

**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 177568

**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 40238		3. API Number 30-025-41562
5. Property Name TANGO BTP STATE COM		6. Well No. 004H

**7. Surface Location**

UL - Lot A	Section 36	Township 20S	Range 33E	Lot Idn	Feet From 200	N/S Line N	Feet From 660	E/W Line E	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot P	Section 36	Township 20S	Range 33E	Lot Idn P	Feet From 330	N/S Line S	Feet From 660	E/W Line E	County Lea
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**9. Pool Information**

WC-025 G-08 S213304D;BONE SPRING	97895
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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 3690
16. Multiple N	17. Proposed Depth 15841	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	48	1740	1275	0
Int1	12.25	9.625	36	6000	2010	0
Prod	8.5	5.5	17	15841	870	10800
Prod	8.75	5.5	17	11562	1710	6000

**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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by LORI FLORES	Approved By: Paul Kautz
Title: Land Regulatory Technician	Title: Geologist
Email Address: lorif@yatespetroleum.com	Approved Date: 12/17/2013      Expiration Date: 12/17/2015
Date: 11/21/2013      Phone: 575-748-4448	Conditions of Approval Attached

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**Santa Fe, NM 87505**

Form C-102  
 August 1, 2011  
 Permit 177568

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41562	2. Pool Code 97895	3. Pool Name WC-025 G-08 S213304D;BONE SPRING
4. Property Code 40238	5. Property Name TANGO BTP STATE COM	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3690

**10. Surface Location**

UL - Lot A	Section 36	Township 20S	Range 33E	Lot Idn	Feet From 200	N/S Line N	Feet From 660	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot P	Section 36	Township 20S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line E	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**

<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px; text-align: center;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center;"></td></tr> </table>																	<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:                11/21/2013</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:   10/16/2013        Certificate Number: 7977</p>

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Form APD Comments

Permit 177568

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41562
	Well: TANGO BTP STATE COM #004H

Created By	Comment	Comment Date
THAHN	C-102 and Horizontal drilling plan will follow by mail.	11/21/2013
THAHN	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	11/21/2013
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1740' is 832 PSI 1740'-6000' is 3182 PSI 6000'-11334' is 5422 PSI	11/21/2013
THAHN	Well will be drilled to 10816' then be kicked and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11562' MD (11293' TVD). Hole size will then be reduced to 8.5" and drilled to 15841' MD (11334' TVD) where 5.5" casing will be set. Production casing will be cemented to surface with a DV/packer stage tool at approx 10800' and 6100'. Penetration point of producing zone will be encountered at 673' FNL and 660' FEL, 36-20S-33E. Deepest TVD in the well is 11334' in lateral.	11/21/2013
THAHN	H2S is not anticipated.	11/21/2013
pkautz	Land s/s	11/21/2013
pkautz	Potash area	11/21/2013

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Form APD Conditions

Permit 177568

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**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41562
	Well: TANGO BTP STATE COM #004H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
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.
pkautz	SURFACE & INTERMEDIATE CASING - must circulate cement to surface