

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 217693

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 30-025-43108
4. Property Code 316019	5. Property Name PARADE BWY STATE	6. Well No. 001H

7. Surface Location

UL - Lot B	Section 2	Township 25S	Range 35E	Lot Idn 2	Feet From 200	N/S Line N	Feet From 2200	E/W Line E	County Lea
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8. Proposed Bottom Hole Location

UL - Lot O	Section 2	Township 25S	Range 35E	Lot Idn O	Feet From 330	N/S Line S	Feet From 2200	E/W Line E	County Lea
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9. Pool Information

WC-025 G-09 S253502B/LWR BONE SPRIN	98185
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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 3252
16. Multiple N	17. Proposed Depth 16489	18. Formation 3rd Bone Spring Sand	19. Contractor	20. Spud Date 11/30/2016
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	1020	775	0
Int1	12.25	9.625	36	5000	1635	0
Prod	8.5	5.5	17	16489	1135	12193
Prod	8.75	5.5	17	12193	660	4500

Casing/Cement Program: Additional Comments

Well will be drilled vertically to approximately 11443' well will then be kicked and directionally drilled at 12 degrees per 100' with a 8 3/4" hole to 12193' MD (11920' TVD). Hole size will then be reduced to 8 1/2" and drilled to 16489' MD (11920' TVD) where 5 1/2" casing will be set. Production casing will be cemented 500' into previous casing string. Penetration point of producing zone will be encountered at 677' FNL and 2200' FEL, 2-25S-35E. Deepest TVD is 11920' in lateral.

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 ☒ and/or 19.15.14.9 (B) NMAC ☒, 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: 3/3/2016</p>	<p>OIL CONSERVATION DIVISION</p> <p>Approved By: Paul Kautz</p> <p>Title: Geologist</p> <p>Approved Date: 3/4/2016</p> <p>Expiration Date: 3/4/2018</p> <p>Conditions of Approval Attached</p>
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Form C-102
August 1, 2011
Permit 217693

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43108	2. Pool Code 98185	3. Pool Name WC-025 G-09 S253502B;LWR BONE SPRIN
4. Property Code 316019	5. Property Name PARADE BWY STATE	6. Well No. 001H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3252

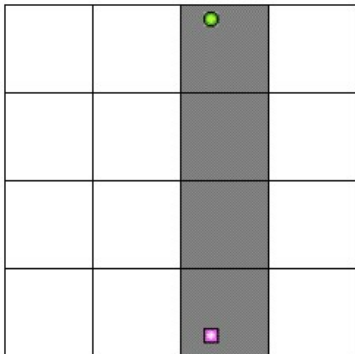
10. Surface Location

UL - Lot B	Section 2	Township 25S	Range 35E	Lot Idn 2	Feet From 200	N/S Line N	Feet From 2200	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot O	Section 2	Township 25S	Range 35E	Lot Idn	Feet From 330	N/S Line S	Feet From 2200	E/W Line E	County Lea
12. Dedicated Acres 160.85	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: 3/3/2016</p> <hr/> <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: 2/1/2016 Certificate Number: 7977</p>
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Form APD Comments

Permit 217693

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-43108
	Well: PARADE BWY STATE #001H

Created By	Comment	Comment Date
thahn	H2S is not anticipated in this well.	3/3/2016
thahn	C-102 and drilling diagram will follow	3/3/2016
thahn	Samples: 30' Sample to 5000'. 10' Samples 5000'-TD. Logging: HORIZONTAL-MWD-GR CURVE & LATERAL, CNL/LDT/NGT-CURVE-INTERM CSG, CNL/GR-CURVE-SURF CSG, DLL/MSFL-CURVE-INTERM CSG. DST's: None. Coring: None. Mudlogging: 2000' to TD.	3/3/2016
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1020' 488 PSI, 1020'-5000' 2652 PSI, 5000'-11920' 5703 PSI	3/3/2016

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Form APD Conditions

Permit 217693

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210	API Number: 30-025-43108
	Well: PARADE BWY STATE #001H

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	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.