

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 185824

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
		3. API Number 30-025-41840
		6. Well No. 011H
4. Property Code 12443	5. Property Name KIWI AKX STATE	

7. Surface Location

UL - Lot	A	Section	16	Township	22S	Range	32E	Lot Idn		Feet From	200	N/S Line	N	Feet From	850	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	P	Section	16	Township	22S	Range	32E	Lot Idn	P	Feet From	330	N/S Line	S	Feet From	660	E/W Line	E	County	Lea
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9. Pool Information

BILBREY BASIN;BONE SPRING, SOUTH	97366
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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 3787
16. Multiple N	17. Proposed Depth 15271	18. Formation 2nd Bone Spring Sand	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	17.5	13.375	48	875	680	0
Int1	12.25	9.625	36	5785	1885	0
Prod	8.5	5.5	17	15271	875	10200
Prod	8.75	5.5	17	10993	915	5250

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 Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 5/8/2014 Phone: 575-748-4120	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 5/12/2014 Expiration Date: 5/12/2016 Conditions of Approval Attached
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Santa Fe, NM 87505

Form C-102
August 1, 2011
Permit 185824

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-41840	2. Pool Code 97366	3. Pool Name BILBREY BASIN;BONE SPRING, SOUTH
4. Property Code 12443	5. Property Name KIWI AKX STATE	6. Well No. 011H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3787

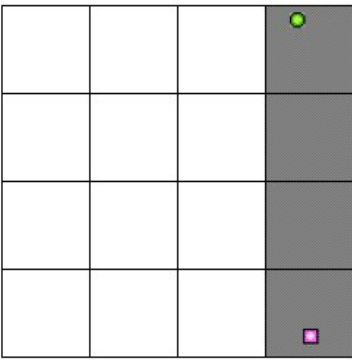
10. Surface Location

UL - Lot A	Section 16	Township 22S	Range 32E	Lot Idn	Feet From 200	N/S Line N	Feet From 850	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 16	Township 22S	Range 32E	Lot Idn	Feet From 330	N/S Line S	Feet From 660	E/W Line E	County 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

	<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: 5/8/2014</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: 1/27/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 185824

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

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-41840
	Well: KIWI AKX STATE #011H

Created By	Comment	Comment Date
THAHN	Samples: 10' samples surface to TD	5/7/2014
THAHN	Samples: 10' samples surface to TD	5/7/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-875' is 419 PSI 875'-5785' is 3068 PSI 5785'-12000' is 5741 PSI PILOT HOLE 10243'-10720' is 5128 PSI LATERAL	5/8/2014
THAHN	Pilot hole will be drilled to 12000'. Well will then be plugged back with a 200' isolation plug on bottom and an open hole whipstock set at approx. 10243'. Well will then be kicked off at approx. 10243' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10993' MD (10720' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15271' MD (10720' 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 677' FNL and 828' FEL, 16-22S-32E. Deepest TVD is 12000' in the pilot hole. Deepest T	5/8/2014
THAHN	C-102, horizontal drilling diagram, and contingency plan to follow by mail. H2S is not anticipated in this well.	5/8/2014
pkautz	Land s/S	5/9/2014

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Form APD Conditions
 Permit 185824

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-41840
	Well: KIWI AKX STATE #011H

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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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