

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 182419

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 40436		3. API Number 30-025-41702
5. Property Name CABLE BVL STATE		6. Well No. 001H

7. Surface Location

UL - Lot	M	Section	22	Township	22S	Range	35E	Lot Idn		Feet From	200	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	L	Section	22	Township	22S	Range	35E	Lot Idn	L	Feet From	2310	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
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9. Pool Information

ROCK LAKE;BONE SPRING	52766
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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 3559
16. Multiple N	17. Proposed Depth 12892	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 7/1/2014
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	54.5	2080	1515	0
Int1	12.25	9.625	36	5975	1940	0
Prod	8.75	5.5	17	12892	1370	5475

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: 3/3/2014	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 3/20/2014 Expiration Date: 3/20/2016 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102
August 1, 2011

Permit 182419

**State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505**

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41702	2. Pool Code 52766	3. Pool Name ROCK LAKE;BONE SPRING
4. Property Code 40436	5. Property Name CABLE BVL STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3559



10. Surface Location

UL - Lot M	Section 22	Township 22S	Range 35E	Lot Idn	Feet From 200	N/S Line S	Feet From 660	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot L	Section 22	Township 22S	Range 35E	Lot Idn	Feet From 2310	N/S Line S	Feet From 660	E/W Line W	County Lea
12. Dedicated Acres 80.00			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

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: 3/3/2014

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: 2/25/2014

Certificate Number: 7977

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Form APD Comments

Permit 182419

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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: 30-025-41702
	Well: CABLE BVL STATE #001H

Created By	Comment	Comment Date
BILLM	Logging: GR NEUTRON 30 DEG DEV TO SURFACE DENSITY 30 DEG DEV TO INTERM CSG LATEROLOG 30 DEG DEVIATION TO INTERM CSG CMR 30 DEG DEV TO INTERM CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR) FMI/DIPOLE SONIC OVER BONE SPRING POSSIBLE.	3/3/2014
BILLM	Mudlogging: On below surface casing.	3/3/2014
BILLM	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipple up and tested on 13 3/8" casing and a 5M on 9 5/8" casing.	3/3/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-2080' 995 PSI, 2080'-5975' 3169 PSI, 5975'-11200' 5358 PSI PILOT HOLE, 10510'-10987' 5256 PSI LATERAL.	3/3/2014
BILLM	H2S is not anticipated.	3/3/2014
BILLM	Pilot hole will be drilled vertically to 11200'. Well will then be plugged back with a 200' isolation plug on bottom and a 500'-600' kick off plug. Well will then be kicked off at approx. 10510' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11267' MD (10987' TVD). Hole size will then be reduced to 8 1/2" and drilled to 12892' MD (10962' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 685' FSL and 660' FWL, 22-22S-35E. Deepest TVD is 11200' in pilot hole. Deepest TVD is 10987'	3/3/2014
BILLM	The C-102 form and drilling plans will be mailed in,	3/3/2014

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Form APD Conditions
 Permit 182419

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41702
	Well: CABLE BVL STATE #001H

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