

**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 203853

**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
		3. API Number 30-025-42543
4. Property Code 40431	5. Property Name PERSIMMON BSS STATE COM	6. Well No. 003H

**7. Surface Location**

UL - Lot G	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 2440	N/S Line N	Feet From 1980	E/W Line E	County Lea
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**8. Proposed Bottom Hole Location**

UL - Lot O	Section 25	Township 21S	Range 33E	Lot Idn O	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	County Lea
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**9. Pool Information**

BERRY;BONE SPRING, NORTH	5535
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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 3755
16. Multiple N	17. Proposed Depth 18556	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	1915	1400	0
Int1	12.25	9.625	36	5700	1290	0
Prod	8.5	5.5	17	18556	2065	11235
Prod	8.75	5.5	17	11235	665	5200

**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	

<p>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.</p> <p>Signature: _____</p> <p>Printed Name: Electronically filed by Travis Hahn</p> <p>Title: Land Regulatory Agent</p> <p>Email Address: thahn@yatespetroleum.com</p> <p>Date: 4/30/2015</p>	<p><b>OIL CONSERVATION DIVISION</b></p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 5/1/2015</p> <p>Expiration Date: 5/1/2017</p> <p>Conditions of Approval Attached</p>
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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 203853

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-42543	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40431	5. Property Name PERSIMMON BSS STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3755

**10. Surface Location**

UL - Lot G	Section 24	Township 21S	Range 33E	Lot Idn	Feet From 2440	N/S Line N	Feet From 1980	E/W Line E	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot O	Section 25	Township 21S	Range 33E	Lot Idn	Feet From 330	N/S Line S	Feet From 1980	E/W Line E	County Lea
12. Dedicated Acres 240.00	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:                      4/30/2015</p>
	<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:        10/8/2013 Certificate Number:    7977</p>

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Form APD Comments

Permit 203653

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42543
	Well: PERSIMMON BSS STATE COM #003H

Created By	Comment	Comment Date
RBELA	Samples: 30' Sample to 5700'. 10' Samples 5700'-TD	4/30/2015
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.	4/30/2015
RBELA	Mud logging: On after surface casing	4/30/2015
RBELA	MAXIMUM ANTICIPATED BHP: DEPTHS ARE TVD From 0'-1915' pressure is 928 PSI, from 1915'-5700' pressure is 3023PSI, from 5700'-11047' pressure is 5293 PSI.	4/30/2015
RBELA	Well will be drilled vertically to 10490', then be kicked off at approx. 10490' and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11235' MD (10967' TVD). Hole size will then be reduced to 8.5" and drilled to 18556' MD (11047' TVD) where 5.5" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of the producing zone to be stimulated will be encountered at 2310' FSL and 1980' FEL, Section 24-T21S- R33E. Deepest TVD is 11047' in lateral	4/30/2015
RBELA	H2S is not anticipated. C-102 will follow by mail.	4/30/2015

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Form APD Conditions

Permit 203653

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42543
	Well: PERSIMMON BSS STATE COM #003H

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	Potash Area - Three String Casing Program - In accordance with R-111-P all strings shall be cemented to surface.
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	If cement does not circulate to surface, must run temperature survey or other log to determine top of cement