

**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 210361

**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
		3. API Number 30-025-42807
4. Property Code 315278	5. Property Name BEDLOW BWF STATE	6. Well No. 001H

**7. Surface Location**

UL - Lot M	Section 29	Township 18S	Range 36E	Lot Idn M	Feet From 600	N/S Line S	Feet From 200	E/W Line W	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot P	Section 29	Township 18S	Range 36E	Lot Idn P	Feet From 660	N/S Line S	Feet From 330	E/W Line E	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 3834
16. Multiple N	17. Proposed Depth 13909	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 1/1/2016
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	1895	1380	0
Int1	12.25	9.625	36	4600	1510	0
Prod	8.5	5.5	17	13909	1445	9596
Prod	8.75	5.5	17	9596	540	4100

**Casing/Cement Program: Additional Comments**

Well will be drilled vertically to approximately 8845', well will then be kicked off and directionally drilled at 12 degrees per 100' with an 8.75" hole to 9596' MD (9322' TVD). Hole size will then be reduced to 8.5" and drilled to 13909' MD (9313' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 612' FSL and 678' FWL, in Section 29 T18S-R36E. Deepest TVD is 9322' in the lateral.

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	
Double Ram	5000	5000	

<p>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.</p> <p>Signature: _____</p> <p>Printed Name: Electronically filed by Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 9/25/2015</p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 9/25/2015</p> <p>Expiration Date: 9/25/2017</p> <p>Conditions of Approval Attached</p>
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Form C-102  
August 1, 2011  
Permit 210361

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42807	2. Pool Code 98064	3. Pool Name WC-025 G-06 S183608B;BONE SPRING
4. Property Code 315278	5. Property Name BEDLOW BWF STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3834

**10. Surface Location**

UL - Lot M	Section 29	Township 18S	Range 36E	Lot Idn M	Feet From 600	N/S Line S	Feet From 200	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot P	Section 29	Township 18S	Range 36E	Lot Idn P	Feet From 660	N/S Line S	Feet From 330	E/W Line E	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;"></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:                    9/25/2015</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:        9/10/2015 Certificate Number:    7977</p>

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Form APD Comments

Permit 210361

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42807
	Well: BEDLOW BWF STATE #001H

Created By	Comment	Comment Date
thahn	Samples: 10' samples surface to TD. Logging: GR NEUTRON 30 DEG DEV TO SURFACE, DENSITY 30 DEG DEV TO INTERMEDIATE CASING, LATERLOG 30 DEG DEV TO INTERMEDIATE CASING, CMR 30 DEG DEV TO INTERMEDIATE CASING (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR). DST's: None, Coring: None, Mudlogging: On Below Surface Casing.	9/25/2015
thahn	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.	9/25/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1895' is 907 PSI, 1895'-4600' is 2440 PSI, 4600'-9322' is 4460 PSI.	9/25/2015
thahn	C-102 hard copy will follow. H2S is not anticipated in this well.	9/25/2015

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Form APD Conditions

Permit 210361

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42807
	Well: BEDLOW BWF 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 & 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
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.