

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 182340

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 40382		3. API Number 30-025-41753
5. Property Name NERVOSA BTT STATE COM		6. Well No. 001

7. Surface Location

UL - Lot H	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 2440	N/S Line N	Feet From 760	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot A	Section 13	Township 21S	Range 33E	Lot Idn A	Feet From 330	N/S Line N	Feet From 760	E/W Line E	County Lea
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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 3694
16. Multiple N	17. Proposed Depth 18077	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 7/1/2014
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	1845	1345	0
Int1	12.25	9.625	36	6145	2065	0
Prod	8.75	5.5	17	18077	3090	0

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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by LORI FLORES	Approved By: Paul Kautz
Title: Land Regulatory Technician	Title: Geologist
Email Address: lorif@yatespetroleum.com	Approved Date: 3/26/2014
Date: 2/28/2014	Expiration Date: 3/26/2016
Phone: 575-748-4448	
Conditions of Approval Attached	

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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 182340

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41753	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40382	5. Property Name NERVOSA BTT STATE COM	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3694

10. Surface Location

UL - Lot H	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 2440	N/S Line N	Feet From 760	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 13	Township 21S	Range 33E	Lot Idn	Feet From 330	N/S Line N	Feet From 760	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

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Form APD Comments

Permit 182340

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41753
	Well: NERVOSA BTT STATE COM #001

Created By	Comment	Comment Date
BILLM	Logging: GR NEUTRON 30 DEGREES DEVIATION TO SURFACE DENSITY 30 DEGREES DEVIATION TO INTERMEDIATE CASING LATEROLOG 30 DEGREES DEVIATION TO INTERMEDIATE CASING CMR 30 DEGREES DEVIATION TO INTERMEDIATE CASING.	2/28/2014
BILLM	Mudlogging: On after surface casing.	2/28/2014
BILLM	PRESSURE CONTROL EQUIPMENT: A 3000 psi system will be nipped up and tested on 13 3/8" and a 5M system on 9 5/8" casing.	2/28/2014
BILLM	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1845' 883 PSI, 1845'-6145' 3259 PSI, 6145'-10888' 5209 PSI.	2/28/2014
BILLM	H2S is not anticipated.	2/28/2014
BILLM	Well will be drilled vertically to 10411'. Well will then be kicked off at approx. 10411' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11165' MD (10888' TVD). Hole size will then be reduced to 8 1/2" and drilled to 18077' MD (10832' TVD) where 5 1/2" casing will be set. Production casing will be cemented to surface. Penetration point of the producing zone will be encountered at 1959' FNL and 760' FEL, 24-21S-33E. Deepest TVD is 10888' in lateral.	2/28/2014
BILLM	The C-102 form and Drilling Plans will be mailed in.	2/28/2014
DMULL	Well location in the POTASH AREA. Requires response from the Bureau of Land Management and the State Land Office. Notice letter advising them of the APD has been sent out by the OCD Hobbs office.	2/28/2014
DMULL	Response Letters are back form the BLM & SLO. Both state the location is not in the LMR or the Buffer Zone of the Potash.	3/26/2014

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Form APD Conditions

Permit 182340

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41753
	Well: NERVOSA BTT STATE COM #001

OCD Reviewer	Condition
DMULL	Well location is in the POTASH Area. This requires response from the Bureau of Land Management and the State Land Office. Notice letter advising them of this APD has been sent out by the OCD Hobbs Office.
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
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