

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8161 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 178033

**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 12594		3. API Number 30-015-41840
5. Property Name Nickson BM		6. Well No. 008H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	30	18S	26E		400	S	250	E	Eddy

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	30	18S	26E	M	400	S	330	W	Eddy

**9. Pool Information**

PENASCO DRAW;SA-YESO (ASSOC)	50270
------------------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3423
16. Multiple N	17. Proposed Depth 6944	18. Formation Yeso Formation	19. Contractor	20. Spud Date 1/15/2014
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	8.75	5.5	17	6944	1200	0

**Casing/Cement Program: Additional Comments**

--

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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: 12/4/2013	<div style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></div>  Approved By: Randy Dade Title: District Supervisor Approved Date: 12/5/2013      Expiration Date: 12/5/2015 Conditions of Approval Attached
Phone: 575-748-4448	

**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-102  
 August 1, 2011  
 Permit 178033

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-41840	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 12594	5. Property Name Nickson BM	6. Well No. 008H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3423

**10. Surface Location**

UL - Lot P	Section 30	Township 18S	Range 26E	Lot Idn	Feet From 400	N/S Line S	Feet From 250	E/W Line E	County Eddy
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	----------------

**11. Bottom Hole Location If Different From Surface**

UL - Lot M	Section 30	Township 18S	Range 26E	Lot Idn	Feet From 400	N/S Line S	Feet From 330	E/W Line W	County EDDY
12. Dedicated Acres 158.97	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**

	<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:                12/4/2013	
	<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:     10/9/2013 Certificate Number: 7977	

**District I**

1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-8161 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 APD Comments

Permit 178033

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-41840
	Well: Nickson BM #008H

Created By	Comment	Comment Date
CMAY	Well will be drilled vertically to 2115'. Well will then be kicked off at approximately 2115' and directionally drilled at 12 degrees per 100' with ab 8 3/4" hole to 2872' MD (2592' TVD). Hole size will then be reduced to 8 1/2" and drilled to 6944' MD (2525' TVD) where 5 1/2" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 400' FSL and 735' FEL, 30-18S-26E. Deepest TVD is 2592' in the lateral.	12/4/2013
CMAY	30' samples will be taken to 1000'. 10' samples will be taken to TD. Mudloggers will be on at 1000'	12/4/2013
CMAY	A 3000 psi system will be nipped up on the 9 5/8" casing.	12/4/2013
CMAY	No H2S in this well is anticipated.	12/4/2013
CMAY	C-102 and horizontal information will be taken to OCD.	12/4/2013
CSHAPARD	Land p/P	12/5/2013

**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) 334-8178 Fax:(505) 334-8170  
**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 APD Conditions  
  
 Permit 178033

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address:		API Number:
YATES PETROLEUM CORPORATION [25575]		30-015-41840
105 S 4TH ST		Well:
ARTESIA , NM 88210		Nickson BM #008H

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