

**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 202219

**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 313441		3. API Number 30-025-42504
5. Property Name JUICE BUD STATE COM		6. Well No. 002H

**7. Surface Location**

UL - Lot	O	Section	19	Township	21S	Range	34E	Lot Idn	O	Feet From	200	N/S Line	S	Feet From	1980	E/W Line	E	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	J	Section	19	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**

WC-025 G-07 S213430M;BONE SPRING	97962
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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 3747
16. Multiple N	17. Proposed Depth 12897	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	1880	1380	0
Int1	12.75	9.625	36	5600	1290	0
Prod	8.5	5.5	17	12897	985	10775
Prod	8.75	5.5	17	11275	540	0

**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: 4/7/2015      Expiration Date: 4/7/2017
Date: 4/1/2015      Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102  
August 1, 2011  
Permit 202219

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42504	2. Pool Code 97962	3. Pool Name WC-025 G-07 S213430M,BONE SPRING
4. Property Code 313441	5. Property Name JUICE BUD STATE COM	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3747

**10. Surface Location**

UL - Lot O	Section 19	Township 21S	Range 34E	Lot Idn O	Feet From 200	N/S Line S	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 19	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 80.00	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: 100%; 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; text-align: center; vertical-align: middle;">■</td><td style="height: 40px;"></td></tr> <tr><td style="height: 40px;"></td><td style="height: 40px;"></td><td style="height: 40px; text-align: center; vertical-align: middle;">●</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:                4/1/2015</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:     6/30/2014 Certificate Number: 7977</p>
		■															
		●															

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Form APD Comments

Permit 202219

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42504
	Well: JUICE BUD STATE COM #002H

Created By	Comment	Comment Date
RBELA	Samples: 30' Sample to 5600'. 10' Samples 5600'-TD	4/1/2015
RBELA	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.	4/1/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD From 0'-1880' pressure is 899 PSI, From 1880'-5600' pressure is 2970 PSI, From 5600'-10992' pressure is 5259 PSI.	4/1/2015
RBELA	Well will be drilled vertically to 10515', then be kicked off at approx. 10515' and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 11275' MD (10992' TVD). Hole size will then be reduced to 8.5" and drilled to 12897' MD (10955' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 688' FSL and 1980' FEL, Section 19-T21S-R34E. Deepest TVD is 10992' in the lateral.	4/1/2015
RBELA	H2S is not anticipated. C-102 will follow in the mail.	4/1/2015

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Form APD Conditions

Permit 202219

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42504
	Well: JUICE BUD STATE COM #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	Pit construction and closure must satisfy all requirements of your approved plan.
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
pkautz	POTASH AREA - Salt Protection String - If the cement fails to reach the surface or the bottom of the cellar, where required, the top of the cement shall be located by a temperature or other survey and additional cementing shall be done until the cement is brought to the surface.
pkautz	POTASH AREA - Three String Casing Program - In accordance with R-111-P all strings shall be cemented to surface.