

**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) 334-8170  
**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 219035

**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 316076		3. API Number 30-025-43142
5. Property Name BEOWULF BWU STATE COM		6. Well No. 001H

**7. Surface Location**

UL - Lot	M	Section	33	Township	23S	Range	35E	Lot Idn	M	Feet From	200	N/S Line	S	Feet From	400	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

**8. Proposed Bottom Hole Location**

UL - Lot	D	Section	33	Township	23S	Range	35E	Lot Idn	D	Feet From	330	N/S Line	N	Feet From	400	E/W Line	W	County	Lea
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	-----

**9. Pool Information**

WC-025 G-08 S233528D;LWR BONE SPRIN	97958
-------------------------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3400
16. Multiple N	17. Proposed Depth 16254	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 2/1/2017
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	1200	900	0
Int1	12.25	9.625	36	5500	1790	0
Prod	8.5	5.5	17	16254	1090	11992
Prod	8.75	5.5	17	11992	600	5000

**Casing/Cement Program: Additional Comments**

Well will be drilled vertically to 11233' well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11992' MD (11710' TVD). Hole size will then be reduced to 8.5" and drilled to 16254' MD (11625' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 687' FSL and 400' FWL, 33-23S-35E. Deepest TVD is 11710' 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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 4/1/2016	Approved By: Paul Kautz Title: Geologist Approved Date: 4/8/2016 Conditions of Approval Attached
Phone: 575-748-4120	Expiration Date: 4/8/2018

**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) 334-8170  
**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-102  
August 1, 2011  
Permit 219035

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-43142	2. Pool Code 97958	3. Pool Name WC-025 G-08 S233528D;LWR BONE SPRIN
4. Property Code 316076	5. Property Name BEOWULF BWU STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3400

**10. Surface Location**

UL - Lot M	Section 33	Township 23S	Range 35E	Lot Idn M	Feet From 200	N/S Line S	Feet From 400	E/W Line W	County Lea
---------------	---------------	-----------------	--------------	--------------	------------------	---------------	------------------	---------------	---------------

**11. Bottom Hole Location If Different From Surface**

UL - Lot D	Section 33	Township 23S	Range 35E	Lot Idn D	Feet From 330	N/S Line N	Feet From 400	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**

<div style="display: flex; flex-direction: column; align-items: center;"> <div style="width: 100px; height: 100px; background-color: #cccccc; margin-bottom: 10px; position: relative;"> <div style="position: absolute; top: 5px; left: 5px; width: 10px; height: 10px; background-color: #ff00ff;"></div> </div> <div style="width: 100px; height: 100px; background-color: #cccccc; margin-bottom: 10px;"></div> <div style="width: 100px; height: 100px; background-color: #cccccc; margin-bottom: 10px;"></div> <div style="width: 100px; height: 100px; background-color: #cccccc; position: relative;"> <div style="position: absolute; bottom: 5px; right: 5px; width: 10px; height: 10px; background-color: #00ff00;"></div> </div> </div>	<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:                      4/1/2016</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:        3/16/2016 Certificate Number:    7977</p>
---	--

**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) 334-6178 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 APD Comments

Permit 219035

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-43142
	Well: BEOWULF BWU STATE COM #001H

Created By	Comment	Comment Date
thahn	C-102 and drilling diagram will follow, H2S is not anticipated in this well.	4/1/2016
thahn	Samples: 30' Sample to 5500', 10' Samples 5500'-TD. Logging: CNL/LDT/NGT-CURVE-INTERM CSG, CNL/GR-CURVE-SURF CSG, DLL-MSFL-CURVE-SURF CSG, HORIZONTAL-MWD-GR-CURVE & LATERAL. DST's: None. Coring: None. Mudlogging: 2000' to TD.	4/1/2016
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1200' 574 PSI, 1200'-5500' 2917 PSI, 5500'-11710' 5602 PSI.	4/1/2016

**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 APD Conditions

Permit 219035

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-43142
	Well: BEOWULF BWU STATE COM #001H

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	Must notify OCD Hobbs Office of any water flows in the Castile Formation at 575-370-3186. Report depth and flow rate
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.