

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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) 334-8178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 193830

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 313789		3. API Number 30-015-42711
5. Property Name Mongo BUY State		6. Well No. 001H

7. Surface Location

UL - Lot	H	Section	26	Township	24S	Range	28E	Lot Idn	Feet From	1980	N/S Line	N	Feet From	10	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	E	Section	26	Township	24S	Range	28E	Lot Idn	E	Feet From	1980	N/S Line	N	Feet From	330	E/W Line	W	County	Eddy
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9. Pool Information

COTTONWOOD DRAW; BONE SPRING (O)	97494
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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 2922
16. Multiple N	17. Proposed Depth 13083	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	1100	835	0
Int1	12.25	9.625	36	2750	930	0
Prod	8.5	5.5	17	13083	1420	8072
Prod	8.75	5.5	17	8572	660	2250

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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Travis Hahn	Approved By: Randy Dade
Title: Land Regulatory Agent	Title: District Supervisor
Email Address: thahn@yatespetroleum.com	Approved Date: 10/9/2014 Expiration Date: 10/9/2016
Date: 10/8/2014 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 193830

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42711	2. Pool Code 97494	3. Pool Name COTTONWOOD DRAW; BONE SPRING (O)
4. Property Code 313789	5. Property Name Mongo BUV State	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 2922

10. Surface Location

UL - Lot H	Section 26	Township 24S	Range 28E	Lot Idn	Feet From 1980	N/S Line N	Feet From 10	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 26	Township 24S	Range 28E	Lot Idn	Feet From 1980	N/S Line N	Feet From 330	E/W Line W	County Eddy
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

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> </table>																	<p style="text-align: center;">OPERATOR CERTIFICATION</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: 10/8/2014</p> <hr/> <p style="text-align: center;">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: 4/10/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 193830

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42711
		Well: Mongo BUV State #001H

Created By	Comment	Comment Date
THAHN	Samples: 10' Samples surface-TD. Logging: GR NEUTRON 30 DEG DEV TO SURF CSG, NEUTRON DENSITY 30 DEG DEV TO INTERM CSG, LATEROLOG 30 DEG DEV TO INTERM CSG, CMR 30 DEG DEV, TO INTERM CSG, HORIZONTAL MWD GR. Mudlogging: On after surface casing	10/8/2014
THAHN	MAXIMUM ANTICIPATED BHP: (DEPTHS ARE TVD) 0'-1100' is 526 PSI, 1100'-2750' is 1459 PSI, 2750'-8287' is 3965 PSI	10/8/2014
THAHN	Well will be drilled to 7810' well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 8572' MD (8287'TVD). Hole size will then be reduced to 8.5" and drilled to 13083' MD (8170' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 1980' FNL and 500' FEL, 26-24S-28E. Deepest TVD is 8287' in lateral.	10/8/2014
THAHN	H2S is not anticipated, C-102 and horizontal drilling diagram will follow.	10/8/2014
THAHN	H2S is not anticipated, C-102 and horizontal drilling diagram will follow.	10/8/2014
CSHAPARD	Land s/S	10/9/2014

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Form APD Conditions

Permit 193830

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42711
		Well: Mongo BUV State #001H
OCD Reviewer	Condition	
CSHAPARD	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	