

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 200024

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 314210		3. API Number 30-025-42444
5. Property Name BOYSENBERRY BVZ STATE		6. Well No. 001H

7. Surface Location

UL - Lot	M	Section	2	Township	20S	Range	35E	Lot Idn		Feet From	200	N/S Line	S	Feet From	900	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	D	Section	2	Township	20S	Range	35E	Lot Idn	4	Feet From	330	N/S Line	N	Feet From	760	E/W Line	W	County	Lea
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9. Pool Information

PEARL BONE SPRING, SOUTH	49685
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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 3670
16. Multiple N	17. Proposed Depth 14886	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	1920	1400	0
Int1	12.5	9.625	36	5800	1885	0
Prod	8.5	5.5	17	14886	515	10597
Prod	8.75	5.5	17	10597	515	5300

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: Paul Kautz
Title: Land Regulatory Agent	Title: Geologist
Email Address: thahn@yatespetroleum.com	Approved Date: 2/23/2015 Expiration Date: 2/23/2017
Date: 2/23/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 200024

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42444	2. Pool Code 49685	3. Pool Name PEARL;BONE SPRING, SOUTH
4. Property Code 314210	5. Property Name BOYSENBERRY BVZ STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3670

10. Surface Location

UL - Lot M	Section 2	Township 20S	Range 35E	Lot Idn	Feet From 200	N/S Line S	Feet From 900	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 2	Township 20S	Range 35E	Lot Idn 4	Feet From 330	N/S Line N	Feet From 760	E/W Line W	County Lea
12. Dedicated Acres 160.62	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

<div style="display: flex; flex-direction: column; align-items: center;"> <div style="border: 1px solid black; width: 40px; height: 40px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 40px; height: 40px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 40px; height: 40px; margin-bottom: 10px;"></div> <div style="border: 1px solid black; width: 40px; height: 40px;"></div> </div>	<div style="text-align: center;">OPERATOR CERTIFICATION</div> <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> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> E-Signed By: Travis Hahn </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Title: Land Regulatory Agent </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Date: 2/23/2015 </div>		
	<div style="text-align: center;">SURVEYOR CERTIFICATION</div> <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> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> Surveyed By: Gary Jones </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Date of Survey: 1/6/2015 </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> Certificate Number: 7977 </div>		

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Form APD Comments

Permit 200024

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210		API Number: 30-025-42444
		Well: BOYSENBERRY BVZ STATE #001H

Created By	Comment	Comment Date
RBELA	Samples: 30' Sample to 5800'. 10' Samples 5800'-TD	2/18/2015
RBELA	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 (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR)	2/18/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1920' 918 PSI 1920'-5800' 3076 PSI 5800'-10321' 4938 PSI	2/18/2015
RBELA	Well will be drilled vertically to 9844', then be kicked off at approx. 9844' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 10597' MD (10321' TVD). Hole size will then be reduced to 8 1/2" and drilled to 14886' MD (10294' 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 680' FSL and 881' FWL, Section 2 Township 20S & Range 35E. Deepest TVD is 10321' in lateral.	2/18/2015
RBELA	C-102 will follow by mail, H2S is not anticipated.	2/18/2015
pkautz	APD rejected for being out of compliance with extra bonding requirements	2/20/2015
pkautz		2/20/2015

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Form APD Conditions

Permit 200024

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42444
	Well: BOYSENBERRY BVZ STATE #001H

OCD Reviewer	Condition
pkautz	Will require a directional survey with the C-104
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	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	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