

**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 181100

**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 38216		3. API Number 30-015-42059
5. Property Name CHAMAELEON BIN STATE COM		6. Well No. 002H

**7. Surface Location**

UL - Lot A	Section 25	Township 26S	Range 27E	Lot Idn	Feet From 10	N/S Line N	Feet From 990	E/W Line E	County Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot H	Section 36	Township 26S	Range 27E	Lot Idn LOT 1	Feet From 330	N/S Line S	Feet From 660	E/W Line E	County Eddy
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**9. Pool Information**

Undesignated 2nd Bone Springs	0
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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 3110
16. Multiple N	17. Proposed Depth 14628	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 5/15/2014
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	17.5	13.375	48	400	425	0
Int1	12.25	9.625	36	2400	825	0
Prod	8.75	5.5	17	14628	2325	1900

**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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by LORI FLORES	Approved By: Randy Dade
Title: Land Regulatory Technician	Title: District Supervisor
Email Address: lorif@yatespetroleum.com	Approved Date: 2/11/2014      Expiration Date: 2/11/2016
Date: 2/6/2014      Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 181100

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-42059	2. Pool Code	3. Pool Name Undesignated 2nd Bone Springs
4. Property Code 38216	5. Property Name CHAMAELEON BIN STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3110

**10. Surface Location**

UL - Lot A	Section 25	Township 26S	Range 27E	Lot Idn	Feet From 10	N/S Line N	Feet From 990	E/W Line E	County Eddy
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**11. Bottom Hole Location If Different From Surface**

UL - Lot H	Section 36	Township 26S	Range 27E	Lot Idn LOT 1	Feet From 330	N/S Line S	Feet From 660	E/W Line E	County EDDY
12. Dedicated Acres 224.02	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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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:                2/6/2014</p>
	<p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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:    5/11/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 181100

**State of New Mexico**  
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**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-42059
	Well: CHAMAELEON BIN STATE COM #002H

Created By	Comment	Comment Date
BILLM	Logging: GR Neutron-30 DEG DEV to Surface, Neutron -Density-30 DEG DEV-Interm CSG, Laterlog-30 DEG DEV. to Interm CSG, CMR-30 DEG DEV. to Interm CSG, Horiz-MWD-GR DSTs: None. Coring: none. Mud Level Monitoring: After surface casing is set and electronic PVT system will be installed as our primary mud level monitoring system. A secondary system will also be implemented as to insure the PVT system is functioning properly. The secondary system will be comprised of the derrick hand checking the fluid level in pit. Pressure Control Equipment: a 3000 psi system will be nipped up and tested on 1	2/6/2014
BILLM	Pressure Control Equipment: a 3000 psi system will be nipped up and tested on 13 3/8 and a 5M on 9 5/8" casing.	2/6/2014
BILLM	Maximun anticipated BHP: Depths are TVD, 0'-400' 191 PSI, 400' - 2400' 1273 PSI, 2400' - 7720' 3613 PSI.	2/6/2014
BILLM	H2S is not anticipated.	2/6/2014
BILLM	We will be drilled to 7238'. Well will then be kicked off at approximately 7238' and directionally drilled at 12 degrees per 100' with a 8.75 " hole to 7988' MD (7715' TVD). Hole size will then be reduced to 8.5 " and drilled to 14628' MD (7720' TVD) where 5.5 " casing will be set and cemented 500' into intermediate casing with DV/Stage Packer Tools at approximately 7000' and 4400'. Penetration point of producing zone will be encountered at 487' FNL and 996' FEL, 25-26S-27E. Deepest TVD in the lateral is 7720.	2/6/2014
BILLM	The C-102 form and Horizontal Drilling Report will be mailed to OCD.	2/6/2014
CSHAPARD	Land s/s	2/7/2014

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Form APD Conditions  
Permit 181100

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42059
		Well: CHAMAELEON BIN STATE COM #002H
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	