

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 104599

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 30-025-42205
4. Property Code 313821	5. Property Name TRUSS BUT STATE	6. Well No. 001H

7. Surface Location

UL - Lot O	Section 29	Township 22S	Range 35E	Lot Idn O	Feet From 200	N/S Line S	Feet From 1980	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot B	Section 29	Township 22S	Range 35E	Lot Idn B	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County Lea
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9. Pool Information

ROCK LAKE;BONE SPRING	52766
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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 3536
16. Multiple N	17. Proposed Depth 15113	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 11/1/2014
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	1955	1430	0
Int1	12.25	9.625	36	6400	2070	0
Prod	8.5	5.5	17	15113	1435	10346
Prod	8.75	5.5	17	10846	430	5900

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	
Double Ram	5000	5000	

<p>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.</p> <p>Signature: _____</p> <p>Printed Name: Electronically filed by Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 10/23/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 10/24/2014</p> <p>Expiration Date: 10/24/2016</p> <p>Conditions of Approval Attached</p>
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Form C-102
August 1, 2011
Permit 104599

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42205	2. Pool Code 52766	3. Pool Name ROCK LAKE,BONE SPRING
4. Property Code 313821	5. Property Name TRUSS BUT STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3536

10. Surface Location

UL - Lot O	Section 29	Township 22S	Range 35E	Lot Idn O	Feet From 200	N/S Line S	Feet From 1980	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 29	Township 22S	Range 35E	Lot Idn B	Feet From 330	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

<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; text-align: center;"></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; text-align: center;"></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: 10/23/2014</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: 10/17/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 104599

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42205
	Well: TRUSS BUT STATE #001H

Created By	Comment	Comment Date
THAHN	C-102 and horizontal drilling diagram will follow.	10/23/2014
THAHN	Samples: 30' Sample to 6400', 10' Samples 6400'-TD. Logging: GR NEUTRON 30 DEG DEV TO SURF CSG, DENSITY 30 DEG DEV TO INTERM CSG, LATERLOG 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 after surface casing.	10/23/2014
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1955' is 935 PSI, 1955'-6400' is 3395 PSI, 6400'-10567' is 5055 PSI	10/23/2014
THAHN	Well will be drilled vertically to 10089'. Well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 10846' MD (10567' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15113' MD (10504' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 684' FSL and 1980' FEL, 29-22S-35E. Deepest TVD is 10567' in lateral.	10/23/2014

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Form APD Conditions

Permit 104599

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42205
	Well: TRUSS BUT STATE #001H

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	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water