

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 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 C-101
August 1, 2011
Permit 172870

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 40110		3. API Number 30-025-41377
5. Property Name DATE BTB STATE COM		6. Well No. 004H

7. Surface Location

UL - Lot	P	Section	11	Township	21S	Range	33E	Lot Idn	P	Feet From	200	N/S Line	S	Feet From	760	E/W Line	E	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

8. Proposed Bottom Hole Location

UL - Lot	P	Section	14	Township	21S	Range	33E	Lot Idn	P	Feet From	330	N/S Line	S	Feet From	760	E/W Line	E	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

9. Pool Information

BERRY;BONE SPRING, NORTH	5535
--------------------------	------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3788
16. Multiple N	17. Proposed Depth 16706	18. Formation 3rd 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	1865	1365	0
Int1	12.25	9.625	40	3900	1290	0
Int2	12.25	9.625	40	6165	780	3900
Prod	8.5	5.5	17	16706	200	12025
Prod	8.75	5.5	17	12025	1165	0

Casing/Cement Program: Additional Comments

--

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 <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 LORI FLORES	Approved By: Paul Kautz
Title: Land Regulatory Technician	Title: Geologist
Email Address: lorif@yatespetroleum.com	Approved Date: 9/10/2013 Expiration Date: 9/10/2015
Date: 9/5/2013 Phone: 575-748-4448	Conditions of Approval Attached

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 C-102
August 1, 2011
Permit 172870

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41377	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40110	5. Property Name DATE BTB STATE COM	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3788

10. Surface Location

UL - Lot P	Section 11	Township 21S	Range 33E	Lot Idn	Feet From 200	N/S Line S	Feet From 760	E/W Line E	County Lea
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	---------------

11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 14	Township 21S	Range 33E	Lot Idn P	Feet From 330	N/S Line S	Feet From 760	E/W Line E	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

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px; background-color: #cccccc;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc; text-align: center;">■</td></tr> </table>																■	<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: LORI FLORES Title: Land Regulatory Technician Date: 9/5/2013</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: 7/14/2013 Certificate Number: 7977</p>
			■														

District I

1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 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

Form APD Comments

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Permit 172870

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41377
	Well: DATE BTB STATE COM #004H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated.	9/5/2013
THAHN	C-102 and drilling plan to follow by mail.	9/5/2013
THAHN	Maximum anticipated BHP: (Depths are TVD) 0'-1865' is 892 PSI 1865'-6165' is 3270 PSI 6165'-11863' is 5675 PSI	9/5/2013
THAHN	Well will be drilled vertically to 11285' and then kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 12025' MD (11763' TVD). Hole size will then be reduced to 8.5" and drilled to 16706' MD (11863' TVD) where 5.5" casing will be set. Production casing will be cemented to surface. Deepest TVD in the well is 11863' in the lateral.	9/5/2013
pkautz	R-111-P area	9/6/2013
pkautz	Land s/S	9/6/2013
DMULL	Received POTASH Response from the Bureau of Land Management and the State Land Office.	9/10/2013

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 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 172870

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41377
	Well: DATE BTB STATE COM #004H

OCD Reviewer	Condition
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	surface casing must be set 25' below top Rustler Anhydrite in order to seal off protectable water.
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	Will require a directional survey with the C-104