

**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 193017

**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 313728		3. API Number 30-025-42143
5. Property Name PYTHON BUZ STATE		6. Well No. 001H

**7. Surface Location**

UL - Lot	P	Section	36	Township	24S	Range	32E	Lot Idn	Feet From	210	N/S Line	S	Feet From	660	E/W Line	E	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	A	Section	36	Township	24S	Range	32E	Lot Idn	A	Feet From	230	N/S Line	N	Feet From	660	E/W Line	E	County	Lea
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**9. Pool Information**

WC-025 G-07 S243225C;LOWER BONE SPR	97964
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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 3527
16. Multiple N	17. Proposed Depth 15650	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	1065	810	0
Int1	12.25	9.625	36	5040	1645	0
Prod	8.5	5.5	17	15650	1430	10790
Prod	8.75	5.5	17	11290	735	4500

**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:	<b>OIL CONSERVATION DIVISION</b>
Printed Name: Electronically filed by Travis Hahn	Approved By: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 9/25/2014      Expiration Date: 9/25/2016
Date: 9/25/2014      Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 193017

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42143	2. Pool Code 97964	3. Pool Name WC-025 G-07 S243225C, LOWER BONE SPR
4. Property Code 313728	5. Property Name PYTHON BUZ STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3527

**10. Surface Location**

UL - Lot P	Section 36	Township 24S	Range 32E	Lot Idn	Feet From 210	N/S Line S	Feet From 660	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot A	Section 36	Township 24S	Range 32E	Lot Idn	Feet From 230	N/S Line N	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**

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			●														

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Form APD Comments

Permit 193017

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42143
		Well: PYTHON BUZ STATE #001H

  

Created By	Comment	Comment Date
Ynavarrette	Samples: 30' Sample to 4500'. 10' Samples 4500'-TD	9/25/2014
Ynavarrette	Logging: SLB: Platform Express CNL/LDT/NGT TD-CSG CNL/GR CSG-SURF HRLA TD-CSG CMR TD-CSG HORIZONTAL-MWD-GR CURVE-TD	9/25/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1065' is 509 PSI 1065'-5040' is 2673 PSI 5040'-12500' is 5980 PSI PILOT HOLE 10537'-11015' is 5270 PSI LATERAL	9/25/2014
Ynavarrette	H2S is not anticipated.	9/25/2014
Ynavarrette	C-102 and horizontal drilling diagram will follow by mail.	9/25/2014
THAHN	Pilot hole will be drilled vertically to 12500'. Well will then be plugged back with a 200' isolation plug on bottom and an open hole whipstock set at approximately at 10537'. Well will then be kicked off at approximately 10537' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11291' MD (11015' TVD). Hole size will then be reduced to 8.5" and drilled to 15650' MD (10985' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. The bottom 100' will not be produced and will consist of our float shoe and float collar. Bottom per	9/25/2014

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Form APD Conditions

Permit 193017

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42143
	Well: PYTHON BUZ STATE #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
pkautz	Pit construction and closure must satisfy all requirements of your approved plan.
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 & INTERNEMATE 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
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water