

**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 187241

**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 40113		3. API Number 30-025-41918
5. Property Name CRANBERRY BSU STATE COM		6. Well No. 008H

**7. Surface Location**

UL - Lot <b>M</b>	Section <b>11</b>	Township <b>21S</b>	Range <b>33E</b>	Lot Idn	Feet From <b>15</b>	N/S Line <b>S</b>	Feet From <b>490</b>	E/W Line <b>W</b>	County <b>Lea</b>
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**8. Proposed Bottom Hole Location**

UL - Lot <b>D</b>	Section <b>11</b>	Township <b>21S</b>	Range <b>33E</b>	Lot Idn <b>D</b>	Feet From <b>230</b>	N/S Line <b>N</b>	Feet From <b>490</b>	E/W Line <b>W</b>	County <b>Lea</b>
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**9. Pool Information**

BERRY;BONE SPRING, NORTH	5535
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**Additional Well Information**

11. Work Type <b>New Well</b>	12. Well Type <b>OIL</b>	13. Cable/Rotary	14. Lease Type <b>State</b>	15. Ground Level Elevation <b>3802</b>
16. Multiple <b>N</b>	17. Proposed Depth <b>15832</b>	18. Formation <b>2nd Bone Spring Sand</b>	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	1880	1380	0
Int1	12.25	9.625	36	6180	2075	0
Prod	8.5	5.5	17	15832	920	10500
Prod	8.75	5.5	17	11272	895	5650

**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: <b>Electronically filed by Travis Hahn</b> Title: <b>Land Regulatory Agent</b> Email Address: <b>thahn@yatespetroleum.com</b> Date: <b>6/5/2014</b>	<b>OIL CONSERVATION DIVISION</b>  Approved By: <b>Paul Kautz</b> Title: <b>Geologist</b> Approved Date: <b>6/16/2014</b> Expiration Date: <b>6/16/2016</b> Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102  
August 1, 2011  
Permit 187241

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41918	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40113	5. Property Name CRANBERRY BSU STATE COM	6. Well No. 008H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3802

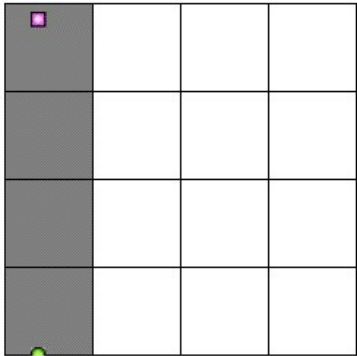
**10. Surface Location**

UL - Lot M	Section 11	Township 21S	Range 33E	Lot Idn	Feet From 15	N/S Line S	Feet From 490	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 11	Township 21S	Range 33E	Lot Idn	Feet From 230	N/S Line N	Feet From 490	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**

	<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:        Travis Hahn Title:                Land Regulatory Agent Date:                 6/5/2014</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:     4/16/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 187241

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41918
	Well: CRANBERRY BSU STATE COM #008H

Created By	Comment	Comment Date
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	6/5/2014
Ynavarrette	Samples: 30' Sample to 6180' is 10' Samples 6180'-TD	6/5/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1880' is 899 PSI 1880'-6180' is 3278 PSI 6180'-10998' is 5261 PSI	6/5/2014
Ynavarrette	Well will be drilled vertically to 10520' and then be kicked off at approx. 10520' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11272' MD (10998' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15832' MD (10980' TVD) where 5 1/2" casing will be set. Production casing will be cemented to surface. Penetration point of the producing zone will be encountered at 494' FSL and 490' FWL, 11-21S-33E. Deepest TVD is 10998' in lateral.	6/5/2014
pkautz	POTASH AREA	6/6/2014

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Form APD Conditions

Permit 187241

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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: 30-025-41918
	Well: CRANBERRY BSU STATE COM #008H

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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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