

**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 206963

**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 30-025-42678
4. Property Code 315013	5. Property Name TOMARROW STATE UNIT	6. Well No. 001H

**7. Surface Location**

UL - Lot N	Section 35	Township 23S	Range 35E	Lot Idn	Feet From 200	N/S Line S	Feet From 1980	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	---------------

**8. Proposed Bottom Hole Location**

UL - Lot C	Section 35	Township 23S	Range 35E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	-------------------	---------------	---------------

**9. Pool Information**

WC-025 G-05 S233535N;DELAWARE	98144
-------------------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3496
16. Multiple N	17. Proposed Depth 13100	18. Formation Brushy Canyon	19. Contractor	20. Spud Date 8/1/2015
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	1785	1310	0
Int1	12.25	9.625	36	5800	1955	0
Prod	8.5	5.5	17	13100	1235	8816
Prod	8.75	5.5	17	13100	375	5300

**Casing/Cement Program: Additional Comments**

--

**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	
Double Ram	5000	5000	

<p>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.</p> <p>Signature: _____</p> <p>Printed Name: Electronically filed by Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 7/7/2015</p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 7/7/2015</p> <p>Expiration Date: 7/7/2017</p> <p>Conditions of Approval Attached</p>
--	---

**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-102  
August 1, 2011  
Permit 206963

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42678	2. Pool Code 98144	3. Pool Name WC-025 G-05 S233535N;DELAWARE
4. Property Code 315013	5. Property Name TOMARROW STATE UNIT	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3496

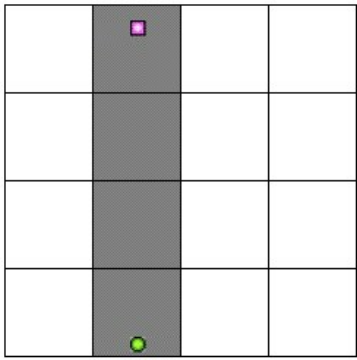
**10. Surface Location**

UL - Lot N	Section 35	Township 23S	Range 35E	Lot Idn	Feet From 200	N/S Line S	Feet From 1980	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	-------------------	---------------	---------------

**11. Bottom Hole Location If Different From Surface**

UL - Lot C	Section 35	Township 23S	Range 35E	Lot Idn	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	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;"><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:                7/7/2015</p> <hr/> <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:    6/18/2015 Certificate Number: 7977</p>
---	--

**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 APD Comments

Permit 206963

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42678
	Well: TOMARROW STATE UNIT #001H

Created By	Comment	Comment Date
thahn	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD. Logging: SCH: Platform Express, CNL/LDT/NGT-TD-INTERM CSG, CNL/GR CSG-TD-SURF CSG, DLL-MSFL-TD-SURF CSG, CMR TD-INTERM CSG, RIZONTAL-MWD-GR-HORIZONTAL. DST's: None. Coring: None. Mudlogging: 1500' to TD.	7/7/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1785' is 854 PSI, 1785'-5800' is 3076 PSI, 5800'-11900' is 5693 PSI in the PILOT HOLE, 8062'-8540' is 4086 PSI in the LATERAL.	7/7/2015
thahn	Pilot hole will be drilled vertically to 11900'. Well will then be plugged back with a 200' isolation plug on bottom and a 500'-600' kick off plug. Well will then be kicked off at approximately 8062' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 8816' MD (8540' TVD). Hole size will then be reduced to 8.5" and drilled to 13100' MD (8510' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 691' FSL and 1980' FWL, 33-23S-35E. Deepest TVD in the pilot hole is 1190	7/7/2015
thahn	H2S is not anticipated. C-102, horizontal drilling diagram, and contingency plan will follow by mail.	7/7/2015

**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 APD Conditions

Permit 206963

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42678
	Well: TOMARROW STATE UNIT #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