

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 176974

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 30-015-41797
		6. Well No. 002H
4. Property Code 38283	5. Property Name CASSIOPEIA BQD STATE COM	

7. Surface Location

UL - Lot	P	Section	24	Township	26S	Range	27E	Lot Idn		Feet From	10	N/S Line	S	Feet From	990	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	A	Section	24	Township	26S	Range	27E	Lot Idn	A	Feet From	330	N/S Line	N	Feet From	660	E/W Line	E	County	Eddy
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9. Pool Information

HAY HOLLOW; BONE SPRING	30215
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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 3109
16. Multiple N	17. Proposed Depth 12681	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 11/29/2013
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	48	400	425	0
Int1	12.25	9.625	36	2400	825	0
Prod	8.75	5.5	17	12681	1990	0

Casing/Cement Program: Additional Comments

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
22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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	
Printed Name: Electronically filed by LORI FLORES	Approved By: Randy Dade	
Title: Land Regulatory Technician	Title: District Supervisor	
Email Address: lorif@yatespetroleum.com	Approved Date: 11/14/2013	Expiration Date: 11/14/2015
Date: 11/14/2013	Phone: 575-748-4448	Conditions of Approval Attached

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Form C-102
August 1, 2011
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OPERATOR CERTIFICATION <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>	
E-Signed By:	LORI FLORES
Title:	Land Regulatory Technician
Date:	11/14/2013

SURVEYOR CERTIFICATION <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>	
Surveyed By:	Gary Jones
Date of Survey:	5/11/2013
Certificate Number:	7977

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Form APD Comments

Permit 176974

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: 30-015-41797
	Well: CASSIOPEIA BQD STATE COM #002H

Created By	Comment	Comment Date
CMAY	Pilot hole will be drilled to 9150'. Well will be plugged back with a 200' isolation plug on bottom and then a 600' kick off plug from approximately 7200' to 7800'. well will then be kicked off at approximately 7423' and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 8173' MD (7900' TVD). Hole size will then be reduced to 8 1/2" hole and drilled to 12681 MD (7900' TVD) where 5 1/2" casing will be set and cemented 500' into the intermediate casing with DV/Stage Packer Tools at approximately 7300' and 4400'. Penetration point of the producing zone will be encountered at	11/13/2013
CMAY	Logging will be GR Neutron TD to Surface. Density from TD-Surface. Laterolog from TD to intermediate casing. CMR from TD to intermediate casing. FM/Dipole Sonic from top of Bone Spring Lime to TD. Mudloggers on after surface casing is set. 30' samples will be taken from surface to 2400' and then 10' samples taken from 2400' to TD.	11/13/2013
CMAY	This is to complete the first comment. Penetration point of the producing zone will be encountered at 487' FSL & 960' FEL, 24-26S-27E. Deepest TVD in the well is 9150' in the pilot hole. Deepest TVD in the lateral is 7900'.	11/14/2013
CMAY	Maximum anticipated bottom hole pressures are from 0' to 400' is 191 psi; from 400' to 2400' is 1275 psi; and 2400' to 9150' in the pilot hole is 4375 psi..	11/14/2013
CMAY	No H2S is anticipated to be in this well.	11/14/2013
CSHAPARD	Land s/S	11/14/2013

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Form APD Conditions
Permit 176974

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41797
		Well: CASSIOPEIA BQD STATE COM #002H

OCD Reviewer	Condition
CSHAPARD	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