

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 205453

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 314090		3. API Number 30-015-43175
5. Property Name MACANUDO BTE STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot	G	Section	23	Township	24S	Range	27E	Lot Idn		Feet From	2545	N/S Line	N	Feet From	1980	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	B	Section	14	Township	24S	Range	27E	Lot Idn	B	Feet From	330	N/S Line	N	Feet From	1980	E/W Line	E	County	Eddy
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9. Pool Information

WILLOW LAKE;BONE SPRING;WEST	96415
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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 3168
16. Multiple N	17. Proposed Depth 15668	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	740	580	0
Int1	12.25	9.625	36	2500	850	0
Prod	8.5	5.5	17	15668	2010	8604
Prod	8.75	5.5	17	8604	695	2000

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: Randy Dade
Title: Land Regulatory Agent	Title: District Supervisor
Email Address: thahn@yatespetroleum.com	Approved Date: 6/8/2015 Expiration Date: 6/8/2017
Date: 6/4/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 205453

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43175	2. Pool Code 96415	3. Pool Name WILLOW LAKE;BONE SPRING;WEST
4. Property Code 314090	5. Property Name MACANUDO BTE STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3168

10. Surface Location

UL - Lot G	Section 23	Township 24S	Range 27E	Lot Idn	Feet From 2545	N/S Line N	Feet From 1980	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 14	Township 24S	Range 27E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County Eddy
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;">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: 6/4/2015</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: 12/29/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 205453

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-43175
		Well: MACANUDO BTE STATE COM #002H

Created By	Comment	Comment Date
jeffg	Samples: 10' Samples Surf-TD Logging: SCH: PLATFORM EXPRESS, CNL/LDT/NGT-30 DEG TO INTERM CSG, CNL/GR-30 DEG DEV TO SURF CSG, DLL/MSFL-30 DEG DEV TO SURF CSG, BHC-SONIC-30 DEG DEV TO SURF CSG, HORIZONTAL-MWD-GR	6/4/2015
jeffg	Mudlogging: On after surface casing, Mud Level Monitoring: After surface casing is set an electronic PVT system will be installed as our primary mud level monitoring system. A secondary system will also be implemented as to insure the PVT system is functioning properly. The secondary system will be comprised of the derrick hand checking the fluid level in the pit.	6/4/2015
jeffg	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD, 0'-740' 354 PSI, 740'-2500' 1326 PSI, 2500'-8275' 3959 PSI	6/4/2015
jeffg	Well will be drilled vertically to 7702'. Well will then be kicked off and directionally drilled at 10 degrees per 100' with a 8.75" hole to 8604' MD (8275' TVD). Hole size will then be reduced to 8.5" and drilled to 15668' MD (8252' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 1970' FNL and 1980' FEL, 23-24S-27E. Deepest TVD is 8275' in lateral. H2S is not anticipated. Hardcopy C-102 to follow.	6/4/2015

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Form APD Conditions

Permit 205453

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-43175
	Well: MACANUDO BTE STATE COM #002H
OCD Reviewer	Condition