

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 183046

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 30-025-41745
		6. Well No. 001H
4. Property Code 40462	5. Property Name TOUCAN BUY STATE	

7. Surface Location

UL - Lot	D	Section	27	Township	21S	Range	35E	Lot Idn		Feet From	200	N/S Line	N	Feet From	660	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	--	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

8. Proposed Bottom Hole Location

UL - Lot	M	Section	27	Township	21S	Range	35E	Lot Idn	M	Feet From	330	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

9. Pool Information

SAN SIMON;BONE SPRING, NORTHEAST	97324
----------------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3585
16. Multiple N	17. Proposed Depth 14209	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 4/1/2014
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	1740	1280	0
Int1	12.25	9.625	36	5560	1885	0
Prod	8.5	5.5	17	14209	900	9000
Prod	8.75	5.5	17	9000	740	5050

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: 3/13/2014	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 3/20/2014 Expiration Date: 3/20/2016 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 183046

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41745	2. Pool Code 97324	3. Pool Name SAN SIMON;BONE SPRING, NORTHEAST
4. Property Code 40462	5. Property Name TOUCAN BUY STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3585

10. Surface Location

UL - Lot D	Section 27	Township 21S	Range 35E	Lot Idn	Feet From 200	N/S Line N	Feet From 660	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 27	Township 21S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	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

<div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <div style="position: absolute; top: 5px; left: 5px; width: 20px; height: 20px; background-color: green; border: 1px solid black;"></div> <div style="position: absolute; bottom: 5px; left: 5px; width: 20px; height: 20px; background-color: purple; border: 1px solid black;"></div> </div>	<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: 3/13/2014</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: 3/6/2014 Certificate Number: 7977</p>
--	---

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 Comments

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

Permit 183046

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41745
	Well: TOUCAN BUY STATE #001H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated. C-102 will follow by mail.	3/13/2014
THAHN	Samples: 30' Sample to 5560'. 10' Samples 5560'-TD Logging: GR NEUTRON 30 DEG DEV TO SURFACE DENSITY 30 DEG DEV TO INTERM CSG LATEROLOG 30 DEG DEV TO INTERM CSG CMR 30 DEG DEV TO INTERM CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR) DST's: None Coring: None Mudlogging: ON BELOW SURFACE CSG	3/13/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1740' is 832 PSI 1740'-5560' is 2949 PSI 5560'-9685' is 4633 PSI	3/13/2014
THAHN	Well will be drilled vertically to 9183' then be kicked and directionally drilled at 12 degrees per 100' with a 8.75" hole to 9931' MD (9661' TVD). Hole size will then be reduced to 8.5" and drilled to 14209' MD (9685' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 675' FNL and 660' FWL, 27-21S-35E. Deepest TVD is 9685' in lateral.	3/13/2014

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 APD Conditions

Permit 183046

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41745
	Well: TOUCAN BUY STATE #001H

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 & INTERNEMIATE 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