

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-101
August 1, 2011
Permit 176030

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 30-015-41754
4. Property Code 40187	5. Property Name SAVANNAH State Com	6. Well No. 003H

7. Surface Location

UL - Lot H	Section 32	Township 19S	Range 25E	Lot Idn H	Feet From 2260	N/S Line N	Feet From 150	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot E	Section 32	Township 19S	Range 25E	Lot Idn E	Feet From 2260	N/S Line N	Feet From 330	E/W Line W	County Eddy
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9. Pool Information

North Seven Rivers; Glorieta-Yeso	0
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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 3490
16. Multiple N	17. Proposed Depth 7107	18. Formation Yeso Formation	19. Contractor	20. Spud Date 12/15/2013
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	14.75	9.625	36	750	580	0
Prod	8.75	5.5	17	2500	340	0
Prod	8.5	5.5	17	7107	880	2500

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

<p>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.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by LORI FLORES</p> <p>Title: Land Regulatory Technician</p> <p>Email Address: lorif@yatespetroleum.com</p> <p>Date: 10/24/2013</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Randy Dade</p> <p>Title: District Supervisor</p> <p>Approved Date: 10/25/2013</p> <p>Expiration Date: 10/25/2015</p> <p>Conditions of Approval Attached</p>
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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41754	2. Pool Code	3. Pool Name North Seven Rivers; Glorieta-Yeso
4. Property Code 40187	5. Property Name SAVANNAH State Com	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3490

10. Surface Location

UL - Lot H	Section 32	Township 19S	Range 25E	Lot Idn	Feet From 2260	N/S Line N	Feet From 150	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 32	Township 19S	Range 25E	Lot Idn E	Feet From 2260	N/S Line N	Feet From 330	E/W Line W	County Eddy
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

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<p>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: 10/7/2013 Certificate Number: 7977</p>																	

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PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-41754
	Well: SAVANNAH State Com #003H

Created By	Comment	Comment Date
THAHN	C-102, H2S plan, directional plan, and C-144 for open pit are to follow.	10/24/2013
THAHN	Samples: 10' Samples 750'-TD	10/24/2013
THAHN	Well will be drilled vertically to 2023', then kicked off at approximately 2023' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 2773' MD (2500' TVD). Hole size will then be reduced to 8.5" and drilled to 7107' MD (2500' TVD) where 5.5" casing will be set and cemented. Production string will be cemented to surface. Penetration point of producing zone will be encountered at 2260' FNL and 627' FEL, 32-19S-25E. Deepest TVD is 2500' in the lateral.	10/24/2013
CSHAPARD	Land s/S	10/25/2013

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PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-41754
	Well: SAVANNAH State Com #003H

OCD Reviewer	Condition
CSHAPARD	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