5800	1960	0
Prod	8.75	5.5	17	15501	1830	5300

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 ☒ and/or 19.15.14.9 (B) NMAC ☒ , if applicable. Signature: _____ Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 2/20/2014	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 2/20/2014 Expiration Date: 2/20/2016 Conditions of Approval Attached
Phone: 575-748-4448	

District I
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Form C-102
 August 1, 2011
 Permit 181510

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41669	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39273	5. Property Name BELFAST BSL STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3728

10. Surface Location

UL - Lot J	Section 6	Township 21S	Range 34E	Lot Idn 15	Feet From 2625	N/S Line S	Feet From 1980	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot J	Section 6	Township 21S	Range 34E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	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

	OPERATOR CERTIFICATION <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> E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 2/20/2014
	SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 12/10/2013 Certificate Number: 7977

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Form APD Comments

Permit 181510

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41669
	Well: BELFAST BSL STATE COM #003H

Created By	Comment	Comment Date
BILLM	Logging: NO OPEN HOLE LOGS. DST's: None. Coring: None. Mudlogging: ON BELOW SURFACE CSG.	2/14/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1780' 852 PSI, 1780'-5800' 3076 PSI, 5800'-10806' 5170 PSI.	2/14/2014
BILLM	H2S is not anticipated.	2/14/2014
BILLM	Well will be drilled vertically to 10301'. Well will then be kicked off at approx. 10301' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11049' MD (10779' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15501' MD (10806' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Production string will be cemented in two stages with a DV/packer stage tool at approx. 10000' (cement volumes will be adjusted per tool placement). Penetration point of producing zone will be encountered at 3100' FSL and 1980' FEL, 6-21S-34E. Deepest TVD i	2/14/2014
BILLM	The C-102 form and Drilling Prognosis will be mailed in.	2/14/2014

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Form APD Conditions

Permit 181510

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Energy, Minerals and Natural Resources
Oil Conservation Division
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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: 30-025-41669
	Well: BELFAST BSL STATE COM #003H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
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
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