

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-8161 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) 334-8178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3482

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 189151

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 313441		3. API Number 30-025-42010
5. Property Name JUICE BUD STATE COM		6. Well No. 003H

7. Surface Location

UL - Lot	N	Section	19	Township	21S	Range	34E	Lot Idn	Feet From	200	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	K	Section	18	Township	21S	Range	34E	Lot Idn	K	Feet From	2410	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
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9. Pool Information

BERRY,BONE SPRING, SOUTH	96660
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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 3737
16. Multiple N	17. Proposed Depth 18290	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	1875	1370	0
Int1	12.25	9.625	36	4100	1290	0
Int2	12.25	9.625	36	5995	725	3900
Prod	8.5	5.5	17	18290	1870	5495
Prod	8.75	5.5	17	11277	695	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: _____ Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 7/15/2014	<p style="text-align: center;">OIL CONSERVATION DIVISION</p> Approved By: Paul Kautz Title: Geologist Approved Date: 7/31/2014 Expiration Date: 7/31/2016 Conditions of Approval Attached
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Form C-102
August 1, 2011
Permit 189151

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42010	2. Pool Code 96660	3. Pool Name BERRY,BONE SPRING, SOUTH
4. Property Code 313441	5. Property Name JUICE BUD STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3737

10. Surface Location

UL - Lot N	Section 19	Township 21S	Range 34E	Lot Idn	Feet From 200	N/S Line S	Feet From 1980	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot K	Section 18	Township 21S	Range 34E	Lot Idn	Feet From 2410	N/S Line S	Feet From 1980	E/W Line W	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

<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; background-color: #cccccc;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px; background-color: #cccccc;"></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: 7/15/2014</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: 6/30/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 189151

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42010
	Well: JUICE BUD STATE COM #003H

Created By	Comment	Comment Date
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1875' is 897 PSI 1875'-5995' is 3180 PSI 5995'-11000' is 5262 PSI	7/15/2014
Ynavarrette	Well will be drilled vertically to 10523' and then be kicked off at approx. 10523' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11277' MD (11000' TVD). Hole size will then be reduced to 8 1/2" and drilled to 18290' MD (10935' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. The bottom 100' will not be produced and will consist of the float shoe and float collar. Our bottom perf will not go past the 330' hardline. Penetration point of producing zone will be encountered at 682' FSL and 1980' FWL, 19-21S-34E. Deepest TVD is 11000' in th	7/15/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	7/15/2014

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Form APD Conditions

Permit 189151

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42010
	Well: JUICE BUD STATE COM #003H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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	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