

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 193026

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 313728		3. API Number 30-025-42144
5. Property Name PYTHON BUZ STATE		6. Well No. 002H

7. Surface Location

UL - Lot	O	Section	36	Township	24S	Range	32E	Lot Idn	Feet From	210	N/S Line	S	Feet From	1980	E/W Line	E	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	-----------	-----	----------	---	-----------	------	----------	---	--------	-----

8. Proposed Bottom Hole Location

UL - Lot	B	Section	36	Township	24S	Range	32E	Lot Idn	B	Feet From	230	N/S Line	N	Feet From	1980	E/W Line	E	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	------	----------	---	--------	-----

9. Pool Information

WC-025 G-07 S243225C;LOWER BONE SPR	97964
-------------------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3542
16. Multiple N	17. Proposed Depth 15644	18. Formation 2nd Bone Spring Sand	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	17.5	13.375	48	1050	795	0
Int1	12.25	9.625	36	5050	1650	0
Prod	8.5	5.5	17	15644	1430	11285
Prod	8.75	5.5	17	11285	735	4500

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:	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: 9/25/2014 Expiration Date: 9/25/2016
Date: 9/25/2014 Phone: 575-748-4120	Conditions of Approval Attached

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-102
August 1, 2011
Permit 193026

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42144	2. Pool Code 97964	3. Pool Name WC-025 G-07 S243225C, LOWER BONE SPR
4. Property Code 313728	5. Property Name PYTHON BUZ STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3542

10. Surface Location

UL - Lot O	Section 36	Township 24S	Range 32E	Lot Idn	Feet From 210	N/S Line S	Feet From 1980	E/W Line E	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 36	Township 24S	Range 32E	Lot Idn B	Feet From 230	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

<div style="display: flex; flex-direction: column; align-items: center;"> <div style="border: 1px solid black; width: 100px; height: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 100px; height: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 100px; height: 100px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 100px; height: 100px;"></div> </div>				<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">OPERATOR CERTIFICATION</div> <p style="font-size: small; margin-bottom: 10px;"><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> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> E-Signed By: Travis Hahn </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> Title: Land Regulatory Agent </div> <div style="display: flex; justify-content: space-between;"> Date: 9/25/2014 </div> <div style="text-align: center; font-weight: bold; margin-top: 20px;">SURVEYOR CERTIFICATION</div> <p style="font-size: small; margin-bottom: 10px;"><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> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> Surveyed By: Gary Jones </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> Date of Survey: 3/24/2014 </div> <div style="display: flex; justify-content: space-between;"> Certificate Number: 7977 </div>	

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 APD Comments

Permit 193026

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42144
		Well: PYTHON BUZ STATE #002H

Created By	Comment	Comment Date
Ynavarrette	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	9/25/2014
Ynavarrette	Logging: SLB: Platform Express CNL/LDT/NGT TD-CSG CNL/GR CSG-SURF HRLA TD-CSG CMR TD-CSG HORIZONTAL-MWD-GR CURVE-TD	9/25/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1050' is 502 PSI 1050'-5050' is 2679 PSI 5050'-11010' is 5267 PSI	9/25/2014
Ynavarrette	H2S is not anticipated.	9/25/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	9/25/2014
THAHN	Well will be drilled vertically to approximately 10532' well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11285' MD (11010' TVD). Hole size will then be reduced to 8.5" and drilled to 15644' MD (10980' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. The bottom 100' will not be produced and will consist of our float shoe and float collar. Bottom perforations will not cross the 330' hardline. Penetration point of producing zone will be encountered at 691' FSL and 1980' FEL, 36-24S-32E. Deepes	9/25/2014

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 APD Conditions

Permit 193026

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42144
	Well: PYTHON BUZ 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	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement