

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 173065

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 40113		3. API Number 30-025-41403
5. Property Name CRANBERRY BSU STATE COM		6. Well No. 004H

7. Surface Location

UL - Lot D	Section 14	Township 21S	Range 33E	Lot Idn D	Feet From 200	N/S Line N	Feet From 660	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

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

3rd Bone Springs Sand	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 3803
16. Multiple N	17. Proposed Depth 16691	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	48	1885	1380	0
Int1	12.25	9.625	36	3900	1290	0
Int2	12.25	9.625	40	6165	780	3100
Prod	8.75	5.5	17	16691	2865	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	

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 LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 9/10/2013	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Paul Kautz Title: Geologist Approved Date: 9/17/2013 Expiration Date: 9/17/2015 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102
August 1, 2011
Permit 173065

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41403	2. Pool Code 5535	3. Pool Name 3rd Bone Springs Sand
4. Property Code 40113	5. Property Name CRANBERRY BSU STATE COM	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3803

10. Surface Location

UL - Lot D	Section 14	Township 21S	Range 33E	Lot Idn D	Feet From 200	N/S Line N	Feet From 660	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 11	Township 21S	Range 33E	Lot Idn D	Feet From 330	N/S Line S	Feet From 660	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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px; text-align: center;">■</td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> </table>	■																<p style="text-align: center;">OPERATOR CERTIFICATION</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: LORI FLORES Title: Land Regulatory Technician Date: 9/10/2013</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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: 7/14/2013 Certificate Number: 7977</p>
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Form APD Comments

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Permit 173065

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41403
	Well: CRANBERRY BSU STATE COM #004H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated. C-102 and drilling plan to follow by mail. 30' samples surface to 4500', then 10' samples 4500' to TD. Logging: GR Neutron, Density, Laterolog, CMR, and Dipole Sonic/FMI. Mudlogging on after surface casing. Maximum anticipated BHP (Depths are TVD): 0'-1885' is 902 PSI, 1885'-6165' is 3270 PSI, and 6165'-11743' is 5618 PSI. Well will be drilled vertically to 11265', then well will be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 12025' MD (11743' TVD). Hole size will be reduced to 8.5" and drilled to 16691' MD (11643' TVD) where	9/10/2013
pkautz	Potash area R-111-p	9/10/2013
pkautz	Land p/S	9/10/2013
DMULL	BLM & SLO RESPONED THAT REFERENCED LOCATION IS NOT IN THE LMR OR THE BUFFER ZONE.	9/17/2013

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Form APD Conditions

Permit 173065

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41403
	Well: CRANBERRY BSU STATE COM #004H

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