

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 202802

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 314746		3. API Number 30-025-42509
5. Property Name LEGHORN BWR STATE		6. Well No. 001H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	33	22S	33E		330	S	660	W	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	33	22S	33E	D	330	N	660	W	Lea

9. Pool Information

RED TANK;BONE SPRING, EAST	51687
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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 3664
16. Multiple N	17. Proposed Depth 10957	18. Formation Bone Spring	19. Contractor	20. Spud Date 8/1/2015
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	1210	910	0
Int1	12.25	9.625	36	5065	1655	0
Prod	8.75	5.5	17	11285	2195	4565
Prod	8.5	5.5	17	15417	2195	4565

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	unknown

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 ☒ and/or 19.15.14.9 (B) NMAC ☒ if applicable. Signature: Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 4/9/2015 Phone: 575-748-4120	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 4/9/2015 Expiration Date: 4/9/2017 Conditions of Approval Attached
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Form C-102
August 1, 2011
Permit 202802

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42509	2. Pool Code 51687	3. Pool Name RED TANK;BONE SPRING, EAST
4. Property Code 314746	5. Property Name LEGHORN BWR STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3664

10. Surface Location

UL - Lot M	Section 33	Township 22S	Range 33E	Lot Idn	Feet From 330	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 D	Section 33	Township 22S	Range 33E	Lot Idn	Feet From 330	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

	OPERATOR CERTIFICATION <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> E-Signed By: Travis Hahn Title: Land Regulatory Agent Date: 4/9/2015 SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 3/18/2015 Certificate Number: 7977
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Form APD Comments

Permit 202802

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42509
	Well: LEGHORN BWR STATE #001H

Created By	Comment	Comment Date
Cy Cowan	C-144 and C-102 will be sent by separate mail.	4/8/2015
Cy Cowan	C-144 and C-102 will be sent by separate mail.	4/8/2015
Cy Cowan	H2s is not anticipated.	4/8/2015
Cy Cowan	Samples: 30' samples to 5200'. 10' Samples 5200'- TD.	4/8/2015
Cy Cowan	Logging: GR Neutron-30 Degree Deviation to surface casing. Density-30 Degree Deviation to intermediate casing. Laterolog-30 Degree Deviation to intermediate casing. (Schulmberger Platform HRLA). Possible CMR.	4/8/2015
Cy Cowan	A 3000 psi system will be nipples up and tested on the 13 3/8" casing and a 5M psi system will be nipples and tested on the 9 5/8" casing.	4/8/2015
Cy Cowan	Maximum Anticipated BHP: Depths are TVD. 0'-1210' 578 PSI 1210'-5065' 2686 PSI 5065'-11006' 5265 PSI	4/8/2015
Cy Cowan	This well will be drilled vertically to 10529'. Well will then be kicked off at approximately 10529' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 11285' MD (11006' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15417' MD (10957' TVD) where 5 1/2" casing will be set and cemented 500' into the previous casing string. Penetration point of the producing zone will be encountered at 813' FSL and 660' FWL of Section 33, T22S-R33E. The deepest TVD is 11006' in the lateral.	4/9/2015

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Form APD Conditions

Permit 202802

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42509
	Well: LEGHORN BWR 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