

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-101
August 1, 2011
Permit 203979

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 314803		3. API Number 30-015-43095
5. Property Name Couch BUQ Com		6. Well No. 002H

7. Surface Location

UL - Lot	H	Section	36	Township	23S	Range	27E	Lot Idn		Feet From	2080	N/S Line	N	Feet From	200	E/W Line	E	County	Eddy
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8. Proposed Bottom Hole Location

UL - Lot	G	Section	35	Township	23S	Range	27E	Lot Idn	G	Feet From	1880	N/S Line	N	Feet From	2310	E/W Line	E	County	Eddy
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9. Pool Information

CASS DRAW;BONE SPRING	10380
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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 3138
16. Multiple N	17. Proposed Depth 14874	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	500	415	0
Int1	12.25	9.625	36	2380	810	0
Prod	8.5	5.5	17	14874	2065	8082
Prod	8.75	5.5	17	8082	575	1880

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: Randy Dade
Title: Land Regulatory Agent	Title: District Supervisor
Email Address: thahn@yatespetroleum.com	Approved Date: 5/13/2015 Expiration Date: 5/13/2017
Date: 5/6/2015 Phone: 575-748-4120	Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 203979

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43095	2. Pool Code 10380	3. Pool Name CASS DRAW;BONE SPRING
4. Property Code 314803	5. Property Name Couch BUQ Com	6. Well No. 002H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3138

10. Surface Location

UL - Lot H	Section 36	Township 23S	Range 27E	Lot Idn	Feet From 2080	N/S Line N	Feet From 200	E/W Line E	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot G	Section 35	Township 23S	Range 27E	Lot Idn	Feet From 1880	N/S Line N	Feet From 2310	E/W Line E	County Eddy
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;">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: 5/6/2015</p>
	<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: 1/6/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 203979

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-43095
		Well: Couch BUQ Com #002H

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.	5/6/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-500' is 2369 PSI, 500'-2380' is 1262 PSI, 2380'-7738' is 3702 PSI.	5/6/2015
thahn	Well will be drilled vertically to 7166', well will be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 8082' MD (7738' TVD). Hole size will then be reduced to 8.5" and drilled to 14874' MD (7545' TVD) where 5.5" casing will be set and cemented 500' into the previous casing string. Penetration point of the producing zone will be encountered at 2074' FNL and 789' FEL, Section 36 of T23S-R27E. Deepest TVD is 7738' in the lateral.	5/6/2015
thahn	H2S is not anticipated in this well. A C-102 hard copy will follow.	5/6/2015
rdade	CLOSED LOOP SYSTEM WAS CHECKED NO; IF THIS IS CORRECT, BEFORE SPUDDING CAN OCCUR, A CLOSED LOOP SYSTEM MUST BE APPROVED OR A PIT PERMIT MUST BE APPROVED BY THE DISTRICT. PLEASE NOTIFY ARTESIA OCD OFFICE OF WHICH SYSTEM IS TO BE USED	5/13/2015

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Form APD Conditions

Permit 203979

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-43095
	Well: Couch BUQ Com #002H
OCD Reviewer	Condition