

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 185720

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 12180		3. API Number 30-015-42366
5. Property Name Dayton EZ		6. Well No. 003H

7. Surface Location

UL - Lot	E	Section	21	Township	18S	Range	26E	Lot Idn		Feet From	1980	N/S Line	N	Feet From	220	E/W Line	W	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	H	Section	21	Township	18S	Range	26E	Lot Idn	H	Feet From	1980	N/S Line	N	Feet From	330	E/W Line	E	County	Eddy
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9. Pool Information

ATOKA;GLORIETA-YESO	3250
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Additional Well Information

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type Private	15. Ground Level Elevation 3407
16. Multiple N	17. Proposed Depth 7114	18. Formation Yeso	19. Contractor	20. Spud Date
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	14.75	9.625	36	1400	1025	0
Prod	8.75	5.5	17	2873	360	0
Prod	8.5	5.5	17	7114	865	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	

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 Travis Hahn	Approved By: Randy Dade
Title: Land Regulatory Agent	Title: District Supervisor
Email Address: thahn@yatespetroleum.com	Approved Date: 5/9/2014
Date: 5/6/2014	Expiration Date: 5/9/2016
Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 185720

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42366	2. Pool Code 3250	3. Pool Name ATOKA;GLORIETA-YESO
4. Property Code 12180	5. Property Name Dayton EZ	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3407

10. Surface Location

UL - Lot E	Section 21	Township 18S	Range 26E	Lot Idn	Feet From 1980	N/S Line N	Feet From 220	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 21	Township 18S	Range 26E	Lot Idn	Feet From 1980	N/S Line N	Feet From 330	E/W Line E	County 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

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>																	<p style="text-align: center;">OPERATOR CERTIFICATION</p> <p><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></p> <p>E-Signed By: Travis Hahn Title: Land Regulatory Agent Date: 5/6/2014</p> <hr/> <p style="text-align: center;">SURVEYOR CERTIFICATION</p> <p><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></p> <p>Surveyed By: Gary Jones Date of Survey: 11/12/2013 Certificate Number: 7977</p>

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Form APD Comments

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

Permit 185720

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-42366
	Well: Dayton EZ #003H

Created By	Comment	Comment Date
THAHN	Samples: 30' Sample to 1400'. 10' Samples 1400'-TD	5/6/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1400' is 670 PSI 1400'-2650' is 1268 PSI	5/6/2014
THAHN	Well will be drilled vertically to 2128' and then kicked off and directionally drilled at 12 degrees per 100' with an 8 3/4" hole to 2873' MD (2605' TVD). Hole size will then be reduced to 8 1/2" and drilled to 7114' MD (2650' TVD) where 5 1/2" casing will be set and cemented to surface. Penetration point of producing zone will be encountered at 1980' FNL and 692' FWL, 21-18S-26E. Deepest TVD is 2650' in the lateral.	5/6/2014
THAHN	C102 will follow. H2S is anticipated and precautions will be taken.	5/6/2014

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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: 30-015-42366
	Well: Dayton EZ #003H
OCD Reviewer	Condition