

**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 203257

**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 17939		3. API Number 30-025-42522
5. Property Name DOUBLE ABJ STATE		6. Well No. 003H

**7. Surface Location**

UL - Lot	M	Section	16	Township	24S	Range	32E	Lot Idn		Feet From	200	N/S Line	S	Feet From	400	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	D	Section	16	Township	24S	Range	32E	Lot Idn	D	Feet From	230	N/S Line	N	Feet From	400	E/W Line	W	County	Lea
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**9. Pool Information**

MESA VERDE;BONE SPRING	96229
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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 3568
16. Multiple N	17. Proposed Depth 15478	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	945	725	0
Int1	12.25	9.625	36	4600	1510	0
Prod	8.5	5.5	17	15478	1590	11105
Prod	8.75	5.5	17	11105	680	4100

**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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 4/21/2015      Expiration Date: 4/21/2017
Date: 4/21/2015      Phone: 575-748-4120	Conditions of Approval Attached

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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 203257

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42522	2. Pool Code 96229	3. Pool Name MESA VERDE;BONE SPRING
4. Property Code 17939	5. Property Name DOUBLE ABJ STATE	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3568




**10. Surface Location**

UL - Lot M	Section 16	Township 24S	Range 32E	Lot Idn	Feet From 200	N/S Line S	Feet From 400	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 16	Township 24S	Range 32E	Lot Idn	Feet From 230	N/S Line N	Feet From 400	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**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px; text-align: center;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>																	<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:                     4/21/2015</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:        12/17/2014 Certificate Number:    7977</p>
																	

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Form APD Comments

Permit 203257

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42522
		Well: DOUBLE ABJ STATE #003H

Created By	Comment	Comment Date
THAHN	C-102 will follow by mail. H2S is not anticipated.	4/21/2015
THAHN	Samples: 30' Sample to 4600'. 10' Samples 4600'-TD. Logging: SCH; PLATFORM EXPRESS-CURVE, CNL/LDT/NGT-CURVE-INTERM CSG, CNL/GR-CURVE-SURF CSG, DLL/MSFL-CURVE-SURF CSG, HORIZONTAL-MWD-GR CURVE-TD. DST's: None. Coring: None. Mudlogging: 2000' to TD.	4/21/2015
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-945' is 452 PSI, 945'-4600' is 2440 PSI, 4600'-10830' is 5181 PSI.	4/21/2015
THAHN	Well will be drilled vertically to approximately 10352', well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11105' MD (10830' TVD). Hole size will then be reduced to 8.5" and drilled to 15478' MD (10800' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. The bottom 100' will not be produced and will consist of our float shoe and float collar. Bottom perforations will not cross the 330' hardline. Penetration point of producing zone will be encountered at 681' FSL and 400' FWL, 16-24S-32E. Deepes	4/21/2015

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Form APD Conditions

Permit 203257

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42522
	Well: DOUBLE ABJ STATE #003H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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	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