

**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) 334-8178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3482

**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 193490

**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 39218		3. API Number 30-025-42165
5. Property Name BOSTON BSN STATE COM		6. Well No. 002H

**7. Surface Location**

UL - Lot	K	Section	6	Township	21S	Range	34E	Lot Idn	Feet From	2545	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	F	Section	7	Township	21S	Range	34E	Lot Idn	F	Feet From	2310	N/S Line	N	Feet From	1980	E/W Line	W	County	Lea
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**9. Pool Information**

BERRY:BONE SPRING, NORTH	5535
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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 3733
16. Multiple N	17. Proposed Depth 16209	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	1820	1330	0
Int1	12.25	9.625	36	5850	1970	0
Prod	8.5	5.5	17	16209	640	5350
Prod	8.75	5.5	17	11817	1490	8700

**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.  Signature:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 10/2/2014      Expiration Date: 10/2/2016
Date: 10/2/2014      Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 193490

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42165	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39218	5. Property Name BOSTON BSN STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3733

**10. Surface Location**

UL - Lot K	Section 6	Township 21S	Range 34E	Lot Idn	Feet From 2545	N/S Line S	Feet From 1980	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot F	Section 7	Township 21S	Range 34E	Lot Idn	Feet From 2310	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**

	<b>OPERATOR CERTIFICATION</b> <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>		
	E-Signed By:            Travis Hahn Title:                     Land Regulatory Agent Date:                      10/2/2014		
	<b>SURVEYOR CERTIFICATION</b> <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>		
	Surveyed By:           Gary Jones Date of Survey:        12/10/2013 Certificate Number:    7977		

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Form APD Comments

Permit 193490

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42165
	Well: BOSTON BSN STATE COM #002H

Created By	Comment	Comment Date
Ynavarrette	Samples: 30' Sample to 5850'. 10' Samples 5850'-TD	10/2/2014
Ynavarrette	Logging: GR NEUTRON-30 DEG DEV TO SURFACE CSG DENSITY-30 DEG DEV TO INTERMEDIATE CSG LATEROLOG-30 DEG DEV TO INTERMEDIATE CSG CMR-30 DEG DEV TO INTERMEDIATE CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR)	10/2/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1820' is 871 PSI 1820'-5850' is 3103 PSI 5850'-11700' is 5597 PSI	10/2/2014
Ynavarrette	Well will be drilled vertically to 11083' and be kicked off at approx. 11083' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11817' MD (11560' TVD). Hole size will then be reduced to 8 1/2" and drilled to 16209' MD (11560' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Production string will be cemented in two stages with a DV/packer stage tool at approx. 8700'. Penetration point of producing zone will be encountered at 2083' FSL and 1980' FWL, 4-21S-34E. Deepest TVD is 11700' in lateral.	10/2/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	10/2/2014

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Form APD Conditions

Permit 193490

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42165
	Well: BOSTON BSN STATE COM #002H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement