<u>District I</u> 1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-8161 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) 478-3470 Fax:(505) 478-3462

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 182159

	me and Address ES PETROLEUM	I CORPORATIO	V			**		3000	2. OGR	ID Number 25575		
105	S 4TH ST								3. APIN	Number		
AR.	TESIA , NM 88210)								30-025-41683	}	
Property Co			5. Property Na						6. Well			
391	99		SI	TKA BSI STA	TE COM					003H		
					7. Sui	rface Location						
JL - Lot	Section	Township	Range	2	Lot Idn	Feet From	N/S Line	Feet From	S 11	E/W Line	County	
1	4	218		34E	100	2625	S		660	E	111111111111111111111111111111111111111	Lea
					8. Proposed	Bottom Hole Locatio	n					
JL - Lot	Section	Township	Rang	e	Lot Idn	Feet From	N/S Line	Feet From	n	E/W Line	County	
Н	9	219	3	34E	l H	2310	N		660	E		Lea
		100	1/2			ol Information		200			660	
	GE;BONE SPRIN	-	**		9. Po			5.0		28434		
11. Work Type		G, NORTH		13. Cable	9. Po	ol Information	14. Lease Tyr					
1. Work Type Net 6. Multiple		12. Well Type OIL 17. Proposed De	•	13. Cable	9. Po Additiona	ol Information	14. Lease Typ	ate		28434 und Level Elevation 3701		
1. Work Type Net		12. Well Type OIL	•	18. Forma	9. Po Additiona Rotary tion 3rd Bone Spring	ol Information	14. Lease Tyl	ate	15. Grou	28434 und Level Elevation 3701		
1. Work Type Net 6. Multiple N	v Well	12. Well Type OIL 17. Proposed De	•	18. Forma	9. Po Additiona	ol Information	14. Lease Tyl	ate	15. Grou 20. Spur	28434 und Level Elevation 3701	1	
1. Work Type Net 6. Multiple N Depth to Grou	v Well	12. Well Type OIL 17. Proposed De 1635	6	18. Forma	9. Po Additiona Rotary tion 3rd Bone Spring	ol Information	14. Lease Tyl	ate	15. Grou 20. Spur	28434 und Level Elevation 3701 d Date	1	
1. Work Type Net 6. Multiple N Depth to Grou	v Well	12. Well Type OIL 17. Proposed De 1635	6	18. Forma Distance fi	9. Po Additiona Rotary tion 3rd Bone Spring rom nearest fresh wa	ol Information	14. Lease Tyl St 19. Contracto	ate	15. Grou 20. Spur	28434 und Level Elevation 3701 d Date	1	
1. Work Type Net 8. Multiple N epth to Grou	v Well	12. Well Type OIL 17. Proposed De 1635	eu of lined p	18. Forma Distance fi	9. Po Additiona Rotary tion 3rd Bone Spring rom nearest fresh wa	ol Information Il Well Information Sand ster well	14. Lease Tyj St: 19. Contracto	ate	15. Grou 20. Spur Distance	28434 und Level Elevation 3701 d Date to nearest surface	1	
1. Work Type Ner 6. Multiple N epth to Groun	w Well Individual water using a closed-lo	12. Well Type OIL 17. Proposed De 1635	eu of lined p	18. Forma Distance fi	9, Po Additiona Rotary tion 3rd Bone Spring rom nearest fresh we	ol Information Name of the state well in the st	14. Lease Tyl St. 19. Contracto	ate r	15. Grou 20. Spuri	28434 und Level Elevation 3701 d Date to nearest surface	water	
1. Work Type Net 6. Multiple N Pepth to Groun We will be	v Well Individual water using a closed-lo Hole Size	12. Well Type OIL 17. Proposed De 1635	eu of lined p	18. Forma Distance fi	9. Po Additional Rotary tion 3rd Bone Spring rom nearest fresh was 21. Proposed Cassing Weight/ft	ol Information I Well Information Sand ster well Sing and Cement Pro Setting Do	14. Lease Tyl St. 19. Contracto	sate	15. Grou 20. Spuri Distance	28434 und Level Elevation 3701 d Date to nearest surface	water Estimated	
11. Work Type 6. Multiple N Depth to Groun We will be Type Surf	w Well Individual water using a closed-lo Hole Size 17.5	12. Well Type OlL 17. Proposed De 1635 Dop system in lie Casing 13.3	eu of lined p	18. Forma Distance fi	Additional Rotary tion 3rd Bone Spring rom nearest fresh wa 21. Proposed Cassing Weight/ft 48	Sand ster well Sing and Cement Pro Setting Dr. 1845	14. Lease Tyl St. 19. Contracto	Sads of 1	20. Spuri Distance	28434 und Level Elevation 3701 d Date to nearest surface	water Estimated 0	тос

