

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 207149

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 39142		3. API Number 30-025-42689
5. Property Name ADDER BSE STATE		6. Well No. 002H

7. Surface Location

UL - Lot	O	Section	30	Township	24S	Range	33E	Lot Idn	Feet From	240	N/S Line	N	Feet From	1770	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	O	Section	31	Township	24S	Range	33E	Lot Idn	O	Feet From	330	N/S Line	S	Feet From	1980	E/W Line	E	County	Lea
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9. Pool Information

WC-025 G-07 S243225C; LOWER BONE SPR	97964
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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 3547
16. Multiple N	17. Proposed Depth 11401	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 7/30/2015
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	1145	860	0
Int1	12.25	9.625	40	5100	1665	0
Prod	8.75	5.5	17	11401	610	5100
Prod	8.5	5.5	17	16119	1750	4600

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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 7/10/2015 Expiration Date: 7/10/2017
Date: 7/10/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 207149

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42689	2. Pool Code 97964	3. Pool Name WC-025 G-07 S243225C, LOWER BONE SPR
4. Property Code 39142	5. Property Name ADDER BSE STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3547

10. Surface Location

UL - Lot O	Section 30	Township 24S	Range 33E	Lot Idn	Feet From 240	N/S Line N	Feet From 1770	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 31	Township 24S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	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

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Form APD Comments

Permit 207149

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42689
	Well: ADDER BSE STATE #002H

Created By	Comment	Comment Date
Cy Cowan	C-102 and Drilling plan will be submitted to your office under separate cover.	7/10/2015
Cy Cowan	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M system on 9 5/8" casing.	7/10/2015
Cy Cowan	Logging: SLB: PLATFORM EXPRESS-CURVE CNL/LDT/NGT-30 DEG DEV TO INTERM CSG CNL/GR-30 DEG DEV TO SURF CSG DLL-30 DEG DEV TO INTERM CSG HORIZONTAL-MWD-GR CURVE-TD	7/10/2015
Cy Cowan	Mudlogging: Surface casing to TD	7/10/2015
Cy Cowan	H2S is not anticipated.	7/10/2015
Cy Cowan	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1150' 550 PSI 1150'-5100' 2705 PSI 5100'-11120' 5320 PSI	7/10/2015
Cy Cowan	Well will be drilled vertically to approx. 10642'. Well will then be kicked off at approx. 10642' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11396' MD (11120' TVD). Hole size will then be reduced to 8 1/2" and drilled to 16113' MD (11090' TVD) where 5 1/2" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of producing zone to be stimulated will be encountered at 330' FNL and 576' FEL, 31-24S- 33E. Deepest TVD is 11120' in lateral.	7/10/2015

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Form APD Conditions

Permit 207149

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42689
	Well: ADDER BSE STATE #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	Pit construction and closure must satisfy all requirements of your approved plan.
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.