

**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 215060

**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 12519		3. API Number 30-025-43016
5. Property Name LOTUS ALT STATE		6. Well No. 013H

**7. Surface Location**

UL - Lot	D	Section	32	Township	22S	Range	32E	Lot Idn	D	Feet From	330	N/S Line	N	Feet From	580	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	M	Section	32	Township	22S	Range	32E	Lot Idn	M	Feet From	330	N/S Line	S	Feet From	660	E/W Line	W	County	Lea
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**9. Pool Information**

SAND DUNES;BONE SPRING	53800
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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 3550
16. Multiple N	17. Proposed Depth 14753	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	13.38	48	850	450	25
Int1	12.25	9.625	36		1555	25
Prod	8.5	5.5	17	14753	1100	10610
Prod	8.75	5.5	17	10610	795	4250

**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: 1/13/2016      Expiration Date: 1/13/2018
Date: 1/12/2016      Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 215060

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-43016	2. Pool Code 53800	3. Pool Name SAND DUNES;BONE SPRING
4. Property Code 12519	5. Property Name LOTUS ALT STATE	6. Well No. 013H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3550







**10. Surface Location**

UL - Lot D	Section 32	Township 22S	Range 32E	Lot Idn D	Feet From 330	N/S Line N	Feet From 580	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot M	Section 32	Township 22S	Range 32E	Lot Idn M	Feet From 330	N/S Line S	Feet From 660	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**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px; text-align: center;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td><td style="width: 25%;"></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px;"></td><td></td><td></td><td></td></tr> <tr><td style="height: 40px; text-align: center;"></td><td></td><td></td><td></td></tr> </table>																	<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:                 1/12/2016</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:     9/2/2015 Certificate Number: 7977</p>
																	
																	

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**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form APD Comments

Permit 215060

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-43016
		Well: LOTUS ALT STATE #013H

Created By	Comment	Comment Date
CHRISG	Samples: 10' samples surface to TD	1/12/2016
CHRISG	Logging: CNL/LDT/NGT-CURVE-INTERM CSG CNL/GR-CURVE-SURF CSG DLL-MSFL-CURVE-INTERM CSG CMR-CURVE-INTERM CSG HORIZONTAL MWD-GR Mudlogging: Yes-on at 3,000' Pressure Control Equipment: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M on 9 5/8" casing. Maximum Anticipated BHP: Depths are TVD 0'-850' 407 PSI 850'-4750' 2519 PSI 4750'-10337' 4945 PSI	1/12/2016
CHRISG	We will be drilled vertically to 9860'. We will be kicked off at approx. 9860' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10610' MD (10337' TVD). Hole size will then be reduced to 8 1/2" and drilled to 14753' MD (10337' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 807' FNL and 592' FWL, 32-22S-32E. Deepest TVD is 10337' in the lateral.	1/12/2016
CHRISG	C-102 and horizontal drilling diagram will follow by mail.	1/12/2016

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Form APD Conditions

Permit 215060

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-43016
	Well: LOTUS ALT STATE #013H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
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	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.