

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 177986

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 12594		3. API Number 30-015-41838
5. Property Name Nickson BM		6. Well No. 006H

7. Surface Location

UL - Lot H	Section 30	Township 18S	Range 26E	Lot Idn	Feet From 1650	N/S Line N	Feet From 250	E/W Line E	County Eddy
---------------	---------------	-----------------	--------------	---------	-------------------	---------------	------------------	---------------	----------------

8. Proposed Bottom Hole Location

UL - Lot E	Section 30	Township 18S	Range 26E	Lot Idn E	Feet From 1650	N/S Line N	Feet From 330	E/W Line W	County Eddy
---------------	---------------	-----------------	--------------	--------------	-------------------	---------------	------------------	---------------	----------------

9. Pool Information

PENASCO DRAW;SA-YESO (ASSOC)	50270
------------------------------	-------

Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3438
16. Multiple N	17. Proposed Depth 6878	18. Formation Yeso Formation	19. Contractor	20. Spud Date 12/31/2013
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	1000	750	0
Prod	8.75	5.5	17	6878	1185	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 Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 12/3/2013	Approved By: Randy Dade Title: District Supervisor Approved Date: 12/3/2013 Conditions of Approval Attached
Phone: 575-748-4448	Expiration Date: 12/3/2015

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 C-102
August 1, 2011
Permit 177986

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41838	2. Pool Code 50270	3. Pool Name PENASCO DRAW;SA-YESO (ASSOC)
4. Property Code 12594	5. Property Name Nickson BM	6. Well No. 006H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3438

10. Surface Location

UL - Lot H	Section 30	Township 18S	Range 26E	Lot Idn	Feet From 1650	N/S Line N	Feet From 250	E/W Line E	County Eddy
---------------	---------------	-----------------	--------------	---------	-------------------	---------------	------------------	---------------	----------------

11. Bottom Hole Location If Different From Surface

UL - Lot E	Section 30	Township 18S	Range 26E	Lot Idn	Feet From 1650	N/S Line N	Feet From 330	E/W Line W	County Eddy
12. Dedicated Acres 158.87	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

<div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>	<div>OPERATOR CERTIFICATION</div> <div> <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> </div> <div> E-Signed By: LORI FLORES Title: Land Regulatory Technician Date: 12/3/2013 </div>	
	<div>SURVEYOR CERTIFICATION</div> <div> <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> </div> <div> Surveyed By: Gary Jones Date of Survey: 10/9/2013 Certificate Number: 7977 </div>	

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

Permit 177986

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

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-41838
	Well: Nickson BM #006H

Created By	Comment	Comment Date
CMAY	Well will be vertically drilled to 2114'. Well will then kicked off at approximately 2114' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 2872' MD (2592' TVD). Hole size will then be reduced to 8 1/2" and drilled to 6878' MD (2525' TVD) where 5 1/2" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 1650' FNL & 735' FEL, 30-18s-26E. Deepest TVD is 2592" in the lateral.	12/3/2013
CMAY	Well will be vertically drilled to 2114'. Well will then kicked off at approximately 2114' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 2872' MD (2592' TVD). Hole size will then be reduced to 8 1/2" and drilled to 6878' MD (2525' TVD) where 5 1/2" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 1650' FNL & 735' FEL, 30-18s-26E. Deepest TVD is 2592" in the lateral.	12/3/2013
CMAY	A 3000 psi system will be nipped up on the 9 5/8" casing.	12/3/2013
CMAY	A copy of the C-102 and horozantal information will follow by mail.	12/3/2013
CMAY	No H2S is anticipated in this well.	12/3/2013
CSHAPARD	Land f/P	12/3/2013

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8181 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) 476-3462

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 177986

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41838
		Well: Nickson BM #006H

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