

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 200779

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 314229		3. API Number 30-025-42464
5. Property Name DRIVER BVE STATE		6. Well No. 002H

7. Surface Location

UL - Lot	E	Section	14	Township	23S	Range	33E	Lot Idn	E	Feet From	2090	N/S Line	N	Feet From	300	E/W Line	W	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	H	Section	14	Township	23S	Range	33E	Lot Idn	H	Feet From	2240	N/S Line	N	Feet From	330	E/W Line	E	County	Lea
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9. Pool Information

BELL LAKE;BONE SPRING, NORTH	5150
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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 3668
16. Multiple N	17. Proposed Depth 15701	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	1325	913	0
Int1	12.25	9.625	36	5350	1745	0
Prod	8.5	5.5	17	15701	1485	11544
Prod	8.75	5.5	17	11544	500	4850

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: 3/5/2015 Expiration Date: 3/5/2017
Date: 3/4/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 200779

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42464	2. Pool Code 5150	3. Pool Name BELL LAKE;BONE SPRING, NORTH
4. Property Code 314229	5. Property Name DRIVER BVE STATE	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3668

10. Surface Location

UL - Lot E	Section 14	Township 23S	Range 33E	Lot Idn E	Feet From 2090	N/S Line N	Feet From 300	E/W Line W	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot H	Section 14	Township 23S	Range 33E	Lot Idn H	Feet From 2240	N/S Line N	Feet From 330	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

<table border="1" style="width: 100%; height: 150px; 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;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td></tr> <tr><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></td><td style="height: 30px;"></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: 3/4/2015</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: 2/5/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 200779

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-42464
	Well: DRIVER BVE STATE #002H

Created By	Comment	Comment Date
RBELA	Samples: 30' Sample to 5350'. 10' Samples 5350'-TD	3/4/2015
RBELA	Logging: HORIZONTAL-MWD-GR-CURVE & LATERAL; CNL/LDT/NGT-CURVE; CNL/GR-CURVE; DLL/MSFL-CURVE;	3/4/2015
RBELA	Mud logging: 2000' to TD	3/4/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD 0'-1325' pressure is 634 PSI, 1325'-5350' pressure is 2838 PSI, 5350'-11260' pressure is 5387 PSI.	3/4/2015
RBELA	Well will be drilled vertically to 10783', then be kicked off at approx. 10783' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11544' MD (11260' TVD). Hole size will then be reduced to 8.5" and drilled to 15701' MD (11160' TVD), where 5.5" casing will be set and cemented 500' into previous casing string in a single stage. Penetration point of producing zone will be encountered at 2104' FNL and 789' FWL, Section 14-Township 23S-Range 33E. Deepest TVD is 11260' in lateral.	3/4/2015
RBELA	C-102 will follow by mail. H2S is not anticipated.	3/4/2015

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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: 30-025-42464
	Well: DRIVER BVE STATE #002H

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	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