

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 194517

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 37344		3. API Number 30-015-42755
5. Property Name HUMIDOR BML STATE COM		6. Well No. 005H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
I	23	24S	27E		2365	S	575	E	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
P	26	24S	27E	P	230	S	400	E	Eddy

9. Pool Information

WILLOW LAKE;BONE SPRING;WEST	96415
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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 3171
16. Multiple N	17. Proposed Depth 16354	18. Formation 3rd 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	2500	595	0
Int1	12.25	9.625	17	16354	850	0
Prod	8.5	5.5	17	16354	2055	9356
Prod	8.75	5.5	17	9356	765	2000

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: 10/22/2014 Expiration Date: 10/22/2016
Date: 10/22/2014 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 194517

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42755	2. Pool Code 96415	3. Pool Name WILLOW LAKE;BONE SPRING;WEST
4. Property Code 37344	5. Property Name HUMIDOR BML STATE COM	6. Well No. 005H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3171

10. Surface Location

UL - Lot I	Section 23	Township 24S	Range 27E	Lot Idn	Feet From 2365	N/S Line S	Feet From 575	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot P	Section 26	Township 24S	Range 27E	Lot Idn	Feet From 230	N/S Line S	Feet From 400	E/W Line E	County Eddy
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%; border-collapse: collapse;"> <tr><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td><td style="width: 25%; height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></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: 10/22/2014</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: 10/10/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 194517

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-42755
	Well: HUMIDOR BML STATE COM #005H

Created By	Comment	Comment Date
Ynavarrette	C-102 will follow by mail.	10/22/2014
Ynavarrette	Samples: 10' Samples 755'-TD	10/22/2014
Ynavarrette	Logging: SCH:PLATFORM EXPRESS CNL/LDT/NGT-TD TO INTERM CSG CNL/GR-TD-SURF CSG DLL-MSFL-TD-SURF CSG BHC-SONIC-TD-SURF CSG HORIZONTAL-MWD-GR	10/22/2014
Ynavarrette	Mud Level Monitoring: After surface casing is set an electronic PVT system will be installed as our primary mud level monitoring system. A secondary system will also be implemented as to insure the PVT system is functioning properly. The secondary system will be comprised of the derrick hand checking the fluid level in the pit.	10/22/2014
Ynavarrette	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-755' is 361 PSI 755'-2500' is 1326 PSI 2500'-9108' is 4357 PSI	10/22/2014
Ynavarrette	Well will be drilled vertically to 8607' and be kicked off at approx. 8607' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 9356' MD (9085' TVD). Hole size will then be reduced to 8 1/2" and drilled to 16354' MD (9108' TVD) where 5 1/2" casing will be set and cemented 500' into intermediate casing. The bottom 100' will not be produced and will consist of our float shoe and collar. Our bottom perf will not go beyond the 330' hardline. Penetration point of producing zone will be encountered at 1889' FSL and 562' FEL, 23-24S-27E. Deepest TVD is 9108' in lateral.	10/22/2014
Ynavarrette	Please approve this APD in your earliest convinience.	10/22/2014

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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: 30-015-42755
		Well: HUMIDOR BML STATE COM #005H
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	