

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 200433

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 314220		3. API Number 30-025-42460
5. Property Name NECTARINE BSQ STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	L	Section	24	Township	21S	Range	33E	Lot Idn	Feet From	2440	N/S Line	S	Feet From	760	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	D	Section	13	Township	21S	Range	33E	Lot Idn	D	Feet From	330	N/S Line	N	Feet From	760	E/W Line	W	County	Lea
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9. Pool Information

BERRY;BONE SPRING, NORTH	5535
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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 3784
16. Multiple N	17. Proposed Depth 18554	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	1940	1425	0
Int1	12.25	9.625	36	5700	1925	0
Prod	8.5	5.5	17	18554	2065	0
Prod	8.75	5.5	17	11248	665	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	

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: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 3/2/2015 Expiration Date: 3/2/2017
Date: 2/26/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 200433

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42460	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 314220	5. Property Name NECTARINE BSQ STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3784

10. Surface Location

UL - Lot L	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 2440	N/S Line S	Feet From 760	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 13	Township 21S	Range 33E	Lot Idn	Feet From 330	N/S Line N	Feet From 760	E/W Line W	County Lea
12. Dedicated Acres 320.00	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;">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: 2/26/2015</p>
	<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: 9/22/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 200433

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42460
		Well: NECTARINE BSQ STATE COM #002H

Created By	Comment	Comment Date
THAHN	C-102 and horizontal drilling diagram will be hand delivered. H2S is not anticipated.	2/26/2015
THAHN	Samples: 30' Sample to 5700', 10' Samples 5700'-TD. Logging: GR NEUTRON 30 Degrees Deviation TO Surface Casing; DENSITY 30 Degree Deviation TO Intermediate Casing; LATEROLOG 30 Degree Deviation TO Intermediate Casing; CMR 30 Degree Deviation TO Intermediate Casing. DST's: None. Coring: None. Mudlogging: On after surface casing.	2/26/2015
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1940' is 928 PSI, 1940'-5700' is 3023PSI, 5700'-10971' 5248 PSI.	2/26/2015
THAHN	Well will be drilled vertically to 10494', then will be kicked and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11248' MD (10971' TVD). Hole size will then be reduced to 8.5" and drilled to 18554' MD (10915' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 1959' FNL and 760' FWL, 24-21S-33E. Deepest TVD is 10971' in lateral.	2/26/2015
pkautz	Potash area - R-111-P	2/26/2015

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Form APD Conditions

Permit 200433

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42460
	Well: NECTARINE BSQ STATE COM #002H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
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	POTASH AREA - Salt Protection String - If the cement fails to reach the surface or the bottom of the cellar, where required, the top of the cement shall be located by a temperature or other survey and additional cementing shall be done until the cement is brought to the surface.
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement