

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 183403

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 12062 | | 3. API Number 30-015-42223 |
| 5. Property Name BOYD X STATE COM | | 6. Well No. 015H |

7. Surface Location

| | | | | | | | | | | | | | | | | | | | |
|----------|---|---------|----|----------|-----|-------|-----|---------|--|-----------|------|----------|---|-----------|----|----------|---|--------|------|
| UL - Lot | E | Section | 16 | Township | 19S | Range | 25E | Lot Idn | | Feet From | 1935 | N/S Line | N | Feet From | 15 | E/W Line | W | County | Eddy |
|----------|---|---------|----|----------|-----|-------|-----|---------|--|-----------|------|----------|---|-----------|----|----------|---|--------|------|

8. Proposed Bottom Hole Location

| | | | | | | | | | | | | | | | | | | | |
|----------|---|---------|----|----------|-----|-------|-----|---------|---|-----------|------|----------|---|-----------|-----|----------|---|--------|------|
| UL - Lot | H | Section | 16 | Township | 19S | Range | 25E | Lot Idn | H | Feet From | 2260 | N/S Line | N | Feet From | 330 | E/W Line | E | County | Eddy |
|----------|---|---------|----|----------|-----|-------|-----|---------|---|-----------|------|----------|---|-----------|-----|----------|---|--------|------|

9. Pool Information

| | |
|--------------------------------|-------|
| N. SEVEN RIVERS; GLORIETA-YESO | 97565 |
|--------------------------------|-------|

Additional Well Information

| | | | | |
|---------------------------|----------------------------|--|-------------------------|------------------------------------|
| 11. Work Type New Well | 12. Well Type OIL | 13. Cable/Rotary | 14. Lease Type State | 15. Ground Level Elevation 3516 |
| 16. Multiple N | 17. Proposed Depth 7305 | 18. Formation Yes0 | 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 | 14.75 | 9.625 | 36 | 1000 | 750 | 0 |
| Prod | 7.875 | 5.5 | 17 | 7305 | 915 | 0 |

Casing/Cement Program: Additional Comments

| |
|--|
| |
|--|

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: 3/20/2014 | <div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Randy Dade Title: District Supervisor Approved Date: 3/25/2014 Expiration Date: 3/25/2016 Conditions of Approval Attached |
| Phone: 575-748-4448 | |

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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Santa Fe, NM 87505

Form C-102
 August 1, 2011
 Permit 183403

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|-------------------------------|---|--|
| 1. API Number 30-015-42223 | 2. Pool Code 97565 | 3. Pool Name N. SEVEN RIVERS; GLORIETA-YESO |
| 4. Property Code 12062 | 5. Property Name BOYD X STATE COM | 6. Well No. 015H |
| 7. OGRID No. 25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation 3516 |

10. Surface Location

| | | | | | | | | | |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-----------------|---------------|----------------|
| UL - Lot E | Section 16 | Township 19S | Range 25E | Lot Idn | Feet From 1935 | N/S Line N | Feet From 15 | E/W Line W | County Eddy |
|---------------|---------------|-----------------|--------------|---------|-------------------|---------------|-----------------|---------------|----------------|

11. Bottom Hole Location If Different From Surface

| | | | | | | | | | |
|-------------------------------|---------------------|-----------------|------------------------|---------|-------------------|---------------|------------------|---------------|----------------|
| UL - Lot H | Section 16 | Township 19S | Range 25E | Lot Idn | Feet From 2260 | N/S Line N | Feet From 330 | E/W Line E | 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

| | |
|---|---|
| <div style="border: 1px solid black; width: 100%; height: 100%; position: relative;"> <div style="position: absolute; top: 0; left: 0; width: 100%; height: 100%; background-color: #f0f0f0;"></div> <div style="position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); font-size: 2em; color: #000080;"> </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: 3/20/2014</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: 9/27/2013 Certificate Number: 7977</p> |
|---|---|

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Form APD Comments

Permit 183403

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: 30-015-42223 |
| | Well: BOYD X STATE COM #015H |

| Created By | Comment | Comment Date |
|------------|--|--------------|
| THAHN | H2S is anticipated and a contingency plan along with the C-102 will be delivered. | 3/20/2014 |
| THAHN | Samples: 10' Samples 1000'-TD Logging: NO LOGS HORIZONTAL-MWD-GR-turned on 500' before KOP to TD MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1000' is 452 PSI 1000'-2650' is 1199 PSI | 3/20/2014 |
| THAHN | Well will be drilled vertically to 2100' then be kicked off and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 2842' MD (2578' TVD). The lateral will be drilled with 7 7/8" hole to approx. 7305' MD (2650' TVD) where 5 1/2" casing will be set and cemented. Production string will be cemented to surface. Penetration point of producing zone will be encountered at 1969' FNL and 484' FWL, 16-19S-25E. Deepest TVD is 2650' in the lateral. | 3/20/2014 |
| CSHAPARD | Land s/s | 3/24/2014 |

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Form APD Conditions

Permit 183403

PERMIT CONDITIONS OF APPROVAL

| | | |
|---|--|---------------------------------|
| Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210 | | API Number: 30-015-42223 |
| | | Well: BOYD X STATE COM #015H |
| 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 | |