

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 185376

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 30-025-41820
4. Property Code 313179	5. Property Name FRUIT BVF STATE COM	6. Well No. 002H

7. Surface Location

UL - Lot L	Section 18	Township 21S	Range 34E	Lot Idn	Feet From 2440	N/S Line S	Feet From 660	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot E	Section 19	Township 21S	Range 34E	Lot Idn E	Feet From 2310	N/S Line N	Feet From 660	E/W Line W	County Lea
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9. Pool Information

WC-025 G-07 S213430M;BONE SPRING	97962
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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 3750
16. Multiple N	17. Proposed Depth 15500	18. Formation 2nd 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	1860	1360	0
Int1	12.25	9.625	36	6000	2020	0
Prod	8.5	5.5	17	15500	880	10400
Prod	8.75	5.5	17	11220	1915	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 Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 4/29/2014</p> <p>Phone: 575-748-4120</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 5/6/2014</p> <p>Expiration Date: 5/6/2016</p> <p>Conditions of Approval Attached</p>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41820	2. Pool Code 97962	3. Pool Name WC-025 G-07 S213430M;BONE SPRING
4. Property Code 313179	5. Property Name FRUIT BVF STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3750

10. Surface Location

UL - Lot L	Section 18	Township 21S	Range 34E	Lot Idn	Feet From 2440	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 18	Township 21S	Range 34E	Lot Idn	Feet From 2310	N/S Line N	Feet From 660	E/W Line W	County Lea	
12. Dedicated Acres 154.16			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

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<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: 1/22/2014 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: 30-025-41820
	Well: FRUIT BVF STATE COM #002H

Created By	Comment	Comment Date
THAHN	Samples: 10' samples surface to TD	4/29/2014
THAHN	Logging: GR NEUTRON TD TO SURFACE DENSITY TD TO INTERM CSG LATEROLOG TD TO INTERM CSG CMR TD TO INTERM CSG DIPOLE SONIC/FMI TD TO INTERM CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR/FMI PLUS DIPOLE)	4/29/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1860' is 890 PSI 1860'-6000' is 3182 PSI 6000'-12050' is 5765 PSI PILOT HOLE 10477'-11013' is 5269 PSI LATERAL	4/29/2014
THAHN	Pilot hole will be drilled to 12050'. Well will then be plugged back with a 200' isolation plug on bottom and an open hole whipstock set at approx. 10477'. Well will then be kicked off at approx. 10477' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11220' MD (10954' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15500' MD (11013' TVD) where 5 1/2" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 1969' FSL and 660' FWL, 18-21S-34E. Deepest TVD is 12050' in the pilot hole. Deepest TVD is 11013' in the I	4/29/2014
THAHN	C-102 and horizontal drilling diagram will follow by mail. H2S is not anticipated and has not been found in other wells in the area.	4/29/2014
pkautz	Potash area R-111-p	4/30/2014

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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: 30-025-41820
	Well: FRUIT BVF STATE COM #002H

OCD Reviewer	Condition
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
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 19.15.17.8, and the Pit and Below-Grade Tank Guidelines