

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) 334-8170
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 191610

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 30-015-42624
5. Property Name SPUNKY BUK STATE COM		6. Well No. 001

7. Surface Location

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

UL - Lot	M	Section	2	Township	26S	Range	26E	Lot Idn	M	Feet From	230	N/S Line	S	Feet From	660	E/W Line	W	County	Eddy
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9. Pool Information

WILDCAT G-03 S252636M;BONE SPRING	97818
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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 3380
16. Multiple N	17. Proposed Depth 11937	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	400	415	0
Int1	12.25	9.625	36	2000	695	0
Prod	8.5	5.5	17	11937	1220	6941
Prod	8.75	5.5	17	7658	750	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:	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: 9/9/2014
Date: 9/5/2014	Expiration Date: 9/9/2016
Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 191610

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42624	2. Pool Code 97818	3. Pool Name WILDCAT G-03 S252636M;BONE SPRING
4. Property Code 40498	5. Property Name SPUNKY BUK STATE COM	6. Well No. 001
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3380

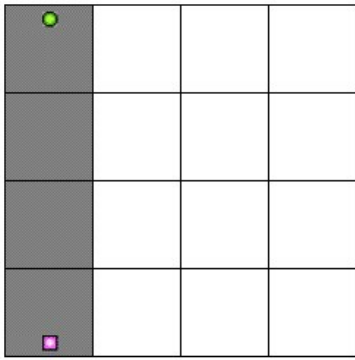
10. Surface Location

UL - Lot D	Section 2	Township 26S	Range 26E	Lot Idn	Feet From 200	N/S Line N	Feet From 660	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot M	Section 2	Township 26S	Range 26E	Lot Idn	Feet From 230	N/S Line S	Feet From 660	E/W Line W	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

	<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: 9/5/2014</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: 6/16/2014 Certificate Number: 7977</p>
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Form APD Comments

Permit 191610

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-42624
	Well: SPUNKY BUK STATE COM #001

Created By	Comment	Comment Date
THAHN	Samples: 10' Samples surface to TD, Logging: SCH: PLATFORM EXPRESS CNL/LDT/NGT TD TO INTERM CSG CNL/GR TD TO SURF CSG DLL-MSFL TD TO SURF CSG BHC-SONIC TD TO SURF CSG HORIZONTAL-MWD-GR, DST's: None, Coring: None, Mudlogging: ON BELOW SURFACE CSG	8/28/2014
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-400' is 191 PSI 400'-2000' is 1061 PSI 2000'-8774' is 4197 PSI PILOT HOLE 2000'-7419' is 3549 PSI LATERAL	8/28/2014
THAHN	Pilot hole will be drilled vertically to approx. 8774'. Well will then be plugged back with a 200' isolation plug on bottom and a 500'-600' kick off plug. Well will then be kicked off at approx. 6941' 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 11937' MD (7410' 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 collar. Our bottom perf will not go past the 330' hardline. Penetration p	8/28/2014
CSHAPARD	Land s/s	9/2/2014
CSHAPARD		9/4/2014

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Form APD Conditions

Permit 191610

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42624
		Well: SPUNKY BUK STATE COM #001
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	
CSHAPARD	Will require administrative order for non-standard spacing unit	