

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) 476-3462

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 199067

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
		3. API Number 30-025-42419
4. Property Code 39218	5. Property Name BOSTON BSN STATE COM	6. Well No. 005H

7. Surface Location

UL - Lot G	Section 18	Township 21S	Range 34E	Lot Idn	Feet From 2440	N/S Line N	Feet From 1980	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot J	Section 7	Township 21S	Range 34E	Lot Idn J	Feet From 2310	N/S Line S	Feet From 1980	E/W Line E	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 3768
16. Multiple N	17. Proposed Depth 15491	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	1885	1380	0
Int1	12.25	9.625	36	4000	1320	0
Int1	12.25	9.625	36	5600	470	4000
Prod	8.5	5.5	17	15491	1275	10725
Prod	8.75	5.5	17	11225	860	3800

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	

<p>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.</p> <p>Signature: _____</p> <p>Printed Name: Electronically filed by Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 1/30/2015 Phone: 575-748-4120</p>	<p style="text-align: center;">OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 2/3/2015 Expiration Date: 2/3/2017</p> <p>Conditions of Approval Attached</p>
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Form C-102
August 1, 2011
Permit 199067

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42419	2. Pool Code 96660	3. Pool Name BERRY;BONE SPRING, SOUTH
4. Property Code 39218	5. Property Name BOSTON BSN STATE COM	6. Well No. 005H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3768

10. Surface Location

UL - Lot G	Section 18	Township 21S	Range 34E	Lot Idn	Feet From 2440	N/S Line N	Feet From 1980	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot J	Section 7	Township 21S	Range 34E	Lot Idn	Feet From 2310	N/S Line S	Feet From 1980	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

	OPERATOR CERTIFICATION
	<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: 1/30/2015</p>
	SURVEYOR CERTIFICATION
	<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: 1/27/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 199067

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42419
	Well: BOSTON BSN STATE COM #005H

Created By	Comment	Comment Date
THAHN	Samples: 30' Sample to 5600'. 10' Samples 5600'-TD. Logging: GR NEUTRON-30 DEG DEV TO SURFACE CSG, DENSITY-30 DEG DEV TO INTERMEDIATE CSG, LATEROLOG-30 DEG DEV TO INTERMEDIATE CSG, CMR-30 DEG DEV TO INTERMEDIATE CSG (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR)	1/30/2015
THAHN	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1885' is 902 PSI, 1885'-5600' is 2970 PSI, 5600'-10947' is 5237 PSI	1/30/2015
THAHN	Well will be drilled to 10469'. Well will then be kicked and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11225 MD (10947' TVD). Hole size will then be reduced to 8.5" and drilled to 15491' MD (10899' TVD) where 5.5" casing will be set and cemented 500' into previous casing string (if DV/PKR stage tool is ran in intermediate hole, cement will be brought up 200' above tool placement). Penetration point of producing zone will be encountered at 1957' FSL and 1980' FEL, 18-21S-34E. Deepest TVD is 10947' in lateral.	1/30/2015
THAHN	H2S is not anticipated. C-102 and horizontal drilling diagram will follow by mail.	1/30/2015
DMULL	Potash response has been received from the BLM & SLO. Scanned to well file.	2/3/2015

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Form APD Conditions

Permit 199067

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42419
	Well: BOSTON BSN STATE COM #005H

OCD Reviewer	Condition
DMULL	Will require a directional survey with the C-104
DMULL	Pit construction and closure must satisfy all requirements of your approved plan.
DMULL	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
DMULL	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
DMULL	Well location in the POTASH AREA. Requires response from the Bureau of Land Management and the State Land Office. Notice advising them of this APD sent by OCD Hobbs office.
pkautz	1) SURFACE & INTERMEDIATE CASING - Cement must circulate to surface -- 2) PRODUCTION CASING - Cement must tie back into intermediate casing --
pkautz	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement
pkautz	Surface casing must be set 25' below top of Rustler Anhydrite in order to seal off protectable water