

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-8181 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 181954

**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 39218		3. API Number 30-025-41677
5. Property Name BOSTON BSN STATE COM		6. Well No. 003

**7. Surface Location**

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	6	21S	34E		2445	S	990	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
P	7	21S	34E	P	330	S	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 3726
16. Multiple N	17. Proposed Depth 18783	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 6/16/2014
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	1800	1315	0
Int1	12.25	9.625	36	5950	2005	0
Prod	8.75	5.5	17	18783	2360	5450

**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: 2/24/2014	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 2/25/2014 Expiration Date: 2/25/2016 Conditions of Approval Attached
Phone: 575-748-4448	

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State of New Mexico

Energy, Minerals and Natural Resources

Oil Conservation Division

1220 S. St Francis Dr.

Santa Fe, NM 87505

Form C-102  
August 1, 2011  
Permit 181954

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41677	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 39218	5. Property Name BOSTON BSN STATE COM	6. Well No. 003
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3726

10. Surface Location

UL - Lot I	Section 6	Township 21S	Range 34E	Lot Idn	Feet From 2445	N/S Line S	Feet From 990	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 7	Township 21S	Range 34E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line E	County Lea
12. Dedicated Acres 240.00	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

<div></div> <div></div> <div></div> <div></div>	<div>OPERATOR CERTIFICATION</div> <div> <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> </div> <div> E-Signed By: LORI FLORES  Title: Land Regulatory Technician  Date: 2/24/2014 </div>	
	<div>SURVEYOR CERTIFICATION</div> <div> <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> </div> <div> Surveyed By: Gary Jones  Date of Survey: 12/12/2013  Certificate Number: 7977 </div>	

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Form APD Comments

Permit 181954

**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: 30-025-41677
	Well: BOSTON BSN STATE COM #003

Created By	Comment	Comment Date
BILLM	Logging: GR NEUTRON-30 DEG DEV TO SURFACE CSG DENSITY-30 DEG DEV TO INTERMEDIATE CSG LATEROLOG-30 DEG DEV TO INTERMEDIATE CSG CMR-30 DEG DEV TO INTERMEDIATE CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR).	2/24/2014
BILLM	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M on 9 5/8" casing.	2/24/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0'-1800' 861 PSI, 1800'-5950' 3094 PSI, 5950'-11734' 5614 PSI.	2/24/2014
BILLM	H2S is not anticipated.	2/24/2014
BILLM	Well will be drilled vertically to 10814'. Well will then be kicked off at approx. 10814' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11836' MD (11575' TVD). Hole size will then be reduced to 8 1/2" and drilled to 18783' MD (11734' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Production string will be cemented in two stages with a DV/packer stage tool at approx. 8700' (cement volumes will be adjusted per tool placement). Penetration point of producing zone will be encountered at 1979' FSL and 965' FEL, 6-21S-34E. Deepest TVD is	2/24/2014
BILLM	The C-102 Form and Horizontal Drilling Report will be mailed in.	2/24/2014

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Form APD Conditions

Permit 181954

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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: 30-025-41677
	Well: BOSTON BSN STATE COM #003

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