

**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 203851

**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
		3. API Number 30-025-42535
4. Property Code 39199	5. Property Name SITKA BSI STATE COM	6. Well No. 004H

**7. Surface Location**

UL - Lot L	Section 4	Township 21S	Range 34E	Lot Idn	Feet From 2625	N/S Line S	Feet From 400	E/W Line W	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot M	Section 9	Township 21S	Range 34E	Lot Idn M	Feet From 330	N/S Line S	Feet From 400	E/W Line W	County Lea
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**9. Pool Information**

GRAMA RIDGE;BONE SPRING, NORTH	28434
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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 3725
16. Multiple N	17. Proposed Depth 18114	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	1870	1365	0
Int1	12.25	9.625	36	5700	1920	0
Prod	8.5	5.5	17	18114	2030	11112
Prod	8.75	5.5	17	11112	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:	<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: 4/30/2015      Expiration Date: 4/30/2017
Date: 4/29/2015      Phone: 575-748-4120	Conditions of Approval Attached

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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 203851

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42535	2. Pool Code 28434	3. Pool Name GRAMA RIDGE;BONE SPRING, NORTH
4. Property Code 39199	5. Property Name SITKA BSI STATE COM	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3725

**10. Surface Location**

UL - Lot L	Section 4	Township 21S	Range 34E	Lot Idn	Feet From 2625	N/S Line S	Feet From 400	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot M	Section 9	Township 21S	Range 34E	Lot Idn	Feet From 330	N/S Line S	Feet From 400	E/W Line W	County Lea
12. Dedicated Acres 240.00	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;"><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:                      4/29/2015</p>
	<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:        12/17/2013 Certificate Number:    7977</p>

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Form APD Comments

Permit 203651

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42535
	Well: SITKA BSI STATE COM #004H

Created By	Comment	Comment Date
THAHN	C-102 will follow by mail. H2S is not anticipated.	4/29/2015
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.	4/29/2015
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1870' is 895 PSI, 1870'-5700' is 3023 PSI, 5700'-10793' is 5163 PSI.	4/29/2015
THAHN	Well will be drilled vertically to 10213' well will then be kicked off and directionally drilled at 10 degrees per 100' with a 8.75" hole to 11112' MD (10786' TVD). Hole size will then be reduced to 8.5" and drilled to 18114' MD (10793' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 2053' FSL and 400' FWL, 4-21S-34E. Deepest TVD is 10793' in lateral.	4/29/2015

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Form APD Conditions

Permit 203651

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42535
	Well: SITKA BSI STATE COM #004H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
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	Will require a directional survey with the C-104
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	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	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