

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 199228

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 19982		3. API Number 30-025-42424
5. Property Name TRICK ARK STATE		6. Well No. 002H

7. Surface Location

UL - Lot	P	Section	18	Township	22S	Range	35E	Lot Idn		Feet From	330	N/S Line	S	Feet From	660	E/W Line	E	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	--	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

8. Proposed Bottom Hole Location

UL - Lot	I	Section	18	Township	22S	Range	35E	Lot Idn	I	Feet From	2310	N/S Line	S	Feet From	660	E/W Line	E	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	------	----------	---	-----------	-----	----------	---	--------	-----

9. Pool Information

OJO CHISO;BONE SPRING, SOUTH	97293
------------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3591
16. Multiple N	17. Proposed Depth 9750	18. Formation 1st 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	1200	910	0
Int1	12.25	9.625	40	5800	1900	0
Prod	8.75	5.5	20	9750	1410	5300

Casing/Cement Program: Additional Comments

--

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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable. Signature:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 2/4/2015 Expiration Date: 2/4/2017
Date: 2/3/2015 Phone: 575-748-4120	Conditions of Approval Attached

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) 334-8170
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-102
August 1, 2011
Permit 199228

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42424	2. Pool Code 97293	3. Pool Name OJO CHISO;BONE SPRING, SOUTH
4. Property Code 19982	5. Property Name TRICK ARK STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3591

10. Surface Location

UL - Lot P	Section 18	Township 22S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line E	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

UL - Lot I	Section 18	Township 22S	Range 35E	Lot Idn	Feet From 2310	N/S Line S	Feet From 660	E/W Line E	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

<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="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="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: 2/3/2015</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: 5/25/2011 Certificate Number: 7977</p>

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) 334-6178 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 APD Comments

Permit 199228

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42424
		Well: TRICK ARK STATE #002H

Created By	Comment	Comment Date
RBELA	Logging: Platform Express, DSI with stress orientations and frac gradients	2/3/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1200' is 575 PSI 1200'-5800' is 3075 PSI 5800'-9750' is 4665 PSI	2/3/2015
RBELA	Pilot hole drilled vertically to 9750'. Well will be plugged back with 500' kick off plug with KOP at approx. 8453'. Well will be directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9,203' MD (8,930' TVD) Hole size will then be reduced to 8 1/2" and drilled to 10,705' MD (8,930 TVD) where 5 1/2" casing will be set and cemented. Penetration point of producing zone will be encountered at 807' FSL and 660' FEL, 18-22S-35E. Deepest TVD in the well is 9750' in the pilot hole. Deepest TVD in the lateral is 8930'.	2/3/2015
RBELA	C-102 and drilling plan will follow in the mail.	2/3/2015

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 APD Conditions

Permit 199228

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42424
	Well: TRICK ARK STATE #002H

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	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water