

**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 199400

**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 30-015-42950
5. Property Name MACANUDO BTE STATE COM		6. Well No. 004H

**7. Surface Location**

UL - Lot	M	Section	14	Township	24S	Range	27E	Lot Idn		Feet From	330	N/S Line	S	Feet From	200	E/W Line	W	County	Eddy
----------	---	---------	----	----------	-----	-------	-----	---------	--	-----------	-----	----------	---	-----------	-----	----------	---	--------	------

**8. Proposed Bottom Hole Location**

UL - Lot	P	Section	14	Township	24S	Range	27E	Lot Idn	P	Feet From	660	N/S Line	S	Feet From	330	E/W Line	E	County	Eddy
----------	---	---------	----	----------	-----	-------	-----	---------	---	-----------	-----	----------	---	-----------	-----	----------	---	--------	------

**9. Pool Information**

WILLOW LAKE;BONE SPRING;WEST	96415
------------------------------	-------

**Additional Well Information**

11. Work Type New Well	12. Well Type OIL	13. Cable/Rotary	14. Lease Type State	15. Ground Level Elevation 3215
16. Multiple N	17. Proposed Depth 12192	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	645	515	0
Int1	12.25	9.625	36	2450	835	0
Prod	8.5	5.5	17	12192	1200	7382
Prod	8.75	5.5	17	7882	700	1950

**Casing/Cement Program: Additional Comments**

--

**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: Randy Dade
Title: Land Regulatory Agent	Title: District Supervisor
Email Address: thahn@yatespetroleum.com	Approved Date: 2/17/2015      Expiration Date: 2/17/2017
Date: 2/6/2015      Phone: 575-748-4120	Conditions of Approval Attached

**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-102  
August 1, 2011  
Permit 199400

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-015-42950	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. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3215

**10. Surface Location**

UL - Lot M	Section 14	Township 24S	Range 27E	Lot Idn	Feet From 330	N/S Line S	Feet From 200	E/W Line W	County Eddy
---------------	---------------	-----------------	--------------	---------	------------------	---------------	------------------	---------------	----------------

**11. Bottom Hole Location If Different From Surface**

UL - Lot P	Section 14	Township 24S	Range 27E	Lot Idn	Feet From 660	N/S Line S	Feet From 330	E/W Line E	County Eddy
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**

<table border="1" style="width: 100%; height: 150px; border-collapse: collapse;"> <tr><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td><td style="width: 25%; height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px;"></td></tr> </table>																	<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:                    2/6/2015</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:        10/10/2014 Certificate Number:   7977</p>

**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 APD Comments

Permit 199400

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-42950
		Well: MACANUDO BTE STATE COM #004H

  

Created By	Comment	Comment Date
THAHN	Samples: 10' Samples Surface-TD. Logging: GR NEUTRON 30 DEG DEV TO SURFACE, NEUTRON DENSITY 30 DEG DEV TO INTERM CASING, LATEROLOG 30 DEG DEV TO INTERM CASING, CMR 30 DEG DEV TO INTERM CASING, HORIZONTAL-MWD-GR. DST's: None. Coring: None. Mudlogging: On after surface casing.	2/6/2015
THAHN	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-645' is 309 PSI, 645'-2450' is 1299 PSI, 2450'-7750' is 3708 PSI	2/6/2015
THAHN	Well will be drilled vertically to 7146' well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 7882' MD (7624' TVD). Hole size will then be reduced to 8.5" and drilled to 12192' MD (7750' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 366' FSL and 662' FWL, 14-24S-27E. Deepest TVD is 7750' in lateral.	2/6/2015
THAHN	H2S is not anticipated. C-102 and horizontal drilling diagram will follow.	2/6/2015

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 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) 334-6178 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 APD Conditions

Permit 199400

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-42950
	Well: MACANUDO BTE STATE COM #004H

OCD Reviewer	Condition
--------------	-----------