

**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 182320

**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 39218		3. API Number 30-025-41698
5. Property Name BOSTON BSN STATE COM		6. Well No. 003H

**7. Surface Location**

UL - Lot	J	Section	6	Township	21S	Range	34E	Lot Idn		Feet From	2595	N/S Line	S	Feet From	1980	E/W Line	E	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	O	Section	7	Township	21S	Range	34E	Lot Idn	O	Feet From	330	N/S Line	S	Feet From	1980	E/W Line	E	County	Lea
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**9. Pool Information**

BERRY;BONE SPRING, NORTH	5535
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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 18921	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date
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	1780	1310	0
Int1	12.25	9.625	36	5800	1955	0
Prod	8.5	5.5	17	18921	1360	11000
Prod	8.75	5.5	17	11798	1040	5300

**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: Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 2/27/2014	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 2/28/2014      Expiration Date: 2/28/2016 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102  
August 1, 2011  
Permit 182320

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41698	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39218	5. Property Name BOSTON BSN STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3728

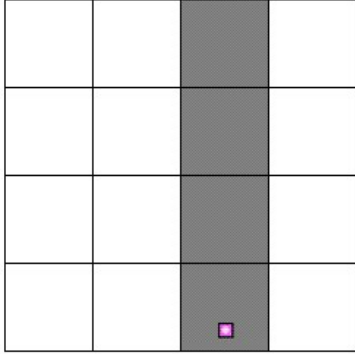
**10. Surface Location**

UL - Lot J	Section 6	Township 21S	Range 34E	Lot Idn	Feet From 2595	N/S Line S	Feet From 1980	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot O	Section 7	Township 21S	Range 34E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	County Lea
12. Dedicated Acres 240.00	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: 2/27/2014</p> <hr/> <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: 12/12/2013 Certificate Number: 7977</p>
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**Santa Fe, NM 87505**

Form APD Comments

Permit 182320

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41698
	Well: BOSTON BSN STATE COM #003H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated and has not been found in wells in the area. C-102 will follow by mail.	2/27/2014
THAHN	Samples: 30' Sample to 5800'. 10' Samples 5800'-TD Logging: GR NEUTRON-30 DEG DEV TO SURFACE CSG DENSITY-30 DEG DEV TO INTERMEDIATE CSG LATEROLOG-30 DEG DEV TO INTERMEDIATE CSG CMR-30 DEG DEV TO INTERMEDIATE CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR) DST's: None Coring: None Mudlogging: ON BELOW SURFACE CSG.	2/27/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1780' is 852 PSI 1780'-5800' is 3076 PSI 5800'-11741' is 5617 PSI	2/27/2014
THAHN	Well will be drilled vertically to 11062' then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11798' MD (11539' TVD). Hole size will then be reduced to 8.5" and drilled to 18921' MD (11741' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 2161' FSL and 1980' FEL, 6-21S-34E. Deepest TVD is 11741' in lateral.	2/27/2014
DMULL	STATE/State	2/28/2014

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Form APD Conditions

Permit 182320

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41698
	Well: BOSTON BSN STATE COM #003H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
DMULL	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
DMULL	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	1) SURFACE & INTERNEMIATE 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