

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 225356

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 40188		3. API Number 30-015-43894
5. Property Name ALTO AOL		6. Well No. 002H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
E	21	19S	25E	E	2240	N	260	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	21	19S	25E	H	2310	N	330	E	Eddy

9. Pool Information

N. SEVEN RIVERS; GLORIETA-YESO	97565
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3504
16. Multiple N	17. Proposed Depth 7011	18. Formation Yeso Formation	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	14.75	9.625	36	800	615	0
Prod	8.75	5.5	17	2772	340	0
Prod	8.5	5.5	17	7011	865	2772

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 ☒ and/or 19.15.14.9 (B) NMAC ☒, 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: 8/24/2016 Expiration Date: 8/24/2018
Date: 8/22/2016 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 225356

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43894	2. Pool Code 97565	3. Pool Name N. SEVEN RIVERS; GLORIETA-YESO
4. Property Code 40188	5. Property Name ALTO AOL	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3504

10. Surface Location

UL - Lot E	Section 21	Township 19S	Range 25E	Lot Idn E	Feet From 2240	N/S Line N	Feet From 260	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 21	Township 19S	Range 25E	Lot Idn H	Feet From 2310	N/S Line N	Feet From 330	E/W Line E	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

<table border="1" style="width: 100%; border-collapse: collapse; height: 150px;"> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr style="background-color: #cccccc;"><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> </table>																	<p style="text-align: center;">OPERATOR CERTIFICATION</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: 8/22/2016</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</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: 10/4/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 225356

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-43894
	Well: ALTO AOL #002H

Created By	Comment	Comment Date
CHRISG	Well will be drilled vertically to 2033' then kicked off at approximately 2033' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 2772' MD (2510' TVD). Hole size will then be reduced to 8.5" and drilled to 7011' MD (2600' TVD) where 5.5" casing will be set and cemented. Production string will be cemented to surface. Penetration Point of producing zone will be encountered at 2250' FNL and 727' FWL, 21-19S-25E. Deepest TVD is 2600' in the lateral.	8/22/2016
CHRISG	Maximum Anticipated BHP: (Depths are TVD) 0'-800' is 362 PSI, 800'- 2600' is 1176 PSI	8/22/2016
CHRISG	Samples: 10' Samples 800'- TD	8/22/2016
CHRISG	C102, drilling plan, H@S plan and c-144 to follow	8/22/2016

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Form APD Conditions

Permit 225356

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-43894
		Well: ALTO AOL #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	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	Must notify OCD Artesia Office if lost circulation is encountered at 575-748-1283	
pkautz	The New! Gas Capture Plan (GCP) notice is posted on the NMOCD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.	