

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 218003

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 39024		3. API Number 30-025-43118
5. Property Name UNDAUNTED BSD STATE COM		6. Well No. 003H

7. Surface Location

UL - Lot	P	Section	2	Township	25S	Range	32E	Lot Idn	P	Feet From	315	N/S Line	S	Feet From	660	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	A	Section	2	Township	25S	Range	32E	Lot Idn	1	Feet From	330	N/S Line	N	Feet From	660	E/W Line	E	County	Lea
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9. Pool Information

WC-025 G-07 S243225C;LWR BONE SPRIN	97964
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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 3523
16. Multiple N	17. Proposed Depth 15619	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	720	0
Int1	12.25	9.625	36	5050	1650	0
Prod	8.5	5.5	17	15619	1500	10757
Prod	8.75	5.5	17	11257	685	4550

Casing/Cement Program: Additional Comments

This well will be drilled on a tangent from 5877' to KOP at 10353' MD (10342' TVD). Well will be drilled vertically to approximately 10532'. Well will then be kicked off at approximately 10353' MD (10342' TVD) and directionally drilled at 10 degrees per 100' with an 8 3/4" hole to 11257' MD (10915' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15619' MD (10885' TVD) where 5 1/2" casing will be set. Production casing will be cemented 500' into the previous casing string. Penetration point of the producing zone will be encountered at 602' FSL and 660' FEL of Section 2, T25S-R32E. The deepest TVD will be 10915' in the lateral.

22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
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: 3/10/2016 Phone: 575-748-4120	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 3/11/2016 Expiration Date: 3/11/2018 Conditions of Approval Attached
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Form C-102
August 1, 2011
Permit 218003

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43118	2. Pool Code 97964	3. Pool Name WC-025 G-07 S243225C;LWR BONE SPRIN
4. Property Code 39024	5. Property Name UNDAUNTED BSD STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3523

10. Surface Location

UL - Lot P	Section 2	Township 25S	Range 32E	Lot Idn P	Feet From 315	N/S Line S	Feet From 660	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 2	Township 25S	Range 32E	Lot Idn 1	Feet From 330	N/S Line N	Feet From 660	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

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			●														

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Form APD Comments

Permit 218003

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-43118
		Well: UNDAUNTED BSD STATE COM #003H

Created By	Comment	Comment Date
Cy Cowan	C-102 survey plat and drilling plan will be forwarded to your office under separate cover.	3/10/2016
Cy Cowan	Samples: 30' samples to 4500'. 10' samples 4500' to TD.	3/10/2016
Cy Cowan	Mudlogging 2000' to TD.	3/10/2016
Cy Cowan	Maximum Anticipated BHP: These depths are TVD. 0-945' 452 PSI 945'-5050' 2679 PSI 5050'-10855' 5222 PSI	3/10/2016

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Form APD Conditions

Permit 218003

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-43118
	Well: UNDAUNTED BSD STATE COM #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	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
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.