

**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 196103

**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 37345		3. API Number 30-015-42817
5. Property Name HUMIDOR BMO STATE COM		6. Well No. 004H

**7. Surface Location**

UL - Lot	H	Section	14	Township	24S	Range	27E	Lot Idn	Feet From	2080	N/S Line	N	Feet From	550	E/W Line	E	County	Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot	E	Section	14	Township	24S	Range	27E	Lot Idn	E	Feet From	1880	N/S Line	N	Feet From	330	E/W Line	W	County	Eddy
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**9. Pool Information**

WILLOW LAKE;BONE SPRING;WEST	96415
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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 3130
16. Multiple N	17. Proposed Depth 11834	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	685	545	0
Int1	12.25	9.625	36	2400	820	0
Prod	8.5	5.5	17	11834	1345	7898
Prod	8.75	5.5	17	7898	585	1900

**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: Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 11/26/2014	<b>OIL CONSERVATION DIVISION</b>  Approved By: Randy Dade Title: District Supervisor Approved Date: 12/2/2014 Expiration Date: 12/2/2016 Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102  
August 1, 2011  
Permit 196103

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-42817	2. Pool Code 96415	3. Pool Name WILLOW LAKE;BONE SPRING;WEST
4. Property Code 37345	5. Property Name HUMIDOR BMO STATE COM	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3130

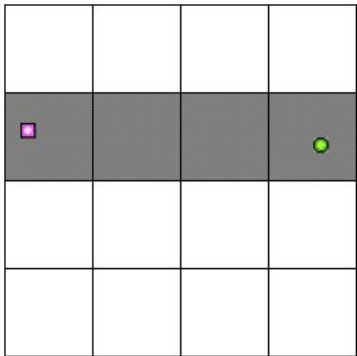
**10. Surface Location**

UL - Lot H	Section 14	Township 24S	Range 27E	Lot Idn	Feet From 2080	N/S Line N	Feet From 550	E/W Line E	County Eddy
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**11. Bottom Hole Location If Different From Surface**

UL - Lot E	Section 14	Township 24S	Range 27E	Lot Idn	Feet From 1880	N/S Line N	Feet From 330	E/W Line W	County Eddy
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;"><b>OPERATOR CERTIFICATION</b></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:                      11/26/2014</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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:        5/9/2013 Certificate Number:    7977</p>
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**Santa Fe, NM 87505**

Form APD Comments

Permit 196103

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42817
		Well: HUMIDOR BMO STATE COM #004H

Created By	Comment	Comment Date
Ynavarrette	Samples: 30' Sample to 2400' and 10' Samples 2400'-TD	11/26/2014
Ynavarrette	Logging: GR NEUTRON 30 DEG DEV TO SURFACE NEUTRON DENSITY 30 DEG DEV TO INTERM CASING LATEROLOG 30 DEG DEV TO INTERM CASING CMR 30 DEG DEV TO INTERM CASING HORIZONTAL-MWD-GR	11/26/2014
Ynavarrette	Mudlogging: On after surface casing	11/26/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-685' is 328 PSI 685'-2400' is 1273 PSI 2400'-7623' is 3647 PSI	11/26/2014
Ynavarrette	Well will be drilled vertically to 7145' and then be kicked off at approx. 7145' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7898' MD (7606' TVD). Hole size will then be reduced to 8 1/2" and drilled to 11834' MD (7606' TVD) where 5 1/2" casing will be set and cemented 500' into intermediate casing. Penetration point of producing zone to be stimulated will be encountered at 2066' FNL and 990' FEL, 14-24S-27E. Deepest TVD is 7623' in lateral.	11/26/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	11/26/2014

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Form APD Conditions

Permit 196103

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42817
		Well: HUMIDOR BMO STATE COM #004H
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	