

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 163849

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 30-025-41056
4. Property Code 39767	5. Property Name HEARTACHES BSX STATE	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
D	17	24S	33E	D	200	N	660	W	LEA

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
M	17	24S	33E	M	330	S	660	W	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 3575
16. Multiple N	17. Proposed Depth 15638	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	15638	1220	10600
Prod	8.75	5.5	17	11422	1070	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:	OIL CONSERVATION DIVISION
	Approved By: Paul Kautz
Printed Name: Electronically filed by LORI FLORES	Title: Geologist
Title: Land Regulatory Technician	Approved Date: 3/13/2013 Expiration Date: 3/13/2015
Email Address: lorif@yatespetroleum.com	
Date: 3/11/2013 Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 163849

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41056	2. Pool Code 96674	3. Pool Name TRIPLE X;BONE SPRING, WEST
4. Property Code 39767	5. Property Name HEARTACHES BSX STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3575

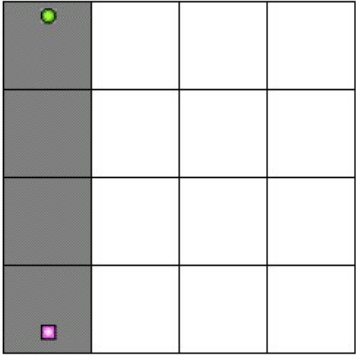
10. Surface Location

UL - Lot D	Section 17	Township 24S	Range 33E	Lot Idn M	Feet From 200	N/S Line N	Feet From 660	E/W Line W	County LEA
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 17	Township 24S	Range 33E	Lot Idn M	Feet From 330	N/S Line S	Feet From 660	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;">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: LORI FLORES Title: Land Regulatory Technician Date: 3/11/2013</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: 12/4/2012 Certificate Number: 7977</p>
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Permit Comments

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HEARTACHES BSX STATE #001H

API: 30-025-41056

Created By	Comment	Comment Date
THAHN	C-144, C-102 and directional drilling plan to follow mail.	3/11/2013
THAHN	No H2S is anticipated.	3/11/2013
THAHN	Samples will be taken every 30' to 5200' then every 10' to TD.	3/11/2013
THAHN	Maximum anticipated BHP (Depths are TVD): 0'-500' is 239 PSI, 500'-5200' is 2758 PSI, and 5200'-11169' is 5343 PSI.	3/11/2013
THAHN	Well will be drilled vertically to 10674' and then be kicked off and drilled directionally at 12 degrees per 100' with a 8.75" hole to 11422' MD (11151' TVD). Hole size will then be reduced to 8.5" and drilled to 15638' MD (11169' TVD) where 5.5" casing will be set and cemented with a DV/Stage Packer Tool at approximately 10600' and 7400'. Penetration point of producing zone will be encountered at 675' FNL & 664' FWL. Deepest TVD in the well is 11169' in the lateral.	3/11/2013
pkautz	Land s/S	3/12/2013
CHERRERA	OCD RECEIVED FORM C144 CLEZ. OCD PERMIT # P1-05889	3/13/2013

Permit Conditions of Approval

Operator: YATES PETROLEUM CORPORATION , 25575

Well: HEARTACHES BSX STATE #001H

API: 30-025-41056

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 Rustler Anhydrite is 1200'.