

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 198189

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 314090		3. API Number 30-015-42893
5. Property Name Macanudo BTE State Com.		6. Well No. 001H

7. Surface Location

UL - Lot	I	Section	23	Township	24S	Range	27E	Lot Idn	Feet From	2365	N/S Line	S	Feet From	605	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	A	Section	14	Township	24S	Range	27E	Lot Idn	A	Feet From	330	N/S Line	N	Feet From	660	E/W Line	E	County	Eddy
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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 8257	18. Formation Bone Spring	19. Contractor	20. Spud Date 1/30/2015
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	755	595	0
Int1	12.25	9.625	36	2500	850	0
Prod	8.75	5.5	17	16134	2810	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	

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: 1/15/2015 Expiration Date: 1/15/2017
Date: 1/14/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 198189

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-42893	2. Pool Code 96415	3. Pool Name WILLOW LAKE;BONE SPRING;WEST
4. Property Code 314090	5. Property Name Macanudo BTE State Com.	6. Well No. 001H
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 605	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 14	Township 24S	Range 27E	Lot Idn	Feet From 330	N/S Line N	Feet From 660	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; background-color: #cccccc;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px; background-color: #cccccc;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px; background-color: #cccccc;"></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: 1/14/2015</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: 12/29/2014 Certificate Number: 7977</p>

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Form APD Comments

Permit 198189

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-015-42893
	Well: Macanudo BTE State Com. #001H

Created By	Comment	Comment Date
Cy Cowan	Well will be drilled vertically to 7855'. Well will be kicked off at approx. 7855' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 8610' MD (8332' TVD). Hole size will then be reduced to 8 1/2" and drilled to 16134' MD (8257' TVD) where 5 1/2" casing will be set and cemented 500' into intermediate casing. Penetration point of producing zone to be stimulated will be encountered at 2310' FNL and 610' FEL, 23-24S-27E. Deepest TVD is 8332' in lateral.	1/14/2015
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Cy Cowan	Samples: 30' Sample to 2500'. 10' Samples 2500'-TD	1/14/2015
Cy Cowan	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-755' 361 PSI 755'-2500' 1326 PSI 2500'-8332' 3986 PSI	1/14/2015
Cy Cowan	H2S is not anticipated.	1/14/2015
Cy Cowan	C-102 and Drilling Plan will be hand carried to your office at a later date.	1/14/2015

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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: 30-015-42893
	Well: Macanudo BTE State Com. #001H

OCD Reviewer	Condition
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