

**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 205884

**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 314985		3. API Number 30-025-42653
5. Property Name HANEY BWH 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
A	13	18S	35E	A	660	N	200	E	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	14	18S	35E	D	660	N	330	W	Lea

**9. Pool Information**

REEVES;BONE SPRINGS	51870
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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 3869
16. Multiple N	17. Proposed Depth 19008	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	1955	1430	0
Int1	12.25	9.625	36	3400	1135	0
Prod	8.5	5.5	17	19008	2290	9542
Prod	8.75	5.5	17	9542	850	2900

**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 ☒ and/or 19.15.14.9 (B) NMAC ☒, if applicable.  Signature: Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 6/24/2015	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 6/25/2015 Expiration Date: 6/25/2017 Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102  
August 1, 2011  
Permit 205884

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42653	2. Pool Code 51870	3. Pool Name REEVES,BONE SPRINGS
4. Property Code 314985	5. Property Name HANEY BWH STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3869

**10. Surface Location**

UL - Lot A	Section 13	Township 18S	Range 35E	Lot Idn A	Feet From 660	N/S Line N	Feet From 200	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 14	Township 18S	Range 35E	Lot Idn D	Feet From 660	N/S Line N	Feet From 330	E/W Line W	County Lea
12. Dedicated Acres 320.00	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:                      6/24/2015</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:        5/28/2015 Certificate Number:    7977</p>

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Form APD Comments

Permit 205884

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42653
		Well: HANEY BWH STATE COM #001H

  

Created By	Comment	Comment Date
jeffg	Samples: 10' Samples Surf-TD, Logging: GR NEUTRON 30 DEG DEV-SURF CSG, DENSITY 30 DEG DEV-INTERM CSG, LATEROLOG 30 DEG DEV-INTERM CSG, CMR 30 DEG DEV TO INTERM CSG, (SCHLUMBERGER TOOLS LATFORM/HRLA/CMR), FMI/DIPOLE SONICE OVER BONE SPRING POSSIBLE	6/11/2015
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.	6/11/2015
jeffg	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD, 0'-1955' 935 PSI, 1955'-3400' 1803 PSI, 3400'-9196' 4399 PSI	6/11/2015
jeffg	Well will be drilled vertically to 8624' then kicked off and directionally drilled at 10 degrees per 100' with a 8 3/4" hole to 9542' MD (9196' TVD). Hole size will then be reduced to 8 1/2" and drilled to 19008' MD (8287' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 660' FNL and 791' FEL, 13-18S-35E. Deepest TVD is 9196' in lateral. H2S Is not anticipated. Hardcopy C-102 to follow.	6/11/2015
artesia		6/24/2015

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Form APD Conditions

Permit 205864

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42653
	Well: HANEY BWH STATE COM #001H

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