

**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 181873

**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>3. API Number</b> 30-025-41668
<b>4. Property Code</b> 17549	<b>5. Property Name</b> BERRY APN STATE	
		<b>6. Well No.</b> 004H

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
H	5	21S	34E	16	2755	S	330	E	Lea

**8. Proposed Bottom Hole Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
A	5	21S	34E	1	330	N	660	E	Lea

**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 3718
16. Multiple N	17. Proposed Depth 15451	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	1850	1355	0
Int1	12.25	9.625	36	6085	2040	0
Prod	8.5	5.5	17	15451	890	10300
Prod	8.75	5.5	17	11098	900	5585

**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:	<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: 2/20/2014	Expiration Date: 2/20/2016
Date: 2/20/2014	Phone: 575-748-4448	Conditions of Approval Attached

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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 181873

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-41668	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 17549	5. Property Name BERRY APN STATE	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3718

**10. Surface Location**

UL - Lot H	Section 5	Township 21S	Range 34E	Lot Idn 16	Feet From 2755	N/S Line S	Feet From 330	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot A	Section 5	Township 21S	Range 34E	Lot Idn 1	Feet From 330	N/S Line N	Feet From 660	E/W Line E	County Lea
12. Dedicated Acres 158.96	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:                2/20/2014
	<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:    12/11/2013 Certificate Number: 7977

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Form APD Comments

Permit 181873

**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: 30-025-41668
	Well: BERRY APN STATE #004H

Created By	Comment	Comment Date
THAHN	C-102 and horizontal drilling diagram to follow by mail.	2/20/2014
THAHN	H2S is not anticipated and has not been found in wells in the area.	2/20/2014
THAHN	Samples: 30' Sample to 6085'. 10' Samples 6085'-TD	2/20/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1850' is 885 PSI 1850'-6085' is 3227 PSI 6085'-10956' is 5241 PSI	2/20/2014
THAHN	Well will be drilled vertically to 10361' then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11098' MD (10839' TVD). Hole size will then be reduced to 8.5" and drilled to 15451' MD (10956' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Production string will be cemented 500' into previous casing string in three stages with a DV/packer stage tool at approx. 8800' and 10300' (cement volumes will be adjusted per tool placement). Penetration point of producing zone will be encountered at 3218' FSL and 366' FEL, 5-21S-34E. Dee	2/20/2014

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Form APD Conditions  
 Permit 181873

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41668
	Well: BERRY APN STATE #004H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
DMULL	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
DMULL	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	Pit construction and closure must satisfy all requirements of your approved plan, O.C.D. Rule 19.15.2.50, and the Pit and Below-Grade Tank Guidelines
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water