

**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 163881

**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 37117		3. API Number 30-025-41055
5. Property Name ATOKA BANK BDJ STATE COM		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
B	17	24S	33E	B	200	N	1780	E	LEA

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
O	17	24S	33E	O	330	S	1780	E	Lea

**9. Pool Information**

TRIPLE X;BONE SPRING, WEST	96674
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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 3596
16. Multiple N	17. Proposed Depth 15751	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

**21. 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	48	1225	410	0
Int1	12.25	9.625	40	5200	1695	0
Prod	8.5	5.5	17	15751	1245	10600
Prod	8.75	5.5	17	11463	1060	4700

**Casing/Cement Program: Additional Comments**

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**22. Proposed Blowout Prevention Program**

Type	Working Pressure	Test Pressure	Manufacturer
DoubleRam	3000	3000	
DoubleRam	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 LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 3/11/2013	Approved By: Paul Kautz Title: Geologist Approved Date: 3/13/2013    Expiration Date: 3/13/2015 Conditions of Approval Attached
Phone: 575-748-4448	

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

Form C-102  
August 1, 2011  
Permit 163881

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41055	2. Pool Code 96674	3. Pool Name TRIPLE X;BONE SPRING, WEST
4. Property Code 37117	5. Property Name ATOKA BANK BDJ STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3596

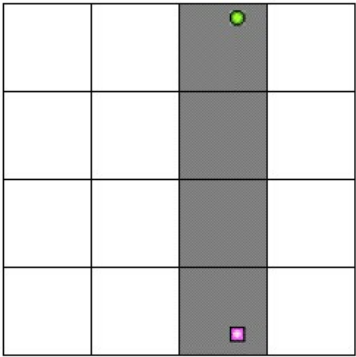
**10. Surface Location**

UL - Lot B	Section 17	Township 24S	Range 33E	Lot Idn O	Feet From 200	N/S Line N	Feet From 1780	E/W Line E	County LEA
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**11. Bottom Hole Location If Different From Surface**

11. Bottom Hole Location & Distance From Surface									
UL - Lot O	Section 17	Township 24S	Range 33E	Lot Idn O	Feet From 330	N/S Line S	Feet From 1780	E/W Line E	County LEA
12. Dedicated Acres 0.00		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: 3/11/2013</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: 12/4/2012 Certificate Number: 7977</p>
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## Permit Comments

**Operator:** YATES PETROLEUM CORPORATION , 25575

**Well:** ATOKA BANK BDJ STATE COM #002H

**API:** 30-025-41055

Created By	Comment	Comment Date
THAHN	C-144, C-102 and directional plan to follow by mail.	3/11/2013
THAHN	H2S is not anticipated.	3/11/2013
THAHN	Maximum anticipated BHP (Depths are TVD): 0'-500' is 239 PSI, 500'-5200' is 2758 PSI, 5200'-11210' is 5363 PSI.	3/11/2013
THAHN	Well will be drilled vertically to 10715' and then be kicked off and drilled directionally at 12 degrees per 100' with a 8.75" hole to 11463' MD (11192' TVD). Hole size will then be reduced to 8.5" and drilled to 15751' MD (11210' TVD) where 5.5" casing will be set and cemented with a DV/Stage Packer Tool at 10600' and 7500'. Penetration point of the producing zone will be encountered at 675' FNL & 1777' FEL. Deepest TVD in the well is 11210' in the lateral.	3/11/2013
pkautz	Land s/S	3/12/2013
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT# 05888	3/13/2013

## Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: ATOKA BANK BDJ STATE COM #002H

API: 30-025-41055

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
pkautz	In order to seal off protectable water, the surface casing must be set 25' below top of Rustler Anhydrite. Estimated top of Rustler Anhydrite is approximately 1200' from ground level.