

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 184359

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 40498		3. API Number 30-015-42304
5. Property Name Spunkky BUK State Com		6. Well No. 001H

7. Surface Location

UL - Lot P	Section 2	Township 26S	Range 26E	Lot Idn	Feet From 200	N/S Line S	Feet From 660	E/W Line E	County Eddy
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8. Proposed Bottom Hole Location

UL - Lot A	Section 2	Township 26S	Range 26E	Lot Idn A	Feet From 330	N/S Line N	Feet From 660	E/W Line E	County Eddy
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9. Pool Information

Undesignated 2nd Bone Spring Sand	0
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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 3288
16. Multiple N	17. Proposed Depth 11953	18. Formation 2nd Bone Spring Sand	19. Contractor	20. Spud Date 5/30/2014
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	400	415	0
Int1	12.25	9.625	36	2000	695	0
Prod	8.75	5.5	17	11953	1875	1500

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: 4/9/2014	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 4/9/2014 Expiration Date: 4/9/2016 Conditions of Approval Attached
Phone: 575-748-4448	

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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: 4/9/2014

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: 1/17/2014
 Certificate Number: 7977

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Form APD Comments

Permit 184359

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-42304
	Well: Spunky BUK State Com #001H

Created By	Comment	Comment Date
CMAY	Samples: 10' Samples surface to TD Logging: GR NEUTRON 30 DEG DEV TO SURFACE; NEUTRON DENSITY 30 DEG DEV TO INTERM CSG; LATEROLOG 30 DEG DEV TO INTERM CSG; CMR 30 DEG DEV TO INTERM CSG; HORIZ-MWD-GR. DST's: None. Coring: None. Mudlogging: ON BELOW SURFACE CSG.	4/9/2014
CMAY	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. MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0'-400' 191 PSI; 400'-2000' 1061 PSI; 2000'-7425' 3552 PSI. H2S is not anticipated.	4/9/2014
CMAY	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. MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD: 0'-400' 191 PSI; 400'-2000' 1061 PSI; 2000'-7425' 3552 PSI. H2S is not anticipated.	4/9/2014
CMAY	Well will be drilled vertically to 6912'. Well will then be kicked off at approx. 6912' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 7658' MD (7389' TVD). Hole size will then be reduced to 8 1/2" and drilled to 11953' MD (7425' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 673' FSL and 660' FEL, 2-26S-26E. Deepest TVD is 7425' in lateral.	4/9/2014
CSHAPARD	Land s/s	4/9/2014

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Form APD Conditions

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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: 30-015-42304
		Well: Spunky BUK State Com #001H

OCD Reviewer	Condition
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