

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) 334-8178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 189040

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 39010		3. API Number 30-025-41972
5. Property Name TRUCKER BRK STATE		6. Well No. 002H

7. Surface Location

UL - Lot	M	Section	2	Township	24S	Range	33E	Lot Idn		Feet From	575	N/S Line	S	Feet From	200	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	P	Section	2	Township	24S	Range	33E	Lot Idn	P	Feet From	400	N/S Line	S	Feet From	230	E/W Line	E	County	Lea
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9. Pool Information

BELL LAKE;BONE SPRING	5130
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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 3606
16. Multiple N	17. Proposed Depth 15759	18. Formation Bone Spring	19. Contractor	20. Spud Date 9/1/2014
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	1315	990	0
Int1	12.25	9.625	36	5300	1730	0
Prod	8.75	5.5	17	15759	2115	4800

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 7/15/2014 Expiration Date: 7/15/2016
Date: 7/14/2014 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 189040

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41972	2. Pool Code 5130	3. Pool Name BELL LAKE;BONE SPRING
4. Property Code 39010	5. Property Name TRUCKER BRK STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3606

10. Surface Location

UL - Lot M	Section 2	Township 24S	Range 33E	Lot Idn	Feet From 575	N/S Line S	Feet From 200	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 2	Township 24S	Range 33E	Lot Idn	Feet From 400	N/S Line S	Feet From 230	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

<table border="1" style="width: 100%; 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;"></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: Travis Hahn Title: Land Regulatory Agent Date: 7/14/2014</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: 7/2/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 189040

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41972
	Well: TRUCKER BRK STATE #002H

Created By	Comment	Comment Date
Ynavarrette	Samples: 30' Samples to 5300'. 10' samples 5300' to TD	7/14/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: 0'-1315' is 629 PSI 1315'-5300' is 2811 PSI 5300'-11130' is 5325 PSI	7/14/2014
Ynavarrette	Well will be drilled to 10653' and will then be kicked off at approximately 10653' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 11419' MD (11130' TVD) where hole size will then be reduced to 8 1/2" and drilled to 15759' MD (10980' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. The bottom 100' will not be produced and will consist of the float shoe and float collar. Our bottom perf will not go beyond the 330' hardline. Penetration point of the producing zone will be encountered at 564' FSL and 694' FWL, 2-24S-33E. Deepest TVD is 1113	7/14/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	7/14/2014
Cy Cowan	Deepest TVD 11130'.	7/14/2014
Cy Cowan	Deepest TVD 11130'.	7/14/2014
Cy Cowan	Deepest TVD is 11130' in the lateral.	7/14/2014

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Form APD Conditions

Permit 189040

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41972
	Well: TRUCKER BRK STATE #002H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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