

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 172923

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 30-025-41378
4. Property Code 40113	5. Property Name CRANBERRY BSU STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot P	Section 11	Township 21S	Range 33E	Lot Idn P	Feet From 200	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 11	Township 21S	Range 33E	Lot Idn A	Feet From 330	N/S Line N	Feet From 660	E/W Line E	County Lea
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9. Pool Information

BERRY;BONE SPRING, NORTH	5535
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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 3786
16. Multiple N	17. Proposed Depth 16285	18. Formation 3rd 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	54.5	1865	1365	0
Int1	12.25	9.625	36	3900	1290	0
Int2	12.25	9.625	40	6165	2000	3100
Prod	8.5	5.5	17	16285	880	11200
Prod	8.75	5.5	17	12025	1915	0

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	

<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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/>, if applicable.</p> <p>Signature: _____</p> <p>Printed Name: Electronically filed by LORI FLORES</p> <p>Title: Land Regulatory Technician</p> <p>Email Address: lorif@yatespetroleum.com</p> <p>Date: 9/6/2013</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 9/10/2013</p> <p>Expiration Date: 9/10/2015</p> <p>Conditions of Approval Attached</p>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41378	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40113	5. Property Name CRANBERRY BSU STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3786

10. Surface Location

UL - Lot P	Section 11	Township 21S	Range 33E	Lot Idn	Feet From 200	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 11	Township 21S	Range 33E	Lot Idn A	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

	OPERATOR CERTIFICATION
	<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: LORI FLORES Title: Land Regulatory Technician Date: 9/6/2013</p>
	SURVEYOR CERTIFICATION
	<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: 7/14/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 172923

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41378
	Well: CRANBERRY BSU STATE COM #001H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated, C-102 and drilling program to follow by mail.	9/6/2013
THAHN	30' samples to 6165' then 10' samples 6165' to TD.	9/6/2013
THAHN	Maximum anticipated BHP (Depths are TVD): 0'-1865' is 892 PSI 1865'-6165' is 3270 PSI 6165'-11743' is 5618 PSI	9/6/2013
THAHN	Well will be drilled vertically to 11265' and then kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 12025' MD (11743' TVD). Hole size will then be reduced to 8.5" and drilled to 16285' MD (11653' TVD) where 5.5" casing will be set and cemented to surface. Deepest TVD in the well is 11743' in the lateral.	9/6/2013
pkautz	R-111-p - Potash area	9/6/2013
pkautz	land s/S	9/6/2013
DMULL	Received POTASH Response from the Bureau of Land Management and the State Land Office.	9/10/2013

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41378
	Well: CRANBERRY BSU STATE COM #001H

OCD Reviewer	Condition
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	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
DMULL	Will require a directional survey with the C-104
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines