

**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 198935

**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 40431		3. API Number 30-025-42418
5. Property Name PERSIMMON BSS STATE COM		6. Well No. 001H

**7. Surface Location**

UL - Lot	L	Section	24	Township	21S	Range	33E	Lot Idn	Feet From	2440	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	M	Section	25	Township	21S	Range	33E	Lot Idn	M	Feet From	330	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
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**9. Pool Information**

BERRY;BONE SPRING, NORTH	5535
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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 3784
16. Multiple N	17. Proposed Depth 18164	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 3/1/2015
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	1940	1200	25
Int1	12.25	9.625	36	5700	635	3900
Int1	12.25	9.625	40	5700	1290	25
Prod	8.75	5.5	36	18164	2635	5200

**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: 1/28/2015	<p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: Paul Kautz Title: Geologist Approved Date: 2/3/2015 Conditions of Approval Attached
	Expiration Date: 2/3/2017 Phone: 575-748-4120

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Form C-102  
August 1, 2011  
Permit 198935

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42418	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40431	5. Property Name PERSIMMON BSS STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3784

**10. Surface Location**

UL - Lot L	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 2440	N/S Line S	Feet From 660	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot L	Section 25	Township 21S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County Lea
12. Dedicated Acres 240.00	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:                    1/28/2015</p>
	<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:        9/13/2013 Certificate Number:   7977</p>

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Form APD Comments

Permit 198935

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42418
	Well: PERSIMMON BSS STATE COM #001H

Created By	Comment	Comment Date
RBELA	Well will be drilled vertically to 10503'. Well will then be kicked off at approx. 10503' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11248' MD (10981' TVD). Hole size will then be reduced to 8 1/2" and drilled to 18164' MD (11065' TVD) where 5 1/2" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 1968' FSL and 660' FWL, 24-21S-33E. Deepest TVD is 11065' in lateral.	1/28/2015
RBELA	Mud logging: On after surface casing Samples: 30' Sample to 5700'. 10' Samples 5700'-TD	1/28/2015
RBELA	Logging: GR NEUTRON 30 DEG DEV TO SURF CSG DENSITY 30 DEG DEV TO INTERM CSG LATEROLOG 30 DEG DEV TO INTERM CSG CMR 30 DEG DEV TO INTERM CSG	1/28/2015
RBELA	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M system on 9 5/8" casing.	1/28/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1940' 928 PSI 1940'-5700' 3023PSI 5700'-11065' 5293 PSI	1/28/2015
RBELA	C-102 and drilling plans will be delivered to office.	1/28/2015
RBELA	H2S is not anticipated.	1/28/2015
DMULL	Potash response has been received from the BLM & SLO. Scanned to well file.	2/3/2015

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Form APD Conditions

Permit 198935

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42418
	Well: PERSIMMON BSS STATE COM #001H

OCD Reviewer	Condition
DMULL	Well location in the POTASH AREA. Requires response from the Bureau of Land Management and the State Land Office. Notice letter advising them of the APD sent by OCD Hobbs Office.
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
DMULL	Will require a directional survey with the C-104
DMULL	Pit construction and closure must satisfy all requirements of your approved plan.
DMULL	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
DMULL	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.