

**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 176228

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

<b>1. Operator Name and Address</b> YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		<b>2. OGRID Number</b> 25575
<b>4. Property Code</b> 30036		<b>3. API Number</b> 30-015-41773
<b>5. Property Name</b> Abundance AVZ		<b>6. Well No.</b> 003H

**7. Surface Location**

UL - Lot <b>B</b>	Section <b>23</b>	Township <b>19S</b>	Range <b>25E</b>	Lot Idn <b>B</b>	Feet From <b>250</b>	N/S Line <b>N</b>	Feet From <b>1880</b>	E/W Line <b>E</b>	County <b>Eddy</b>
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**8. Proposed Bottom Hole Location**

UL - Lot <b>B</b>	Section <b>14</b>	Township <b>19S</b>	Range <b>25E</b>	Lot Idn <b>B</b>	Feet From <b>330</b>	N/S Line <b>N</b>	Feet From <b>1980</b>	E/W Line <b>E</b>	County <b>Eddy</b>
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**9. Pool Information**

North Seven Rivers, Glorieta-Yeso	0
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**Additional Well Information**

11. Work Type <b>New Well</b>	12. Well Type <b>OIL</b>	13. Cable/Rotary	14. Lease Type <b>Private</b>	15. Ground Level Elevation <b>3447</b>
16. Multiple <b>N</b>	17. Proposed Depth <b>7541</b>	18. Formation <b>Yeso Formation</b>	19. Contractor	20. Spud Date <b>10/18/2013</b>
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	14.75	9.625	36	1000	750	0
Prod	8.5	5.5	17	7541	1300	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	Not known at this time

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 type="checkbox"/> , if applicable.  Signature: _____ Printed Name: <b>Electronically filed by LORI FLORES</b> Title: <b>Land Regulatory Technician</b> Email Address: <b>lorif@yatespetroleum.com</b> Date: <b>10/30/2013</b>	<div style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></div> Approved By: <b>Randy Dade</b> Title: <b>District Supervisor</b> Approved Date: <b>10/30/2013</b> Expiration Date: <b>10/30/2015</b> Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102  
August 1, 2011  
Permit 176228

<b>OPERATOR CERTIFICATION</b>	
<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:	10/30/2013

<b>SURVEYOR CERTIFICATION</b>	
<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:	10/12/2013
Certificate Number:	7977

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**Santa Fe, NM 87505**

Form APD Comments

Permit 176228

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-41773
	Well: Abundance AVZ #003H

Created By	Comment	Comment Date
CMAY	The surface location is off lease in section 23-19S-25E as topographics in section 14 was such that we were unable to find a location in the S2S2sS2. A well survey plat will be sent to the OCD to show what is happening. Our point of entry in the producing zone will be 330' FSL & 1907' FEL in section 14-19S-25E and the bottom hole will be 330' FNL & 1980' FEL. Yates will dedicate 160 acres to this well being the W2E2.	10/29/2013
CMAY	Well will be drilled vertically to 2183'. Well will then be kicked off at approximately 2183' and directionally drilled at 12 degrees per 100' with an 8.75" hole to 2933' MD (2660' TVD). Hole size will then be reduced to 8.5" and drilled to 7541' MD (2660' TVD) where 5.5" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 330' FSL & 1907' FEL, section 14-19S-25E. Deepest TVD is 2660' in the lateral.	10/29/2013
CMAY	There will not be any logs ran. MWD gamma will be turned on 500' before kick off and ran to TD. Mud loggers will be on the well from surface to TD with samples taken every 10'.	10/29/2013
CMAY	H2S is anticipated in this well. Yates' H2S plan will be sent to the OCD.	10/29/2013
CSHAPARD	Land p/P	10/30/2013

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Form APD Conditions

Permit 176228

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41773
		Well: Abundance AVZ #003H

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