

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(505) 393-8161 Fax:(505) 393-0720  
**District II**  
811 S. First St., Artesia, NM 88210  
Phone:(505) 748-1283 Fax:(505) 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 203384

**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 30-025-42550
5. Property Name NECTARINE BSQ STATE COM		6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
K	24	21S	33E	K	2440	S	1980	W	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
C	13	21S	33E	C	330	N	1980	W	Lea

**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 3757
16. Multiple N	17. Proposed Depth 18596	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	1910	1400	0
Int1	12.25	9.625	36	3900	1290	0
Int1	12.25	9.625	40	5700	635	3900
Prod	8.5	5.5	17	18596	2075	11288
Prod	8.75	5.5	17	11288	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: _____ Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 4/23/2015	<p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: Paul Kautz Title: Geologist Approved Date: 5/11/2015 Expiration Date: 5/11/2017 Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102  
August 1, 2011  
Permit 203384

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42550	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. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3757

**10. Surface Location**

UL - Lot K	Section 24	Township 21S	Range 33E	Lot Idn K	Feet From 2440	N/S Line S	Feet From 1980	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot K	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	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:                      4/23/2015</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:        10/14/2013 Certificate Number:    7977</p>

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Form APD Comments

Permit 203384

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42550
	Well: NECTARINE BSQ STATE COM #001H

Created By	Comment	Comment Date
RBELA	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	4/23/2015
RBELA	Logging: GR NEUTRON 30 DEGREES DEVIATION TO SURFACE; DENSITY 30 DEGREES DEVIATION TO INTERMEDIATE CASING; LATEROLOG 30 DEGREES DEVIATION TO INTERMEDIATE CASING; CMR 30 DEGREES DEVIATION TO INTERMEDIATE CASING; (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR).	4/23/2015
RBELA	Mud logging: On after surface casing	4/23/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD From 0'-1910' pressure is 914 PSI. From 1910'-5700' pressure is 3023 PSI. From 5700'-11011' pressure is 5268 PSI.	4/23/2015
RBELA	Well will be drilled vertically to 10533', then be kicked off at approx. 10533' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11288' MD (11011' TVD). Hole size will then be reduced to 8.5" and drilled to 18596' MD (10945' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. If a DV/Packer stage tool is ran in the intermediate casing, production cement will be brought up 200' above the tool placement. Penetration point of producing zone to be stimulated will be encountered at 2310' FNL and 1980' FWL, Section 24-T21S-R3	4/23/2015
RBELA	H2S is not anticipated. C-102 will follow by mail.	4/23/2015
pkautz	Potash letters sent 04/24/2015	4/24/2015

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Form APD Conditions

Permit 203384

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42550
	Well: NECTARINE BSQ STATE COM #001H

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	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	POTASH AREA - Three String Casing Program - In accordance with R-111-P all strings shall be cemented to surface.
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