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) 478-3482

3/21/2014

Date:

**Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

State of New Mexico

Form C-101 August 1, 2011

Permit 183422

1. Operator Na	me and Address						PEN, PLUGBA			ID Number	
YATES PETROLEUM CORPORATION										25575	
	S 4TH ST								3. APIN		
	TESIA , NM 88210									30-015-4222	22
4. Property Co 173		5.	Property Name	ICK API					6. Well	No. 007H	
173	10		FAIR	ICKAFI						00711	
		1 1 1 1 1			7. Sur	ace Location	=_1/5			21(1)	
JL - Lot D	Section 9	Township 19S	Range	25E	Lot Idn	Feet From 300	N/S Line N	Feet From 15	50	E/W Line W	County Eddy
					8. Proposed E	ottom Hole Loca	tion				
UL - Lot	Section	Township	Range		Lot Idn	Feet From	N/S Line	Feet From	100 E	E/W Line	County
Α	9	198		25E	A	400	N	3	330	E	Eddy
	***				9. Poo	I Information					
N. SEVEN R	IVERS; GLORIETA	-YESO								97565	
					Additional	Well Information					
11. Work Type		12. Well Type		13. Cable/Rotary		Well illionilladon	14. Lease Type		15. Ground Level Elevation		
	w Well	OIL		,		Private		3472			
16. Multiple 17. Proposed Depth			th	18. Formation			19. Contractor 20. S			Spud Date	
N 6717			Yeso Formation				7/1/2014				
Depth to Ground water				Distance from nearest fresh water well				Distance to nearest surface water			
Type	using a closed-lo	op system in lieu Casing Si			Proposed Cas Weight/ft	ing and Cement F	Program g Depth	Sacks of	Cement		Estimated TOC
Surf	14.75	9.625			36		00	75		0	
Prod	7.875	5.5			17	67	17	84	15		0
•		:0		Casing	g/Cement Prog	ram: Additional (	Comments			ili.	
						- TT 111					
						vout Prevention F					
Type				Working Pressure			Test Pressure		- 0	Manufacturer	
	Double Ram			30	00		3000	J			
22 I hereby o	ertify that the info	mation given abov	a is true and	complete to	the heet of my	, 1	- //	OIL CONSERV	/ATION D	MOISION	
23. I Hereby C		madon given abov	e is true arru	complete to	the best of my			OIL CONSERV	AHONE	NISION	
knowledge a		d with 40 4E 44 0	(A) NMAC >	and/or 19.1	15.14.9 (B) NM	AC					
l further cer	tify I have compli ble.	eu Willi 19.15.14.9									
I further cer ⊠, if applica		ed With 19.15.14.9									
I further cer X, if applica Signature:	ble.	ally filed by LORI F	LORES			Approved By:	Randy Da	de			
knowledge a I further cer X, if applical Signature: Printed Name: Title:	ble. Electronic		LORES			Approved By: Title:	Randy Da				
I further cer X, if applical Signature: Printed Name:	Electronic Land Reg	ally filed by LORI F	LORES				District Su	pervisor	Ex	piration Date: 3/2	25/2016

Conditions of Approval Attached

Phone: 575-748-4448

District I

1625 N. French Dr., Hobbs, NM 88240 Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u> 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-102 August 1, 2011

Permit 183422

# WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42222	2. Pool Code 97565	3. Pool Name N. SEVEN RIVERS; GLORIETA-YESO
4. Property Code 17315	5. Property Name PATRICK API	6. Well No. 007H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3472

### 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
١	D	9	198	25E		300	N	150	W	Eddy

### 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
Α	9	198	25E	A constitution of the cons	400	N	330	E	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

0		

### 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: 3/21/2014

# 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: 1/31/2014
Certificate Number: 7977

Form APD Comments

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

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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

Permit 183422

# **PERMIT COMMENTS**

Operator Name and Address:	API Number:
YATES PETROLEUM CORPORATION [25575]	30-015-42222
105 S 4TH ST	Well:
ARTESIA, NM 88210	PATRICK API #007H

Created By	Comment	Comment Date
BILLM	Logging: NO LOGS HORIZONTAL-MWD-GR-turned on 500' before KOP to TD	3/21/2014
BILLM	Mudlogging: Surface to TD	3/21/2014
BILLM	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nippled up and tested on 9 5/8" casing.	3/21/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0'-1000' 452 PSI, 1000'-2452' 1109 PSI.	3/21/2014
BILLM	H2S is anticipated.	3/21/2014
BILLM	Well will be drilled vertically to 1767'. Well will then be kicked off at approx. 1767' and directionally drilled at 12 degrees per 100' with a 7 7/8" hole to 2494' MD (2244' TVD). The lateral will be drilled with 7 7/8" hole to approx. 6717' MD (2452' TVD) where 5 1/2" casing will be set and cemented. Production string will be cemented to surface. Penetration point of producing zone to be stimulated will be encountered at 330' FNL and 605' FWL, 9-19S-25E. Deepest TVD is 2452' in the lateral.	
BILLM	The Form C-102 and Drilling plans will be mailed in.	3/21/2014
CSHAPARD	Land p/P	3/24/2014

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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 183422

Form APD Conditions

# PERMIT CONDITIONS OF APPROVAL

Operator Name and Address:	API Number:
YATES PETROLEUM CORPORATION [25575]	30-015-42222
105 S 4TH ST	Well:
ARTESIA, NM 88210	PATRICK API #007H

OCD	Condition
Reviewer	
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