

**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 184633

**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 313133		3. API Number 30-025-41783
5. Property Name PETTICOAT BVI STATE		6. Well No. 001H

**7. Surface Location**

UL - Lot	D	Section	21	Township	18S	Range	36E	Lot Idn		Feet From	200	N/S Line	N	Feet From	660	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	M	Section	21	Township	18S	Range	36E	Lot Idn	M	Feet From	230	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
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**9. Pool Information**

WC-025 G-06 S183608B;BONE SPRING	98064
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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 3834
16. Multiple N	17. Proposed Depth 13850	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 6/1/2014
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	48	1910	1395	0
Int1	12.25	9.625	36	5850	1900	0
Prod	8.75	5.5	17	13850	1530	5350

**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: 4/14/2014      Phone: 575-748-4448	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 4/15/2014      Expiration Date: 4/15/2016 Conditions of Approval Attached
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Form C-102  
August 1, 2011

Permit 184633

**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 30-025-41783	2. Pool Code 98064	3. Pool Name WC-025 G-06 S183608B;BONE SPRING
4. Property Code 313133	5. Property Name PETTICOAT BVI STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3834

## 10. Surface Location

UL - Lot D	Section 21	Township 18S	Range 36E	Lot Idn	Feet From 200	N/S Line N	Feet From 660	E/W Line W	County Lea
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### 11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 21	Township 18S	Range 36E	Lot Idn	Feet From 230	N/S Line S	Feet From 660	E/W Line W	County Lea
12. Dedicated Acres 160.00			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

A 4x4 grid with a gray left column and a green dot in the top-left cell.

### 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: 4/14/2014

### 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: 3/12/2014  
Certificate Number: 7977

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Form APD Comments

Permit 184633

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41783
	Well: PETTICOAT BVI STATE #001H

Created By	Comment	Comment Date
BILLM	Logging: GR NEUTRON TD TO SURFACE DENSITY TD TO INTERM CSG LATEROLOG TD TO INTERM CSG CMR TD TO INTERM CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR) FMI/DIPOLE SONIC OVER BONE SPRING POSSIBLE	4/14/2014
BILLM	Mudlogging: On Below Surface Casing	4/14/2014
BILLM	Mud Level Monitoring: After surface casing is set an 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 the pit.	4/14/2014
BILLM	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipples up and tested on 13 3/8" and a 5M on 9 5/8" casing.	4/14/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD; 0'-1910' 914 PSI, 1910'-5850' 3103 PSI, 5850'-10500' 5023 PSI PILOT HOLE, 8728'-9242' 4421 PSI LATERAL.	4/14/2014
BILLM	H2S is not anticipated.	4/14/2014
BILLM	Pilot hole will be drilled vertically to 10500'. 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. 8728' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 9475' MD (9206' TVD). Hole size will then be reduced to 8 1/2" and drilled to 13850' MD (9242' 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 673' FNL and 660' FWL, 21-18S-36E. Well will not be perforated past the 330' hardline. Deepest T	4/14/2014
pkautz	Land s/S	4/15/2014

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Form APD Conditions

Permit 184633

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41783
	Well: PETTICOAT BVI 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	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