

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 196615

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 40458		3. API Number 30-025-42335
5. Property Name JUNCTION BVJ STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	M	Section	36	Township	18S	Range	35E	Lot Idn		Feet From	330	N/S Line	S	Feet From	600	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	D	Section	36	Township	18S	Range	35E	Lot Idn	D	Feet From	230	N/S Line	N	Feet From	660	E/W Line	W	County	Lea
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9. Pool Information

VACUUM;BONE SPRING, SOUTH	61900
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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 3847
16. Multiple N	17. Proposed Depth 13710	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	1840	1345	0
Int1	12.25	9.625	36	3450	1150	0
Prod	8.75	5.5	17	9493	660	2950
Prod	8.5	5.5	17	13710	1475	9443

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	

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: 12/10/2014 Expiration Date: 12/10/2016
Date: 12/10/2014 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 196615

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42335	2. Pool Code 61900	3. Pool Name VACUUM;BONE SPRING, SOUTH
4. Property Code 40458	5. Property Name JUNCTION BVJ STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3847

10. Surface Location

UL - Lot M	Section 36	Township 18S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 600	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 36	Township 18S	Range 35E	Lot Idn	Feet From 230	N/S Line N	Feet From 660	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

<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 100px; height: 100px; background-color: #cccccc; margin-bottom: 10px; position: relative;"> <div style="position: absolute; top: 5px; left: 5px; width: 10px; height: 10px; background-color: #ff00ff;"></div> </div> <div style="width: 100px; height: 100px; background-color: #cccccc; margin-bottom: 10px;"></div> <div style="width: 100px; height: 100px; background-color: #cccccc; margin-bottom: 10px;"></div> <div style="width: 100px; height: 100px; background-color: #cccccc;"> <div style="position: absolute; bottom: 5px; right: 5px; width: 10px; height: 10px; background-color: #00ff00;"></div> </div> </div>	<div style="text-align: center; font-weight: bold; margin-bottom: 10px;">OPERATOR CERTIFICATION</div> <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: 12/10/2014</p> <hr/> <div style="text-align: center; font-weight: bold; margin-bottom: 10px;">SURVEYOR CERTIFICATION</div> <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: 10/6/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 196615

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42335
	Well: JUNCTION BVJ STATE COM #002H

Created By	Comment	Comment Date
Ynavarrette	Samples: 10' samples surface to TD	12/10/2014
Ynavarrette	Logging: GR NEUTRON 30 DEG DEV TO SURF DENSITY 30 DEG DEV TO INTERM CASING LATEROLOG 30 DEG DEV TO INTERM CASING CMR 30 DEG DEV TO INTERM CASING (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR)	12/10/2014
Ynavarrette	Mud Level Monitoring: After surface casing is set an electronic PVT system will be installed as our primary mud level monitoring system. A secondary system will also be implemented as to insure the PVT system is functioning properly. The secondary system will be comprised of the derrick hand checking the fluid level in the pit.	12/10/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1840' is 880 PSI 1840'-3450' is 1830 PSI 3450'-9250' is 4425 PSI	12/10/2014
Ynavarrette	Well will be drilled to 8746' and then be kicked off at approx. 8746' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 9463' MD (9223' TVD). Hole size will then be reduced to 8 1/2" and drilled to 13710' MD (9250' 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 float collar. Our bottom perf will not go beyond the 330' hardline. Penetration point of producing zone will be encountered at 804' FSL and 662' FEL. 36-18S-35E. Deepest TVD is 9250' in the lateral.	12/10/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	12/10/2014

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Form APD Conditions

Permit 196615

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42335
	Well: JUNCTION BVJ 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