

**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 178471

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

<b>1. Operator Name and Address</b> YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210		<b>2. OGRID Number</b> 25575
<b>4. Property Code</b> 36591		<b>3. API Number</b> 30-015-41860
<b>5. Property Name</b> JERICHO BKJ STATE COM		<b>6. Well No.</b> 003H

**7. Surface Location**

UL - Lot H	Section 15	Township 25S	Range 27E	Lot Idn	Feet From 1980	N/S Line N	Feet From 15	E/W Line E	County Eddy
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**8. Proposed Bottom Hole Location**

UL - Lot E	Section 15	Township 25S	Range 27E	Lot Idn E	Feet From 1980	N/S Line N	Feet From 330	E/W Line W	County Eddy
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**9. Pool Information**

WILDCAT G-02 S252715A;BONE SPRING	97816
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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 3157
16. Multiple N	17. Proposed Depth 12479	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

☒ 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	415	0
Int1	12.25	9.625	36	2400	820	0
Prod	8.5	5.5	17	12479	1285	5000
Prod	8.75	5.5	17	8002	580	2000

**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	

<b>23. I hereby certify that the information given above is true and complete to the best of my knowledge and belief.</b> <b>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.</b>  Signature: Printed Name: Electronically filed by LORI FLORES Title: Land Regulatory Technician Email Address: lorif@yatespetroleum.com Date: 12/12/2013	<p style="text-align: center;"><b>OIL CONSERVATION DIVISION</b></p> Approved By: Randy Dade Title: District Supervisor Approved Date: 12/17/2013      Expiration Date: 12/17/2015 Conditions of Approval Attached
Phone: 575-748-4448	

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Form C-102  
August 1, 2011  
Permit 178471

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-41860	2. Pool Code 97816	3. Pool Name WILDCAT G-02 S252715A;BONE SPRING
4. Property Code 36591	5. Property Name JERICO BKJ STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3157

10. Surface Location									
UL - Lot H	Section 15	Township 25S	Range 27E	Lot Idn	Feet From 1980	N/S Line N	Feet From 15	E/W Line E	County Eddy

11. Bottom Hole Location If Different From Surface									
UL - Lot E	Section 15	Township 25S	Range 27E	Lot Idn	Feet From 1980	N/S Line N	Feet From 330	E/W Line W	County Eddy
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

	<b>OPERATOR CERTIFICATION</b>		
	<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:               12/12/2013		
	<b>SURVEYOR CERTIFICATION</b>		
	<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:     10/15/2013 Certificate Number: 7977		

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**Santa Fe, NM 87505**

Form APD Comments

Permit 178471

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-41860
	Well: JERICO BKJ STATE COM #003H

Created By	Comment	Comment Date
THAHN	H2S is not anticipated. C-102 and horizontal drilling plan to follow.	12/12/2013
THAHN	Samples: 10' Samples surface-TD	12/12/2013
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-400' is 191 PSI 400'-2400' is 1273 PSI 2400'-7720' is 3693 PSI	12/12/2013
THAHN	Well will be drilled to 7243' then be kicked off and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 8002' MD (7720' TVD). Hole size will then be reduced to 8 1/2" and drilled to 12479' MD (7630' TVD) where 5 1/2" casing will be set and cemented 500' into intermediate casing with a DV tool at approx. 5000' (cement volumes will be adjusted per tool placement). Penetration point of producing zone will be encountered at 1980' FNL and 502' FEL, 15-25S-27E. Deepest TVD is 7720' in the lateral.	12/12/2013
CSHAPARD	Land s/S	12/13/2013

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Form APD Conditions  
Permit 178471

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-41860
		Well: JERICO BKJ STATE COM #003H
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	