<u>District I</u> 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 180518

		APPLICATIO	NFORP	ERMIT	TO DRILL, RE-E	NTER, DEEPI	EN, PLUGBAC	CK, OR AE				
YA	IN ATTUAL	CORPORATION								RID Number 25575		
AR	5 S 4TH ST TESIA , NM 88210								1,000	30-015-4201	0	
4. Property Co	de 177	5. Pi	roperty Name DAYT(ON ER					6. We	II No. 003H		
					7. Surfac	ce Location						
UL - Lot L	Section 21	Township 18S	Range	26E	Lot Idn F	eet From 1890	N/S Line S	Feet From	230	E/W Line W	County	Eddy
					8. Proposed Bo	ttom Hole Locati	on					
UL - Lot	Section 21	Township 18S	Range	26E		eet From 1980	N/S Line	Feet Fron	330	E/W Line	County	Eddy
	4.8		- XX		9. Pool I	nformation	1904	- 12			22	
ATOKA;GLO	RIETA-YESO				011 0011					3250		
					Additional M	/ell Information						
11. Work Type	Consumer to the constraint of	12. Well Type		13. Cabl		veli illiorillation	14. Lease Type		15. Grou	nd Level Elevation		
	w Well	OIL					Private		20.7	3417		
16. Multiple		17. Proposed Depth	1	18. Form		/	19. Contractor		20. Spuc	i Date		
N Docath to Cons	-1	7109		Distance	Yeso Formation from nearest fresh wa				Distance to nearest surface water			
Depth to Grou	nd water			Distance	from nearest fresh wa	ter well			Distance to hearest surface water			
We will be	using a closed-lo	op system in lieu of	lined pits									
					1. Proposed Casin					201		
Type	Hole Size	Casing Size	2	Casi	ng Weight/ft				f Cement		Estimated T	oc
	4475		9.625 36		440	0						
Surf	14.75		- 4			140			025 60		0	
	14.75 8.75 8.5	5.5 5.5	- 17		17 17	140 287 710	3	3	60 65		0 0 2873	
Surf Prod	8.75	5.5		Cas	17	287 710	9	3	60		0	
Surf Prod	8.75	5.5		Cas	17 17	287 710	9	3	60		0	
Surf Prod	8.75	5.5			17 17	287 710 am: Additional Co	9 omments	3	60		0	
Surf Prod	8.75 8.5	5.5		2: Workin	17 17 ing/Cement Progra 2. Proposed Blowd	287 710 am: Additional Co	3 9 omments rogram	8	60	Man	0	
Surf Prod	8.75 8.5	5.5		2: Workin	17 17 ing/Cement Progra 2. Proposed Blowd	287 710 am: Additional Co	9 pomments	8	60	Man	0 2873	
Surf Prod Prod	8.75 8.5 Type Double Ram	5.5 5.5	is true and	2: Workir	17 17 ing/Cement Progra 2. Proposed Blowd og Pressure 8000	287 710 am: Additional Co	omments rogram Test Press 3000	3 8 sure	65		0 2873	
Surf Prod Prod	8.75 8.5 Type Double Ram	5.5	is true and	2: Workir	17 17 ing/Cement Progra 2. Proposed Blowd og Pressure 8000	287 710 am: Additional Co	omments rogram Test Press 3000	8	65		0 2873	
Surf Prod Prod 23. I hereby (knowledge a	8.75 8.5 Type Double Ram certify that the informand belief. tify I have complies	5.5 5.5		2: Workir :	17 17 ing/Cement Progra 2. Proposed Blowd ig Pressure 8000 to the best of my	287 710 am: Additional Co	omments rogram Test Press 3000	3 8 sure	65		0 2873	
Surf Prod Prod Prod 23. I hereby (knowledge a	8.75 8.5 Type Double Ram certify that the informand belief. tify I have complies	5.5 5.5		2: Workir :	17 17 ing/Cement Progra 2. Proposed Blowd ig Pressure 8000 to the best of my	287 710 am: Additional Co	omments rogram Test Press 3000	3 8 sure	65		0 2873	
Surf Prod Prod Prod 23. I hereby (knowledge a I further cer XI, if applica	8.75 8.5 Type Double Ram certify that the informand belief. tify I have complies	5.5 5.5		2: Workir :	17 17 ing/Cement Progra 2. Proposed Blowd ig Pressure 8000 to the best of my	287 710 am: Additional Co	omments rogram Test Press 3000	3 8 sure	65		0 2873	
Surf Prod Prod Prod 23. I hereby (knowledge a I further cer X, if applica	8.75 8.5 Type Double Ram certify that the inforand belief. tify I have complied ble.	5.5 5.5 mation given above	A) NMAC ⊠	2: Workir :	17 17 ing/Cement Progra 2. Proposed Blowd ig Pressure 8000 to the best of my	287 710 nm: Additional Co	3 9 Program Test Press 3000	3 8 sure DIL CONSER	65		0 2873	
Surf Prod Prod Prod 23. I hereby (knowledge a I further cer X, if applica Signature: Printed Name	8.75 8.5 Type Double Ram certify that the inforand belief. tify I have complieble. Electronica	5.5 5.5 mation given above	A) NMAC ⊠	2: Workir :	17 17 ing/Cement Progra 2. Proposed Blowd ig Pressure 8000 to the best of my	287 710 am: Additional Co	omments rogram Test Press 3000	3 8 surre	65		0 2873	
Surf Prod Prod Prod	8.75 8.5 Type Double Ram certify that the inforand belief. tify I have complieble. Electronica Land Regu	5.5 5.5 mation given above	A) NMAC ⊠	2: Workir :	17 17 ing/Cement Progra 2. Proposed Blowd ig Pressure 8000 to the best of my	287 710 am: Additional Co	3 9 omments rogram Test Press 3000	3 8 surre	60 65 VATION		0 2873	

