

**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 199183

**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 314181		3. API Number 30-025-42423
5. Property Name OPTIMIZER BVB STATE		6. Well No. 001H

**7. Surface Location**

UL - Lot	C	Section	33	Township	21S	Range	34E	Lot Idn	Feet From	200	N/S Line	N	Feet From	2206	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	N	Section	33	Township	21S	Range	34E	Lot Idn	N	Feet From	330	N/S Line	S	Feet From	1980	E/W Line	W	County	Lea
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**9. Pool Information**

GRAMA RIDGE;BONE SPRING	28430
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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 3684
16. Multiple N	17. Proposed Depth 15250	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	1945	1415	0
Int1	12.25	9.625	36	5800	600	25
Prod	8.5	5.5	17	15250	1535	10485
Prod	8.75	5.5	17	10984	540	5100

**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: 2/4/2015
Date: 2/3/2015	Expiration Date: 2/4/2017
Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 199183

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42423	2. Pool Code 28430	3. Pool Name GRAMA RIDGE;BONE SPRING
4. Property Code 314181	5. Property Name OPTIMIZER BVB STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3684

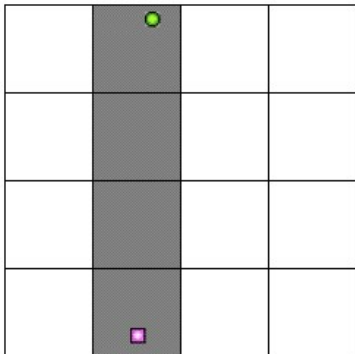
**10. Surface Location**

UL - Lot C	Section 33	Township 21S	Range 34E	Lot Idn	Feet From 200	N/S Line N	Feet From 2206	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot N	Section 33	Township 21S	Range 34E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line W	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**

	<p style="text-align: center;"><b>OPERATOR CERTIFICATION</b></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:                 2/3/2015</p> <hr/> <p style="text-align: center;"><b>SURVEYOR CERTIFICATION</b></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:     1/10/2015 Certificate Number: 7977</p>
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Form APD Comments

Permit 199183

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42423
		Well: OPTIMIZER BVB STATE #001H

Created By	Comment	Comment Date
RBELA	Samples: 30' Sample to 5800'. 10' Samples 5800'-TD Logging: GR NEUTRON 30 DEG DEV TO SURF CSG DENSITY 30 DEG DEV TO INTERM CSG LATEROLOG 30 DEG DEV TO INTERM CSG CMR 30 DEG DEV TO INTERM CSG	2/3/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1945' is 930 PSI 1945'-5800' is 3076 PSI 5800'-10694' is 5116 PSI H2S is not anticipated.	2/3/2015
RBELA	Well will be drilled vertically to 10217'. Well will then be kicked off at approx. 10217' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10984' MD (10694' TVD). Hole size will then be reduced to 8 1/2" and drilled to 15250' MD (10542' TVD) where 5 1/2" casing will be set and cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 694' FNL and 2187' FWL, 33-21S-34E. Deepest TVD is 10694' in lateral.	2/3/2015
RBELA	C-102 and drilling plan will follow by mail.	2/3/2015

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Form APD Conditions

Permit 199183

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42423
	Well: OPTIMIZER BVB 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	If using a pit for drilling and completion operations, must have an approved pit from prior to spudding the well.
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	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