

**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-101  
August 1, 2011  
Permit 199342

**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 314187		3. API Number 30-025-42429
5. Property Name BLUEBERRY BWB STATE		6. Well No. 001H

**7. Surface Location**

UL - Lot	E	Section	12	Township	20S	Range	35E	Lot Idn		Feet From	1980	N/S Line	N	Feet From	200	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	H	Section	12	Township	20S	Range	35E	Lot Idn	H	Feet From	1980	N/S Line	N	Feet From	330	E/W Line	E	County	Lea
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**9. Pool Information**

WILDCAT G-06 S203511G;BONE SPRING	96585
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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 3659
16. Multiple N	17. Proposed Depth 14739	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 4/1/2015
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	2045	1485	0
Int1	12.25	9.625	36	5900	1915	0
Prod	8.5	5.5	17	14739	1400	9968
Prod	8.75	5.5	17	10468	595	5400

**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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 2/6/2015      Expiration Date: 2/6/2017
Date: 2/5/2015      Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 199342

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42429	2. Pool Code 96585	3. Pool Name WILDCAT G-06 S203511G;BONE SPRING
4. Property Code 314187	5. Property Name BLUEBERRY BWB STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3659

**10. Surface Location**

UL - Lot E	Section 12	Township 20S	Range 35E	Lot Idn	Feet From 1980	N/S Line N	Feet From 200	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot H	Section 12	Township 20S	Range 35E	Lot Idn	Feet From 1980	N/S Line N	Feet From 330	E/W Line E	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**

<table border="1" style="width: 100%; height: 150px; 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;"><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:                       2/5/2015</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:        1/6/2015 Certificate Number:    7977</p>

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Form APD Comments

Permit 199342

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42429
	Well: BLUEBERRY BWB STATE #001H

Created By	Comment	Comment Date
THAHN	Samples: 30' Sample to 5900' and 10' Samples 5900'-TD	2/5/2015
THAHN	Logging: GR NEUTRON 30 DEG DEV TO SURF CSG, DENSITY 30 DEG DEV TO INTERM CSG, LATEROLOG 30 DEG DEV TO INTERM CSG, CMR 30 DEG DEV TO INTERM CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR). DST's: None. Coring: None. Mudlogging: On after surface casing.	2/5/2015
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-2045' is 978 PSI, 2045'-5900' is 3129 PSI, 5900'-10190' 4875 PSI.	2/5/2015
THAHN	Well will be drilled vertically to 9713' then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 10468' MD (10190' TVD). Hole size will then be reduced to 8.5" and drilled to 14739' MD (10150' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 1980' FNL and 682' FWL, 12-20S-35E. Deepest TVD is 10190' in lateral.	2/5/2015
THAHN	H2S is not anticipated in the well.	2/5/2015
THAHN	C-102 and horizontal diagram will follow.	2/5/2015

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Form APD Conditions

Permit 199342

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42429
	Well: BLUEBERRY BWB STATE #001H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
DMULL	Pit construction and closure must satisfy all requirements of your approved plan.
DMULL	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
DMULL	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	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