

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) 334-8170
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 191066

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 12835		3. API Number 30-015-42591
5. Property Name Thomas AJJ		6. Well No. 008H

7. Surface Location

UL - Lot	H	Section	8	Township	19S	Range	25E	Lot Idn	Feet From	2310	N/S Line	N	Feet From	15	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	E	Section	8	Township	19S	Range	25E	Lot Idn	E	Feet From	2310	N/S Line	N	Feet From	330	E/W Line	W	County	Eddy
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9. Pool Information

PENASCO DRAW;SA-YESO (ASSOC)	50270
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3541
16. Multiple N	17. Proposed Depth 7011	18. Formation Yeso	19. Contractor	20. Spud Date 10/1/2014
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	14.75	9.625	36	1000	750	0
Prod	7.875	5.5	17	7011	1120	0

Casing/Cement Program: Additional Comments

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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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 8/18/2014	Approved By: Randy Dade Title: District Supervisor Approved Date: 8/19/2014 Conditions of Approval Attached
Phone: 575-748-4120	Expiration Date: 8/19/2016

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Form C-102
August 1, 2011
Permit 191066

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42591	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 12835	5. Property Name Thomas AJJ	6. Well No. 008H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3541

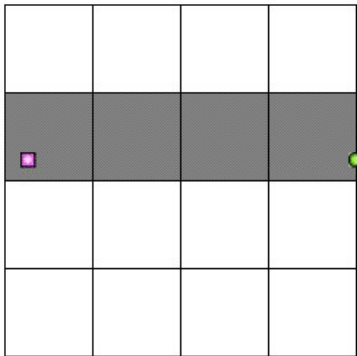
10. Surface Location

UL - Lot H	Section 8	Township 19S	Range 25E	Lot Idn	Feet From 2310	N/S Line N	Feet From 15	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 8	Township 19S	Range 25E	Lot Idn	Feet From 2310	N/S Line N	Feet From 330	E/W Line W	County Eddy
12. Dedicated Acres 0.00	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: Travis Hahn Title: Land Regulatory Agent Date: 8/18/2014</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: 2/18/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 191066

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-42591
	Well: Thomas AJJ #008H

Created By	Comment	Comment Date
Cy Cowan	Well will be drilled vertically to 1770'. Well will then be kicked off at approx. 1770' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 2532' MD (2248' TVD). The lateral will be drilled with 7 7/8" hole to approx. 7011' MD (2135' TVD) where 5 1/2" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 2310' FNL and 504' FEL, 8-19S-25E. Deepest TVD is 2248' in the lateral.	8/18/2014
Cy Cowan	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1000' 452 PSI 1000'-2248' 1017 PSI	8/18/2014
Cy Cowan	Samples: 10' Samples 1000'-TD	8/18/2014
Cy Cowan	Copy of C-102 and H2s plan will be delivered to the OCD office at a later date.	8/18/2014
Cy Cowan	Logging: NO LOGS HORIZONTAL-MWD-GR-turned on 500' before KOP to TD	8/18/2014
Cy Cowan	H2S is anticipated	8/18/2014

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Form APD Conditions

Permit 191066

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42591
		Well: Thomas AJJ #008H
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	