

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

Form C-101
August 1, 2011
Permit 216289

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 30-015-43613
4. Property Code 12521	5. Property Name LOVING AIB STATE	6. Well No. 017

7. Surface Location

UL - Lot D	Section 16	Township 23S	Range 28E	Lot Idn	Feet From 260	N/S Line N	Feet From 497	E/W Line W	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot M	Section 16	Township 23S	Range 28E	Lot Idn M	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County Eddy
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9. Pool Information

CULEBRA BLUFF;BONE SPRING, SOUTH	15011
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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 3027
16. Multiple N	17. Proposed Depth 12700	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	2610	890	0
Prod	8.5	5.5	17	12700	1090	8433
Prod	8.75	5.5	17	8433	525	2110

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	

<p>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.</p> <p>Signature:</p> <p>Printed Name: Electronically filed by Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 2/8/2016</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Randy Dade</p> <p>Title: District Supervisor</p> <p>Approved Date: 2/12/2016</p> <p>Expiration Date: 2/12/2018</p> <p>Conditions of Approval Attached</p>
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Form C-102
 August 1, 2011
 Permit 216289

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43613	2. Pool Code 15011	3. Pool Name CULEBRA BLUFF,BONE SPRING, SOUTH
4. Property Code 12521	5. Property Name LOVING AIB STATE	6. Well No. 017
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3027

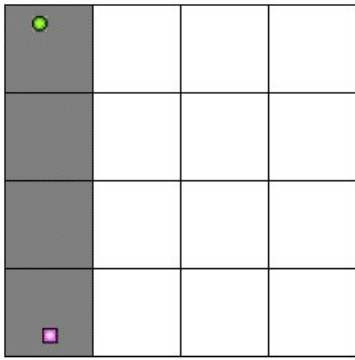
10. Surface Location

UL - Lot D	Section 16	Township 23S	Range 28E	Lot Idn	Feet From 260	N/S Line N	Feet From 497	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 16	Township 23S	Range 28E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line W	County Eddy
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

	OPERATOR CERTIFICATION
	<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: 2/8/2016</p>
	SURVEYOR CERTIFICATION
	<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: 8/6/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 216289

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-43613
	Well: LOVING AIB STATE #017

Created By	Comment	Comment Date
rbela	Samples: 10' samples surface to TD	2/8/2016
rbela	Logging: GR NEUTRON 30 DEG DEV. TO SURFACE. NEUTRON DENSITY 30 DEG DEV. TO INTERMEDIATE CASING. LATEROLOG 30 DEG DEV. TO INTERMEDIATE CASING. CMR 30 DEG DEV. TO INTERMEDIATE CASING. HORIZONTAL-MWD-GR.	2/8/2016
rbela	Mud logging: 10' samples surface to TD	2/8/2016
rbela	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD From 0'-400' pressure is 192 PSI. From 400'-2610' pressure is 1384 PSI. From 2610'-8159' pressure is 3903 PSI.	2/8/2016
rbela	Well will be drilled vertically to 7682', then be kicked off at approx. 7682' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 8433' MD (8159' TVD). Hole size will then be reduced to 8.5" and drilled to 12700' MD (8150' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 738' FNL and 517' FWL, Section 16-T23S-R28E. Deepest TVD is 8159' in the lateral.	2/8/2016
rbela	H2S Is not Anticipated, C-102 to follow.	2/8/2016
rdade	IF CLOSED LOOP SYSTEM IS TO BE USED, PLEASE NOTE. IF CLOSED LOOP SYSTEM IS NOT USED, AN ALTERNATE SYSTEM MUST HAVE OCD APPROVAL BEFORE DRILLING CAN START	2/12/2016

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Form APD Conditions

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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: 30-015-43613
	Well: LOVING AIB STATE #017
OCD Reviewer	Condition