

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 207519

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 39141		3. API Number 30-025-42694
5. Property Name TAIPAN BST STATE		6. Well No. 002H

7. Surface Location

UL - Lot	M	Section	30	Township	24S	Range	33E	Lot Idn	4	Feet From	60	N/S Line	S	Feet From	640	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	----	----------	---	-----------	-----	----------	---	--------	-----

8. Proposed Bottom Hole Location

UL - Lot	N	Section	31	Township	24S	Range	33E	Lot Idn	LOT 4	Feet From	330	N/S Line	S	Feet From	400	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	-------	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

9. Pool Information

WC-025 G-07 S243225C; LOWER BONE SPR	97964
--------------------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3555
16. Multiple N	17. Proposed Depth 15876	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 7/31/2015
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	1125	645	0
Int1	12.25	9.625	40	5100	1665	0
Prod	8.75	5.5	17	11340	1695	4700
Prod	8.5	5.5	17	15876	610	0

Casing/Cement Program: Additional Comments

--

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: 7/21/2015 Expiration Date: 7/21/2017
Date: 7/17/2015 Phone: 575-748-4120	Conditions of Approval Attached

OPERATOR CERTIFICATION

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.

E-Signed By: Travis Hahn
 Title: Land Regulatory Agent
 Date: 7/17/2015

SURVEYOR CERTIFICATION

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.

Surveyed By: Gary Jones
 Date of Survey: 11/25/2014
 Certificate Number: 7977

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) 476-3462

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 207519

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42694
	Well: TAIPAN BST STATE #002H

Created By	Comment	Comment Date
Cy Cowan	C-102 and Directional Drilling Plan will be submitted to your office under separate cover.	7/17/2015
Cy Cowan	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	7/17/2015
Cy Cowan	Logging: HORIZONTAL-MWD-GR CURVE-TD	7/17/2015
Cy Cowan	Mudlogging: Surface casing to TD	7/17/2015
Cy Cowan	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M system on 9 5/8" casing.	7/17/2015
Cy Cowan	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1125' 538 PSI 1125'-5100' 2705 PSI 5100'-11065' 5294 PSI	7/17/2015
Cy Cowan	Well will be drilled vertically to approx. 10587'. Well will then be kicked off at approx. 10587' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11340' MD (11065' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15876' MD (11035' TVD) where 5 1/2" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 420' FNL and 621' FWL, 31-24S-33E. Deepest TVD is 11065' in lateral.	7/17/2015

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) 334-6178 Fax:(505) 334-6170
District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

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 207519

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42694
		Well: TAIPAN BST STATE #002H
OCD Reviewer	Condition	
pkautz	1) SURFACE & INTERNEMIATE 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.	