

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) 476-3462

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 204795

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 28584		3. API Number 30-015-43135
5. Property Name GRANDE MIKE AZK STATE		6. Well No. 007H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
L	2	16S	29E		1250	S	990	W	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
D	2	16S	29E	4	330	N	660	W	Eddy

9. Pool Information

ISHEE LAKE; ABO	97627
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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 3736
16. Multiple N	17. Proposed Depth 13462	18. Formation Abo	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	400	415	0
Int1	12.25	9.625	36	2600	885	0
Prod	8.5	5.5	20	13462	1735	7536
Prod	8.75	5.5	20	7539	545	2100

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer
Double Ram	3000	3000	

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: Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 5/22/2015 Phone: 575-748-4120	OIL CONSERVATION DIVISION Approved By: Randy Dade Title: District Supervisor Approved Date: 5/26/2015 Expiration Date: 5/26/2017 Conditions of Approval Attached
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Form C-102
August 1, 2011
Permit 204795

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-015-43135	2. Pool Code 97627	3. Pool Name ISHEE LAKE; ABO
4. Property Code 28584	5. Property Name GRANDE MIKE AZK STATE	6. Well No. 007H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3736

10. Surface Location

UL - Lot L	Section 2	Township 16S	Range 29E	Lot Idn	Feet From 1250	N/S Line S	Feet From 990	E/W Line W	County Eddy
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11. Bottom Hole Location If Different From Surface

UL - Lot D	Section 2	Township 16S	Range 29E	Lot Idn 4	Feet From 330	N/S Line N	Feet From 660	E/W Line W	County Eddy
12. Dedicated Acres 201.52	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: 5/22/2015</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: 5/5/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 204795

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-015-43135
		Well: GRANDE MIKE AZK STATE #007H

Created By	Comment	Comment Date
thahn	Samples: 10' Samples from surface to TD. Logging: GR NEUTRON-30 DEG DEV TO SURFACE, NEUTRON-DENSITY-30 DEG DEV-INTERM CSG, LATEROLOG-30 DEG DEV-INTERM CSG, CMR-30 DEG DEV-INTERM CSG, HORIZ-MWD-GR. Mudlogging: YES 10' SAMPLES SURF TO TD. Mud Level Monitoring: After surface casing is set an electronic PVT system will be installed as out primary mud level monitoring system. A secondary system will also be implemented as to insure the PVT system is functioning properly. The secondary system will be comprised of the derrick hand checking the fluid level in the pit.	5/22/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-400' is 191 PSI, 400'-2600' is 1379 PSI, and 2600'-7265' is 3476 PSI.	5/22/2015
thahn	Well will be drilled to 6787' and then be kicked off and directionally drilled at 12 degrees per 100' with an 8.75" hole to 7539' MD (7265' TVD). Hole size will then be reduced to 8.5" and drilled to 13462' MD (7246' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of the producing zone will be encountered at 1728' FSL and 964' FWL, Section 2-T16S-R29E. Deepest TVD is 7265' in the lateral.	5/22/2015
thahn	H2S is not anticipated in this well. C-102 and horizontal diagram hard copies will follow.	5/22/2015

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Form APD Conditions

Permit 204795

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-015-43135
	Well: GRANDE MIKE AZK STATE #007H
OCD Reviewer	
Condition	