

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 195946

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 30-025-42284
4. Property Code 38470	5. Property Name BASILISK BQS STATE COM	6. Well No. 002H

7. Surface Location

UL - Lot M	Section 36	Township 24S	Range 32E	Lot Idn	Feet From 210	N/S Line S	Feet From 1110	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 36	Township 24S	Range 32E	Lot Idn C	Feet From 230	N/S Line N	Feet From 1980	E/W Line W	County Lea
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9. Pool Information

WC-025 G-07 S243225C;LOWER BONE SPR	97964
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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 3558
16. Multiple N	17. Proposed Depth 15672	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 1/1/2015
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	1055	805	0
Int1	12.25	9.625	36	5060	1655	0
Prod	8.75	5.5	17	11298	1445	0
Prod	8.5	5.5	17	15672	685	4560

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: 11/24/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 11/24/2014</p> <p>Expiration Date: 11/24/2016</p> <p>Conditions of Approval Attached</p>
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Form C-102
August 1, 2011
Permit 195946

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42284	2. Pool Code 97964	3. Pool Name WC-025 G-07 S243225C, LOWER BONE SPR
4. Property Code 38470	5. Property Name BASILISK BQS STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3558

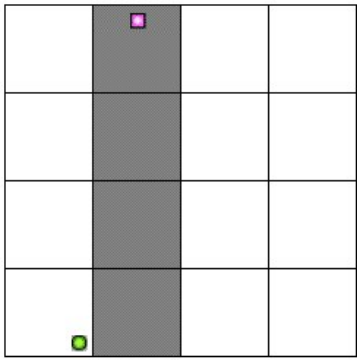
10. Surface Location

UL - Lot M	Section 36	Township 24S	Range 32E	Lot Idn	Feet From 210	N/S Line S	Feet From 1110	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

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

	<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: 11/24/2014</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: 3/24/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 195046

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42284
		Well: BASILISK BQS STATE COM #002H

Created By	Comment	Comment Date
Ynavarrette	Samples: 30' Sample to 4500' and 10' Samples 4500'-TD	11/24/2014
Ynavarrette	Logging: HORIZONTAL-MWD-GR CURVE-TD	11/24/2014
Ynavarrette	Mudlogging: Surf csg to TD	11/24/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1055' is 505 PSI 1055'-5060' is 2684 PSI 5060'-11000' is 5262 PSI	11/24/2014
Ynavarrette	Intermediate casing will be set at approx 5060' MD (5051' TVD) and then be drilled on a tangent from approx. 1800'- 10545' MD (10523' TVD). Well will then be kicked off at approx. 10545' MD (10523' TVD) and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11298' MD (11000' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15672' MD (10970' 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 our float shoe and collar. Bottom perf will not go beyond the 330' hardline. Penetratio	11/24/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	11/24/2014

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Form APD Conditions

Permit 195046

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42284
	Well: BASILISK BQS STATE COM #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	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