

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

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 38131		3. API Number 30-015-41855
5. Property Name SHERPA BOY STATE COM		6. Well No. 002H

7. Surface Location

UL - Lot L	Section 1	Township 25S	Range 27E	Lot Idn	Feet From 1980	N/S Line S	Feet From 200	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot I	Section 1	Township 25S	Range 27E	Lot Idn I	Feet From 1980	N/S Line S	Feet From 330	E/W Line W	County Eddy
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9. Pool Information

WILLOW LAKE;BONE SPRING,WEST	96415
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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 3113
16. Multiple N	17. Proposed Depth 12357	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	400	415	0
Int1	12.25	9.625	36	2500	850	0
Prod	8.5	5.5	17	12357	1265	5000
Prod	8.75	5.5	17	8059	580	2000

Casing/Cement Program: Additional Comments

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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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> , if applicable.	OIL CONSERVATION DIVISION
Signature:	
Printed Name: Electronically filed by LORI FLORES	Approved By: Randy Dade
Title: Land Regulatory Technician	Title: District Supervisor
Email Address: lorif@yatespetroleum.com	Approved Date: 12/10/2013 Expiration Date: 12/10/2015
Date: 12/10/2013 Phone: 575-748-4448	Conditions of Approval Attached

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-41855	2. Pool Code 96415	3. Pool Name WILLOW LAKE;BONE SPRING,WEST
4. Property Code 38131	5. Property Name SHERPA BOY STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3113

10. Surface Location

UL - Lot L	Section 1	Township 25S	Range 27E	Lot Idn	Feet From 1980	N/S Line S	Feet From 200	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot I	Section 1	Township 25S	Range 27E	Lot Idn	Feet From 1980	N/S Line S	Feet From 330	E/W Line E	County Eddy
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12. Dedicated Acres 160.00	13. Joint or Infill	14. Consolidation Code	15. Order No.
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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: 10/23/2013 Certificate Number: 7977</p>																	

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Form APD Comments

Permit 178270

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-41855
	Well: SHERPA BOY STATE COM #002H

Created By	Comment	Comment Date
THAHN	C-102 and horizontal drilling plan will follow. H2S is not anticipated on this well.	12/10/2013
THAHN	Samples: 10' Samples surface-TD	12/10/2013
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-400' is 191 PSI 400'-2500' is 1326 PSI 2500'-7897' is 3778 PSI	12/10/2013
THAHN	Well will be drilled to 7320' then will be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 8059' MD (7798' TVD). Hole size will then be reduced to 8.5" and drilled to 12357' MD (7897' TVD) where 5.5" casing will be set and cemented 500' into intermediate casing with a DV tool at approx. at 5000' (cement volumes will be adjusted per tool placement). Penetration point of producing zone will be encountered at 1980' FSL and 666' FWL, 1-25S-27E. Deepest TVD is 7897' in the lateral.	12/10/2013
CSHAPARD	Land s/S	12/10/2013

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Form APD Conditions

Permit 178270

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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: 30-015-41855
	Well: SHERPA BOY STATE COM #002H

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