

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 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 168519

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 30-015-41748
4. Property Code 40106	5. Property Name FONSECA BTD STATE COM	6. Well No. 001H

7. Surface Location

UL - Lot C	Section 24	Township 24S	Range 27E	Lot Idn C	Feet From 860	N/S Line N	Feet From 2310	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot D	Section 23	Township 24S	Range 27E	Lot Idn D	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County Eddy
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9. Pool Information

WILLOW LAKE;BONE SPRING,WEST	96415
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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 3137
16. Multiple N	17. Proposed Depth 14925	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 10/31/2013
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	500	410	0
Int1	12.25	9.625	36	2600	880	0
Prod	8.75	5.5	17	8150	1025	0
Prod	8.5	5.5	17	14925	1310	7300

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type Double Ram	Working Pressure 3000	Test Pressure 3000	Manufacturer
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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. Signature: Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 10/18/2013	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 10/22/2013 Expiration Date: 10/22/2015 Conditions of Approval Attached
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				OPERATOR CERTIFICATION <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> E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 10/18/2013
				SURVEYOR CERTIFICATION <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> Surveyed By: Gary Jones Date of Survey: 5/9/2013 Certificate Number: 7977

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Form APD Comments

Permit 168519

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-41748
	Well: FONSECA BTD STATE COM #001H

Created By	Comment	Comment Date
THAHN	C-102 and drilling plan to follow.	10/18/2013
THAHN	Samples: 30' Sample to 2600'. 10' Samples 2600'-TD	10/18/2013
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-500' is 240 PSI, 500'-2600' is 1380 PSI, 2600'-7860' is 3780 PSI.	10/18/2013
THAHN	Well will be drilled vertically til 7382'. Well will be kicked off at approx. 7382' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 8150' MD (7859' TVD). Hole size will then be reduced to 8 1/2" and drilled to 14,925' MD (7617' TVD) where 5 1/2" casing will be set and cemented 500' into intermediate casing with a DV/Stage Packer Tool at approx. 7300' and 4000'. Penetration point of producing zone will be encountered at 855' FNL and 1815' FWL, 24-24S-27E. Deepest TVD in the well is 7860' in lateral.	10/18/2013
CSHAPARD	Land s/S	10/18/2013

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Form APD Conditions
Permit 168519

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41748
		Well: FONSECA BTD STATE COM #001H
OCD Reviewer	Condition	
CSHAPARD	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	