

**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 208713

**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 315133		3. API Number 30-025-42734
5. Property Name PRATT BWI STATE		6. Well No. 001H

**7. Surface Location**

UL - Lot	N	Section	17	Township	18S	Range	36E	Lot Idn	N	Feet From	170	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	C	Section	17	Township	18S	Range	36E	Lot Idn	C	Feet From	330	N/S Line	N	Feet From	1980	E/W Line	W	County	Lea
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**9. Pool Information**

WC-025 G-06 S183608B;BONE SPRING	98064
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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 3843
16. Multiple N	17. Proposed Depth 13964	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 9/1/2016
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	1985	1475	0
Int1	12.25	9.625	36	4600	1510	0
Prod	8.5	5.5	17	13964	1460	9649
Prod	8.75	5.5	17	9649	540	4100

**Casing/Cement Program: Additional Comments**

Pilot hole will be drilled to 10,500'. Well will be plugged with a 200' isolation plug on bottom and a 500'-600' kick off plug. Well will then be kicked off at approximately 8903' and directionally drilled at 12 degrees per 100' with an 8.75" hole to 9649' MD (9380' TVD). Hole size will then be reduced to 8.5" and drilled to 13964' MD (9421' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 643' FSL and 1980' FWL, 17-18S-36E. Deepest TVD is 10500' in the pilot hole and 9421' in the lateral.

**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: _____ Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 8/17/2015	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 8/19/2015 Expiration Date: 8/19/2017 Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102  
August 1, 2011  
Permit 208713

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42734	2. Pool Code 98064	3. Pool Name WC-025 G-06 S183608B;BONE SPRING
4. Property Code 315133	5. Property Name PRATT BWI STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3843

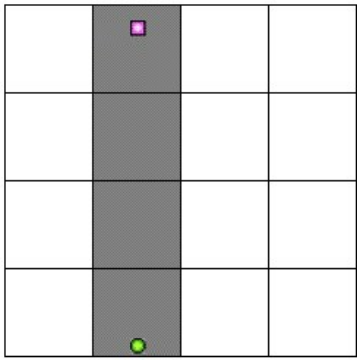
**10. Surface Location**

UL - Lot N	Section 17	Township 18S	Range 36E	Lot Idn N	Feet From 170	N/S Line S	Feet From 1980	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot C	Section 17	Township 18S	Range 36E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1980	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**

	<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:                 8/17/2015</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:     7/15/2015 Certificate Number: 7977</p>
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Form APD Comments

Permit 208713

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42734
	Well: PRATT BWI STATE #001H

Created By	Comment	Comment Date
thahn	Samples: 10' samples surface to TD. Logging: GR NEUTRON TD TO SURF, DENSITY TD TO INTERM CASING, LATEROLOG TD TO INTERM CASING, CMR TD TO INTERM CASING, (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR), FMI/DIPOLE SONIC OVER BONE SPRING POSSIBLE. DST's: None. Coring: None. Mudlogging: On Below Surface Casing.	8/17/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1985' is 880 PSI, 1985'-4600' is 2440 PSI, 4600'-10500' is 4425 PSI (PILOT HOLE), 8903'-9421' is 4507 PSI (LATERAL)	8/17/2015
thahn	H2S is not anticipated in this well. C-102 and horizontal diagram hard copies will follow.	8/17/2015

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Form APD Conditions

Permit 208713

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42734
	Well: PRATT BWI 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	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	1) SURFACE & INTERMEDIATE1 CASING - Cement must circulate to surface -- 2) INTERMEDIATE2 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
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.