

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 207018

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 17550		3. API Number 30-025-42682
5. Property Name HUNT APO STATE		6. Well No. 002H

7. Surface Location

UL - Lot	N	Section	4	Township	21S	Range	34E	Lot Idn	N	Feet From	2710	N/S Line	S	Feet From	1650	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	C	Section	4	Township	21S	Range	34E	Lot Idn	3	Feet From	330	N/S Line	N	Feet From	1980	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 3706
16. Multiple N	17. Proposed Depth 15425	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	1840	1345	0
Int1	12.25	9.625	40	5900	1985	0
Prod	8.5	5.5	17	15425	1445	11045
Prod	8.75	5.5	17	11045	430	5400

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: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 7/9/2015 Expiration Date: 7/9/2017
Date: 7/8/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 207018

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42682	2. Pool Code 28434	3. Pool Name GRAMA RIDGE;BONE SPRING, NORTH
4. Property Code 17550	5. Property Name HUNT APO STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3706

10. Surface Location

UL - Lot N	Section 4	Township 21S	Range 34E	Lot Idn N	Feet From 2710	N/S Line S	Feet From 1650	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 4	Township 21S	Range 34E	Lot Idn 3	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	County Lea
12. Dedicated Acres 238.77	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: 7/8/2015</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: 7/2/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 207018

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42682
	Well: HUNT APO STATE #002H

Created By	Comment	Comment Date
rbela	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	7/8/2015
rbela	Logging: Platform HRLA / CMR Mud logging: ON BELOW SURFACE CSG.	7/8/2015
rbela	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD From 0'-1840' pressure is 880 PSI. From 1840'-5900' pressure is 3129 PSI. From 5900'-10783' pressure is 5159 PSI.	7/8/2015
rbela	Well will be drilled vertically to 10297', then be kicked off at approx. 10297' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11045' MD (10774' TVD). Hole size will then be reduced to 8.5" and drilled to 15425' MD (10783' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 3186' FSL and 1678' FWL, Section 4-21S-34E. Deepest TVD is 10783' in lateral.	7/8/2015
rbela	H2S is not anticipated. C102 will follow by mail.	7/8/2015

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Form APD Conditions

Permit 207018

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42682
	Well: HUNT APO STATE #002H

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
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.