

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 203330

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 39221		3. API Number 30-025-42526
5. Property Name SEPTEMBER GRASS BSG STATE COM		6. Well No. 004H

7. Surface Location

UL - Lot	H	Section	5	Township	21S	Range	34E	Lot Idn	16	Feet From	2725	N/S Line	S	Feet From	330	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	H	Section	8	Township	21S	Range	34E	Lot Idn	H	Feet From	2310	N/S Line	N	Feet From	660	E/W Line	E	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 3719
16. Multiple N	17. Proposed Depth 15629	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	1850	1355	0
Int1	12.25	9.625	36	5700	1920	0
Prod	8.5	5.5	17	15629	1485	11063
Prod	8.75	5.5	17	11063	455	5200

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: 4/22/2015 Expiration Date: 4/22/2017
Date: 4/22/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 203330

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42526	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39221	5. Property Name SEPTEMBER GRASS BSG STATE COM	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3719

10. Surface Location

UL - Lot H	Section 5	Township 21S	Range 34E	Lot Idn 16	Feet From 2725	N/S Line S	Feet From 330	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 8	Township 21S	Range 34E	Lot Idn H	Feet From 2310	N/S Line N	Feet From 660	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

	<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: 4/22/2015</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: 12/11/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 203330

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42526
		Well: SEPTEMBER GRASS BSG STATE COM #004H

Created By	Comment	Comment Date
THAHN	C-102 will follow by mail. H2S is not anticipated in this well.	4/22/2015
THAHN	Samples: 30' Sample to 5700', 10' Samples 5700'-TD. Logging: NO OPEN HOLE LOGS. DST's: None. Coring: None. Mudlogging: ON BELOW SURFACE CSG. MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1850' is 885 PSI, 1850'-5700' is 3023 PSI, 5700'-10789' is 5161 PSI.	4/22/2015
THAHN	Well will be drilled vertically to 10311' well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11063' MD (10789' TVD). Hole size will then be reduced to 8.5" and drilled to 15629' MD (10775' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 2247' FSL and 357' FEL, Section 5 T21S-R34E. Deepest TVD is 10789' in lateral.	4/22/2015

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Form APD Conditions

Permit 203330

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42526
	Well: SEPTEMBER GRASS BSG STATE COM #004H

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	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	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