

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 174885

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 40113		3. API Number 30-025-41457
5. Property Name CRANBERRY BSU STATE COM		6. Well No. 003H

7. Surface Location

UL - Lot C	Section 14	Township 21S	Range 33E	Lot Idn C	Feet From 200	N/S Line N	Feet From 1980	E/W Line W	County Lea
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8. Proposed Bottom Hole Location

UL - Lot C	Section 11	Township 21S	Range 33E	Lot Idn C	Feet From 330	N/S Line N	Feet From 1980	E/W Line W	County Lea
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9. Pool Information

BERRY;BONE SPRING, NORTH	5535
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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 3797
16. Multiple N	17. Proposed Depth 11641	18. Formation 3rd Bone Spring Sand	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	17.5	13.375	54.5	1875	1370	0
Int1	12.25	9.625	40	6175	2070	0
Prod	8.5	5.5	17	12023	1845	0
Prod	8.75	5.5	17	16687	945	11200

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 <input checked="" type="checkbox"/> and/or 19.15.14.9 (B) NMAC <input checked="" type="checkbox"/> if applicable. Signature: _____ Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 10/10/2013	<p style="text-align: center;">OIL CONSERVATION DIVISION</p> Approved By: Paul Kautz Title: Geologist Approved Date: 10/18/2013 Expiration Date: 10/18/2015 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102
 August 1, 2011
 Permit 174885

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41457	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40113	5. Property Name CRANBERRY BSU STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3797

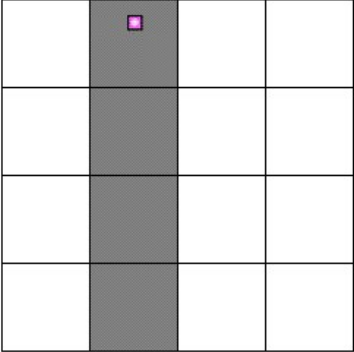
10. Surface Location

UL - Lot C	Section 14	Township 21S	Range 33E	Lot Idn	Feet From 200	N/S Line N	Feet From 1980	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot C	Section 11	Township 21S	Range 33E	Lot Idn C	Feet From 330	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;">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: 10/10/2013</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: 7/14/2013 Certificate Number: 7977</p>
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Form APD Comments

Permit 174885

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41457
	Well: CRANBERRY BSU STATE COM #003H

Created By	Comment	Comment Date
THAHN	Well will be drilled vertically to 11263', then kicked off at 11263' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 12023' MD (11741' TVD). Hole size will then be reduced to 8 1/2" and drilled to 16687' MD (11641' TVD) where 5 1/2" casing will be set. Production casing will be cemented to surface in three stages with a DV tool at approximately 6200' and 11200'. Penetration point of producing zone to be stimulated will be encountered at 330' FSL and 1980' FWL, 11-21S-33E. Deepest TVD in the well is 11741' in lateral.	10/10/2013
THAHN	Samples: 30' Sample to 6175'. 10' Samples 6175'-TD	10/10/2013
THAHN	H2S is not anticipated.	10/10/2013
THAHN	C-102 and directional plan to follow by mail.	10/10/2013
DMULL	The location of this well is in the Potash area. OCD is send to the BLM & SLO a request to verify this.	10/11/2013
pkautz	Land s/s	10/11/2013
DMULL	OCD Hobbs has received responses from the Bureau of Land Management & State Land Office. Location of this well is NOT IN the LMR or the Buffer Zone of the Potash area.	10/18/2013

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Form APD Conditions

Permit 174885

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41457
	Well: CRANBERRY BSU STATE COM #003H

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	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water