

**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 148065

**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

1. Operator Name and Address <b>YATES PETROLEUM CORPORATION</b> 105 S 4TH ST ARTESIA, NM 88210		2. OGRID Number 25575
		3. API Number 30-025-40556
4. Property Code 39199	5. Property Name SITKA BSI STATE COM	6. Well No. 001H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
F	4	21S	34E	14	2680	S	1650	W	LEA

**8. Pool Information**

GRAMA RIDGE;BONE SPRING, NORTH	28434
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**Additional Well Information**

9. Work Type New Well	10. Well Type OIL	11. Cable/Rotary	12. Lease Type State	13. Ground Level Elevation 3708
14. Multiple N	15. Proposed Depth 15566	16. Formation 2nd Bone Spring Sand	17. Contractor	18. Spud Date
Depth to Ground water		Distance from nearest fresh water well		Distance to nearest surface water

**19. Proposed Casing and Cement Program**

Type	Hole Size	Casing Type	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
Surf	17.5	13.375	54.5	1840	1340	0
Int1	12.25	9.625	40	3700	1310	0
Int2	12.25	9.625	40	5900	670	3700
Prod	8.5	5.5	17	15566	1520	8550
Prod	8.75	5.5	17	8550	590	5400

**Casing/Cement Program: Additional Comments**

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**Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> . Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 5/1/2012	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 5/4/2012    Expiration Date: 5/4/2014  Conditions of Approval Attached
Phone: 575-748-4448	

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**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 148065

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-40556	2. Pool Code 28434	3. Pool Name GRAMA RIDGE;BONE SPRING, NORTH
4. Property Code 39199	5. Property Name SITKA BSI STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3708

**10. Surface Location**

UL - Lot F	Section 4	Township 21S	Range 34E	Lot Idn 14	Feet From 2680	N/S Line S	Feet From 1650	E/W Line W	County LEA
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**11. Bottom Hole Location If Different From Surface**

11. Bottom Hole Location If Different From Surface									
UL - Lot F	Section 9	Township 21S	Range 34E	Lot Idn F	Feet From 2310	N/S Line N	Feet From 1980	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**

<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: LORI FLORES Title: Land Regulatory Technician Date: 5/1/2012</p>	<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: 4/9/2012 Certificate Number: 7977</p>
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## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** SITKA BSI STATE COM #001H

**API:** 30-025-40556

Created By	Comment	Comment Date
THAHN	C-144 and C-102 to follow by mail.	5/1/2012
THAHN	H2S is not anticipated.	5/1/2012
THAHN	Samples: 30' to 4500' and then 10' from 4500' to TD.	5/1/2012
THAHN	Max BHP anticipated: 0'-400' is 191 PSI, 400'-5900' is 3129 PSI, 5900'-10771' is 5153 PSI.	5/1/2012
THAHN	Well will be drilled vertically to 10294'. Well will then be kicked off at 10294' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11046' MD (10771' TVD). Hole size will then be reduced to 8.5" and drilled to 15566' MD (10753' TVD) where 5.5" casing will be set and cemented. Penetration point of producing zone will be encountered at 2202' FSL and 1686' FWL of Section 4, Township 21S & Range 34E. Deepest TVD in the well will be 10771' in the lateral.	5/1/2012
pkautz	Land s/S	5/2/2012



# Permit Conditions of Approval

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** SITKA BSI STATE COM #001H

**API:** 30-025-40556

OCD Reviewer	Condition
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