

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 208642

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 315129		3. API Number 30-025-42732
5. Property Name SHADY REST BWG STATE COM		6. Well No. 001H

7. Surface Location

UL - Lot	P	Section	3	Township	19S	Range	36E	Lot Idn	P	Feet From	200	N/S Line	S	Feet From	660	E/W Line	E	County	Lea
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8. Proposed Bottom Hole Location

UL - Lot	A	Section	34	Township	18S	Range	36E	Lot Idn	A	Feet From	330	N/S Line	N	Feet From	660	E/W Line	E	County	Lea
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9. Pool Information

ARKANSAS JUNCTION;BONE SPRING	2340
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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 3777
16. Multiple N	17. Proposed Depth 17977	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 9/1/2015
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	1520	1120	0
Int1	12.5	9.625	36	3000	1010	0
Prod	8.5	5.5	17	17977	2645	8434
Prod	8.75	5.5	17	8434	625	2500

Casing/Cement Program: Additional Comments

Pilot hole will be drilled to 9200'. Well will be plugged back with a 200' isolation plug and 500'-600' kick off plug. Well will then be kicked off at approximately 7700' and directionally drilled at 12 degrees per 100' with an 8.75" hole to 8434' MD (8177' TVD). Hole size will then be reduced to 8.5" and drilled to 17977' MD (8492' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 662' FSL and 660' FEL, 3-19S-36E. Deepest TVD is 9200' in the pilot hole and 8492' in the lateral.

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: _____ Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 8/14/2015	OIL CONSERVATION DIVISION Approved By: Paul Kautz Title: Geologist Approved Date: 8/17/2015 Expiration Date: 8/17/2017 Conditions of Approval Attached
Phone: 575-748-4120	

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Form C-102
August 1, 2011
Permit 208642

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-42732	2. Pool Code 2340	3. Pool Name ARKANSAS JUNCTION;BONE SPRING
4. Property Code 315129	5. Property Name SHADY REST BWG STATE COM	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3777

10. Surface Location

UL - Lot P	Section 3	Township 19S	Range 36E	Lot Idn P	Feet From 200	N/S Line S	Feet From 660	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot A	Section 34	Township 18S	Range 36E	Lot Idn A	Feet From 330	N/S Line N	Feet From 660	E/W Line E	County Lea
12. Dedicated Acres 319.58			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: 8/14/2015</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: 7/22/2015 Certificate Number: 7977</p>

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Form APD Comments

Permit 208642

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210		API Number: 30-025-42732
		Well: SHADY REST BWG STATE COM #001H

Created By	Comment	Comment Date
thahn	H2S is not anticipated in this well. C-102 and drilling diagram hard copies will be delivered.	8/14/2015
thahn	Samples: 10' samples surface to TD. Logging: PLATFORM EXPRESS/HRLA (NEUTRON DENSITY/RESISTIVITY) TD TO SURF CSG, (NEUTRON)/TD TO INTERM CSG (DENSITY/RESISTIVITY) DIPOLE SONIC/FMI (POSSIBLE) BONE SPRING INTERVAL. DST's: None. Coring: None. Mudlogging: On Below Surface Casing	8/14/2015
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1520' is 727 PSI, 1520'-3000' is 1591 PSI, 3000'-9200' is 4401 PSI (PILOT) 7700'-8492' is 4063 PSI (LATERAL).	8/14/2015

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Form APD Conditions

Permit 208642

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-42732
	Well: SHADY REST BWG STATE COM #001H

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	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
pkautz	Must notify OCD Hobbs Office if lost circulation is encountered at 575-370-3186
pkautz	1) Must notify OCD Hobbs Office prior to running Stage Tool at 575-370-3186 2) If using Stage Tool on Surface casing, Stage Tool must be set greater than 350' from surface and a minimum of 200 feet above surface shoe. 3) When using a Stage Tool on Intermediate or Production Casing Stage must be a minimum of 50 feet below previous casing shoe.