

**District I**1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 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) 334-6178 Fax:(505) 334-6170**District IV**1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**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 185365

**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 30-025-41814
4. Property Code 17550	5. Property Name HUNT APO STATE	6. Well No. 004H

**7. Surface Location**

UL - Lot O	Section 4	Township 21S	Range 34E	Lot Idn 15	Feet From 2655	N/S Line S	Feet From 1980	E/W Line E	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot B	Section 4	Township 21S	Range 34E	Lot Idn 2	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County Lea
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**9. Pool Information**

GRAMA RIDGE;BONE SPRING, NORTH	28434
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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 3698
16. Multiple N	17. Proposed Depth 15488	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	1840	1345	0
Int1	12.25	9.625	36	6000	2020	0
Prod	8.5	5.5	17	15488	950	10000
Prod	8.75	5.5	17	11028	835	5500

**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.	<b>OIL CONSERVATION DIVISION</b>	
Signature:		
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz	
Title: Land Regulatory Agent	Title: Geologist	
Email Address: thahn@yatespetroleum.com	Approved Date: 5/1/2014	Expiration Date: 5/1/2016
Date: 4/29/2014	Phone: 575-748-4120	Conditions of Approval Attached

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Form APD Comments

Permit 185365

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41814
	Well: HUNT APO STATE #004H

Created By	Comment	Comment Date
THAHN	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	4/29/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1840' 880 PSI 1840'-6000' 3182 PSI 6000'-10846' 5189 PSI	4/29/2014
THAHN	Well will be drilled vertically to 10287' and then be kicked off directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11028' MD (10765' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15488' MD (10846' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 3124' FSL and 1980' FEL, 4-21S-34E. Deepest TVD is 10846' in lateral.	4/29/2014
THAHN	C-102 and horizontal drilling diagram will follow by mail. H2S is not anticipated and has not been found in other wells in the area.	4/29/2014

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Form APD Conditions

Permit 185365

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41814
	Well: HUNT APO STATE #004H

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	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water