

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 209176

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 315178		3. API Number 30-025-42762
5. Property Name SMOOT BWJ STATE		6. Well No. 001H

7. Surface Location

UL - Lot	N	Section	30	Township	18S	Range	36E	Lot Idn	N	Feet From	255	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	C	Section	30	Township	18S	Range	36E	Lot Idn	C	Feet From	330	N/S Line	N	Feet From	1980	E/W Line	W	County	Lea
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9. Pool Information

VACUUM;BONE SPRING, SOUTH	61900
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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 3845
16. Multiple N	17. Proposed Depth 13833	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 12/1/2015
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	1905	1395	0
Int1	12.25	9.625	36	4600	1510	0
Prod	8.5	5.5	17	13833	1430	8612
Prod	8.75	5.5	17	8612	640	3400

Casing/Cement Program: Additional Comments

Well will be drilled vertically to approximately 8861'. Well will then be kicked off and directionally drilled at 12 degrees per 100' with an 8.75" hole to 8612' MD (9338' TVD). Hole size will then be reduced to 8.5" and drilled to 13833' MD (9329' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 733' FSL and 1980' FWL, 30-18S-36E. Deepest TVD is 9338' in the lateral.

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 ☒ and/or 19.15.14.9 (B) NMAC ☒, 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: 8/31/2015 Expiration Date: 8/31/2017
Date: 8/28/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 209176

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42762	2. Pool Code 61900	3. Pool Name VACUUM;BONE SPRING, SOUTH
4. Property Code 315178	5. Property Name SMOOT BWJ STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3845

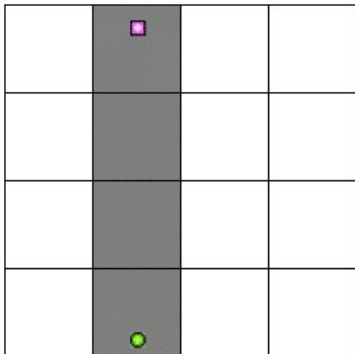
10. Surface Location

UL - Lot N	Section 30	Township 18S	Range 36E	Lot Idn N	Feet From 255	N/S Line S	Feet From 1980	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 30	Township 18S	Range 36E	Lot Idn C	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;">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: 8/28/2015</p> <hr/> <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: 7/22/2015 Certificate Number: 7977</p>
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Form APD Comments

Permit 209176

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42762
	Well: SMOOT BWJ STATE #001H

Created By	Comment	Comment Date
thahn	Samples: 10' samples surface to TD. Logging: GR NEUTRON 30 DEG DEV TO SURF, DENSITY 30 DEG DEV TO INTERM CSG, LATERLOG 30 DEG DEV TO INTERM CSG, CMR 30 DEG DEV TO INTERM CSG, (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR) FMI/DIPOLE SONIC OVER BONE SPRING POSSIBLE. DST's: None. Coring: None. Mudlogging: On Below Surface Casing.	8/28/2015
thahn	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.	8/28/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1905' is 911 PSI, 1905'-4600' is 440 PSI, 4600'-9338' is 4467 PSI.	8/28/2015
thahn	H2S is not anticipated for this well. C102 will follow.	8/28/2015

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Form APD Conditions

Permit 209176

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42762
	Well: SMOOT BWJ STATE #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
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.