

**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) 476-3462

**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 209479

**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 30-025-42792
4. Property Code 40238	5. Property Name TANGO BTP STATE COM	6. Well No. 007H

**7. Surface Location**

UL - Lot B	Section 36	Township 20S	Range 33E	Lot Idn B	Feet From 200	N/S Line N	Feet From 2010	E/W Line E	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot O	Section 36	Township 20S	Range 33E	Lot Idn O	Feet From 330	N/S Line S	Feet From 2010	E/W Line E	County Lea
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**9. Pool Information**

WC-025 G-08 S213304D;BONE SPRING	97895
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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 3686
16. Multiple N	17. Proposed Depth 15190	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	1530	1135	0
Int1	12.5	9.625	36	5700	1925	0
Prod	8.5	5.5	17	15190	1520	10913
Prod	8.75	5.5	17	10913	790	10165

**Casing/Cement Program: Additional Comments**

Well will be drilled to 10165'. Well will then be kicked off at approx. 10165' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10913' MD (10642' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15190' MD (10663' TVD) where 5 1/2" casing will be set and cemented. Production cement will tie back 500' into previous casing string in a single stage. If intermediate cement is done in 2 stages, production cement will be brought 200' above intermediate DV/Packer stage tool. Penetration point of producing zone will be encountered at 675' FNL and 2010' FEL, 36-20S-33E. Deepest TVD is 10663' in lateral.

**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: _____ Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 9/4/2015	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 9/16/2015      Expiration Date: 9/16/2017 Conditions of Approval Attached
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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 209479

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42792	2. Pool Code 97895	3. Pool Name WC-025 G-08 S213304D, BONE SPRING
4. Property Code 40238	5. Property Name TANGO BTP STATE COM	6. Well No. 007H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3686

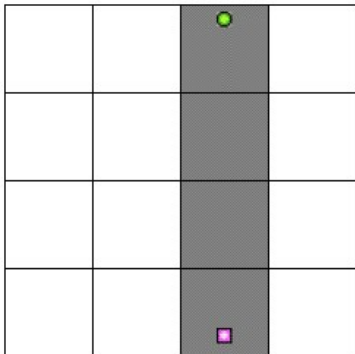
**10. Surface Location**

UL - Lot B	Section 36	Township 20S	Range 33E	Lot Idn B	Feet From 200	N/S Line N	Feet From 2010	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot O	Section 36	Township 20S	Range 33E	Lot Idn O	Feet From 330	N/S Line S	Feet From 2010	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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></p> <p><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></p> <p>E-Signed By:      Travis Hahn Title:                Land Regulatory Agent Date:                9/4/2015</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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:     8/5/2015 Certificate Number: 7977</p>
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**Santa Fe, NM 87505**

Form APD Comments

Permit 209479

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42792
		Well: TANGO BTP STATE COM #007H

Created By	Comment	Comment Date
CHRISG	Samples;; 30' samples to 4500'. 10' samples 4500'-TD; Logging;; NO OPEN HOLE LOGS; Mudlogging;; On after surface casing. MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1530' 732 PSI 1530'-5700' 3023 PSI 5700'-10663' 5101 PSI H2S is not anticipated. C102 and Horizontal Drilling Diagram to follow	9/4/2015
pimartinez	POTASH AREA	9/15/2015

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Form APD Conditions

Permit 209479

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42792
	Well: TANGO BTP STATE COM #007H

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.