

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-101
August 1, 2011

Permit 182218

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 30-025-41690
4. Property Code 40425	5. Property Name PAPAYA BVP STATE	6. Well No. 001H

7. Surface Location

UL - Lot N	Section 10	Township 21S	Range 34E	Lot Idn	Feet From 200	N/S Line S	Feet From 1980	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 10	Township 21S	Range 34E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	County Lea
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9. Pool Information

GRAMA RIDGE;BONE SPRING, NORTH	28434
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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 3728
16. Multiple N	17. Proposed Depth 15254	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 6/4/2014
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	1685	1240	0
Int1	12.25	9.625	36	6060	2035	0
Prod	8.75	5.5	17	15254	1740	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	
Double Ram	5000	5000	

<p>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.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by LORI FLORES</p> <p>Title: Land Regulatory Technician</p> <p>Email Address: lorif@yatespetroleum.com</p> <p>Date: 2/26/2014</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 2/27/2014</p> <p>Expiration Date: 2/27/2016</p> <p>Conditions of Approval Attached</p>
<p>Phone: 575-748-4448</p>	

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41690	2. Pool Code 28434	3. Pool Name GRAMA RIDGE;BONE SPRING, NORTH
4. Property Code 40425	5. Property Name PAPAYA BVP STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3728

10. Surface Location

UL - Lot N	Section 10	Township 21S	Range 34E	Lot Idn	Feet From 200	N/S Line S	Feet From 1980	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 10	Township 21S	Range 34E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	County Lea
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12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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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>OPERATOR CERTIFICATION</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: 2/26/2014</p>
	<p>SURVEYOR CERTIFICATION</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: 1/7/2014 Certificate Number: 7977</p>

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PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41690
	Well: PAPAYA BVP STATE #001H

Created By	Comment	Comment Date
BILLM	Logging: GR NEUTRON 30 DEG DEV TO SURFACE CSG DENISTY 30 DEG DEV TO INTERMEDIATE CSG LATEROLOG 30 DEG DEV TO INTERMEDIATE CSG	2/26/2014
BILLM	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M system on 9 5/8" casing.	2/26/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1685' 806 PSI, 1685'-6060' 3214 PSI, 6060'-10706' 5122 PSI.	2/26/2014
BILLM	H2S is not anticipated.	2/26/2014
BILLM	Well will be drilled vertically to approx. 10224'. Well will then be kicked off at approx. 10224' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10974' MD (10722' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15254' MD (10706' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 677' FSL and 1980' FWL, 10-21S-34E. Deepest TVD is 10706' in the lateral.	2/26/2014
BILLM	The C-102 form and drilling prognosis will be mailed in.	2/26/2014
pkautz	Land s/S	2/26/2014

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41690
	Well: PAPAYA BVP STATE #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	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
pkautz	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water