

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 201210

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 12633		3. API Number 30-015-42988
5. Property Name PENASCO IW STATE COM		6. Well No. 009H

7. Surface Location

UL - Lot	M	Section	31	Township	18S	Range	25E	Lot Idn	Feet From	990	N/S Line	S	Feet From	150	E/W Line	W	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	P	Section	31	Township	18S	Range	25E	Lot Idn	P	Feet From	990	N/S Line	S	Feet From	330	E/W Line	E	County	Eddy
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9. Pool Information

PENASCO DRAW;SA-YESO (ASSOC)	50270
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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 3662
16. Multiple N	17. Proposed Depth 7181	18. Formation Yeso	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	14.75	9.625	36	1000	750	0
Prod	7.875	5.5	17	7181	1135	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	

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: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 3/11/2015	<div style="text-align: center;">OIL CONSERVATION DIVISION</div> Approved By: Randy Dade Title: District Supervisor Approved Date: 3/17/2015 Expiration Date: 3/17/2017 Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102
August 1, 2011
Permit 201210

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42988	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 12633	5. Property Name PENASCO IW STATE COM	6. Well No. 009H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3662

10. Surface Location

UL - Lot M	Section 31	Township 18S	Range 25E	Lot Idn	Feet From 990	N/S Line S	Feet From 150	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 31	Township 18S	Range 25E	Lot Idn	Feet From 990	N/S Line S	Feet From 330	E/W Line E	County Eddy
12. Dedicated Acres 161.95	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: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></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: 3/11/2015</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: 10/29/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 201210

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210		API Number: 30-015-42988
		Well: PENASCO IW STATE COM #009H

Created By	Comment	Comment Date
THAHN	Samples: 10' Samples 1000' to TD. Logging: NO LOGS HORIZONTAL-MWD-GR turned on 500' before Kick Off Point to TD. DST's: None, Coring: None, Mudlogging: Surface to TD.	3/11/2015
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0' to 1000' is 452 PSI, 1000' to 2600' is 1176 PSI.	3/11/2015
THAHN	Well will be drilled vertically to 2123' then be kicked off and directionally drilled at 12 degrees per 100' with a 7.875" hole to 2877' MD (2600' TVD). The lateral will be drilled with 7.875" hole to approximately to 7181' MD (2600' TVD) where 5.5" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 983' FSL and 627' FWL, 31-18S-25E. Deepest TVD is 2600' in the lateral.	3/11/2015
THAHN	H2S is anticipated. A C-102, horizontal drilling diagram, and a H2S contingencie plan will be delivered.	3/11/2015
RDAD	IF CLOSED LOOP IS TO BE USED; NOTIFY OCD; IF NOT, SUBMIT PIT PERMIT FOR APPROVAL	3/17/2015

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Form APD Conditions

Permit 201210

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-42988
	Well: PENASCO IW STATE COM #009H
OCD Reviewer	
Condition	