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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 180518

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42010	2. Pool Code 3250	3. Pool Name ATOKA;GLORIETA-YESO
4. Property Code 12177	5. Property Name DAYTON ER	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3417

10. Surface Location

				10.00	iluco Eccution				
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	21	188	26E		1890	S	230	W	Eddy

11. Bottom Hole Location If Different From Surface

U	JL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
	1	21	18S	26E	100000000000000000000000000000000000000	1980	S	330	E	Eddy
1	12. Dedicated Acres 160.00		13. Joint or Infill		14. Consolidation Code			15. Order No.		

	OPERATOR CERTIFICATION 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.
	E-Signed By: LORI FLORES
	Title: Land Regulatory Technician
	Date: 1/27/2014
0	SURVEYOR CERTIFICATION 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.
	Surveyed By: Gary Jones
	Date of Survey: 11/10/2013
	Certificate Number: 7977

Form APD Comments

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Permit 180518

PERMIT COMMENTS

Operator Name and Address:	API Number:
YATES PETROLEUM CORPORATION [25575]	30-015-42010
105 S 4TH ST	Well:
ARTESIA , NM 88210	DAYTON ER #003H

Created By	Comment	Comment Date
THAHN	C-102, horizontal diagram and H2S plan to follow.	1/27/2014
THAHN	Samples: 10' Samples surface-TD Logging: NO LOGS HORIZONTAL-MWD-GR-turned on 500' before KOP to TD DST's: None Coring: None Mudlogging: Surface to TD	1/27/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1400' is 633 PSI 1400'-2650' is 1199 PSI	1/27/2014
THAHN	Well will be drilled vertically to 2128' and then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 2873' MD (2605' TVD). Hole size will then be reduced to 8.5" and drilled to 7109' MD (2650' TVD) where 5.5" casing will be set and cemented. Production string will be cemented to surface. Penetration point of producing zone will be encountered at 1890' FSL and 702' FWL, 21-19S-25E. Deepest TVD is 2650' in the lateral hole.	1/27/2014
CSHAPARD	Land p/P	1/28/2014

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Permit 180518

Form APD Conditions

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
YATES PETROLEUM CORPORATION [25575]	30-015-42010
105 S 4TH ST	Well:
ARTESIA, NM 88210	DAYTON ER #003H

OCD	Condition
Reviewer	
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