

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 175361

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 30-025-41458
4. Property Code 40177	5. Property Name Tour BUS State Com	6. Well No. 001H

7. Surface Location

UL - Lot N	Section 23	Township 22S	Range 34E	Lot Idn N	Feet From 200	N/S Line S	Feet From 2180	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 23	Township 22S	Range 34E	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

OJO CHISO;BONE SPRING	96553
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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 3433
16. Multiple N	17. Proposed Depth 14919	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	1765	1095	0
Int1	12.25	9.625	36	5760	1875	0
Prod	8.5	5.5	17	14919	1035	9000
Prod	8.75	5.5	17	10646	710	5000

Casing/Cement Program: Additional Comments

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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: 10/18/2013 Expiration Date: 10/18/2015
Date: 10/15/2013 Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 175381

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41458	2. Pool Code 96553	3. Pool Name OJO CHISO;BONE SPRING
4. Property Code 40177	5. Property Name Tour BUS State Com	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3433

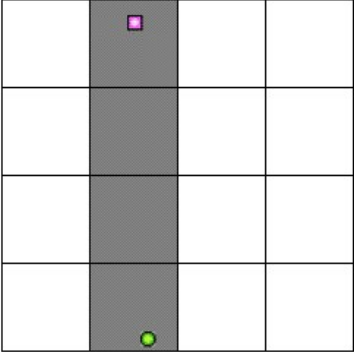
10. Surface Location

UL - Lot N	Section 23	Township 22S	Range 34E	Lot Idn	Feet From 200	N/S Line S	Feet From 2180	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 23	Township 22S	Range 34E	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: LORI FLORES Title: Land Regulatory Technician Date: 10/15/2013</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: 9/16/2013 Certificate Number: 7977</p>
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Form APD Comments

Permit 175381

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41458
	Well: Tour BUS State Com #001H

Created By	Comment	Comment Date
THAHN	C-102 and directional plan to follow by mail.	10/15/2013
THAHN	Samples: 30' Sample to 5760'. 10' Samples 5760'-TD Mudlogging: On below surface casing Logging: GR NEUTRON 30 DEGREES DEV TO SURFACE DENSITY 30 DEGREES DEV TO INTERMEDIATE CASING LATEROLOG 30 DEGREES DEV TO INTERMEDIATE CASING CMR 30 DEGREES DEV TO INTERMEDIATE CASING (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR)	10/15/2013
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1765' 844 PSI 1765'-5760' 3055 PSI 5760'-10367' 4852 PSI	10/15/2013
THAHN	Well will be drilled vertically to 9890' then kicked off at 9890' and directionally drilled at 12 degrees per 100' with an 8.75" hole to 10646' MD (10367' TVD). Hole size will then be reduced to 8.5" and drilled to 14919' MD (10309' TVD) where 5.5" casing will be set and cemented 500' into previous casing with a DV/Packer stage tool at approximately 9000'. Penetration point of the producing zone will be encountered at 683' FSL and 2157' FWL, 23-22S-34E. Deepest TVD in the well is 10367' in the lateral.	10/15/2013
pkautz	Land p/S	10/16/2013

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Form APD Conditions

Permit 175361

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41458
	Well: Tour BUS State Com #001H

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 of Rustler Anhydrite in order to seal off protectable water.
DMULL	Will require a directional survey with the C-104
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