Casing/Cement Program: Additional Comments

22. Proposed	Blowout	Prevention	Program
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VS.	2211 Topocou Biotroat i Torondon i Togram				
Type	Working Pressure	Test Pressure	Manufacturer		
Double Ram	3000	3000			
Double Ram	5000	5000			

knowledge and	belief. I have complied with 19.15.14.9 (A	is true and complete to the best of my N) NMAC ⊠ and/or 19.15.14.9 (B) NMAC		OIL CONSE	ERVATION DIVISION
Printed Name: Electronically filed by LORI FLORES			Approved By:	Paul Kautz	
Title: Land Regulatory Technician			Title:	Geologist	4
Email Address: lorif@yatespetroleum.com			Approved Date:	2/25/2014	Expiration Date: 2/25/2016
Date:	2/25/2014	Conditions of App	proval Attached	111	

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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 182159

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41683	2. Pool Code 28434	3. Pool Name GRAMA RIDGE;BONE SPRING, NORTH
4. Property Code 39199	Property Name SITKA BSI STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3701

10. Surface Location

				10.00	Huce Lecution				
UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
1	4	218	34E		2625	S	660	E	Lea

11. Bottom Hole Location If Different From Surface

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
Н	9	21S	34E	1000100100	2310	N	660	E	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

OPERATOR CERTIFICATION 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.
E-Signed By: LORI FLORES
Title: Land Regulatory Technician
Date: 2/25/2014
SURVEYOR CERTIFICATION 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.
Surveyed By: Gary Jones
Date of Survey: 12/10/2013
Certificate Number: 7977

Form APD Comments

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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

Permit 182159

PERMIT COMMENTS

Operator Name and Address:	API Number:
YATES PETROLEUM CORPORATION [25575]	30-025-41683
105 S 4TH ST	Well:
ARTESIA, NM 88210	SITKA BSI STATE COM #003H

Created By	Comment	Comment Date
THAHN	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD Logging: GR NEUTRON 30 DEG DEV TO SURFACE CSG DENSITY 30 DEG DEV TO INTERMEDIATE CSG LATERLOG 30 DEG DEV TO INTERMEDIATE CSG CMR 30 DEG DEV TO INTERMEDIATE CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR) DST's: None Coring: None Mudlogging: ON BELOW SURFACE CSG	
THAHN	C-102 will follow by mail. H2S is not anticipated for this well and has not been encountered in the area.	2/25/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1845' is 883 PSI 1845'-6040' is 3204 PSI 6040'-11627' is 5562 PSI	2/25/2014
	Well will be drilled vertically to 11149' then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11902' MD (11627' TVD). Hole size will then be reduced to 8.5" and drilled to 16356' MD (11604' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 2145' FSL and 660' FEL, 4-21S-34E. Deepest TVD is 11627' in lateral.	2/25/2014

Form APD Conditions

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Permit 182159

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
YATES PETROLEUM CORPORATION [25575]	30-025-41683
105 S 4TH ST	Well:
ARTESIA, NM 88210	SITKA BSI STATE COM #003H

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	Spacing rule violation. Operator must follow up with Change of Status notification on other well to be shut in or abandoned
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 & INTERNEMIATE 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