

**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 221174

**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 40113		3. API Number 30-025-43278
5. Property Name CRANBERRY BSU STATE COM		6. Well No. 003H

**7. Surface Location**

UL - Lot	N	Section	11	Township	21S	Range	33E	Lot Idn	Feet From	15	N/S Line	S	Feet From	2140	E/W Line	W	County	Lea
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**8. Proposed Bottom Hole Location**

UL - Lot	C	Section	11	Township	21S	Range	33E	Lot Idn	C	Feet From	330	N/S Line	N	Feet From	2140	E/W Line	W	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 3796
16. Multiple N	17. Proposed Depth 16464	18. Formation 3rd 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	1870	1365	0
Int1	12.25	9.625	36	5600	1890	0
Prod	8.5	5.5	17	16464	1130	12016
Prod	8.75	5.5	17	12016	1175	5100

**Casing/Cement Program: Additional Comments**

Well will be drilled vertically to 11256' well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 12016' MD (11733' TVD). Hole size will then be reduced to 8.5" and drilled to 16464' MD (11634' TVD) where 5.5" casing will be set and cemented 500' into previous casing string. If a DV/Packer stage tool is used in the intermediate cement, production cement will be brought up 200' above tool placement. Penetration point of producing zone will be encountered at 503' FSL and 2140' FWL, 11-21S-33E. Deepest TVD in the well is 11733' in 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: 5/17/2016	<b>OIL CONSERVATION DIVISION</b>  Approved By: Paul Kautz Title: Geologist Approved Date: 5/27/2016 Expiration Date: 5/27/2018 Conditions of Approval Attached
Phone: 575-748-4120	

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**Santa Fe, NM 87505**

Form C-102  
August 1, 2011  
Permit 221174

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1. API Number 30-025-43278	2. Pool Code 5535	3. Pool Name BERRY;BONE SPRING, NORTH
4. Property Code 40113	5. Property Name CRANBERRY BSU STATE COM	6. Well No. 003H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3796

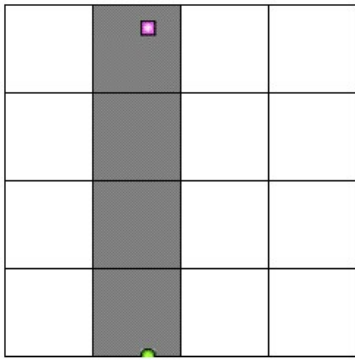
**10. Surface Location**

UL - Lot N	Section 11	Township 21S	Range 33E	Lot Idn	Feet From 15	N/S Line S	Feet From 2140	E/W Line W	County Lea
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**11. Bottom Hole Location If Different From Surface**

UL - Lot C	Section 11	Township 21S	Range 33E	Lot Idn C	Feet From 330	N/S Line N	Feet From 2140	E/W Line W	County Lea
12. Dedicated Acres 160.00			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:                 5/17/2016</p> <hr/> <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:     4/16/2014 Certificate Number: 7977</p>
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**Santa Fe, NM 87505**

Form APD Comments

Permit 221174

**PERMIT COMMENTS**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-43278
	Well: CRANBERRY BSU STATE COM #003H

Created By	Comment	Comment Date
thahn	Samples: 30' Sample to 5600',10' Samples 5600'-TD. Logging: GR NEUTRON 30 DEGREES DEVIATION TO SURFACE, DENSITY 30 DEGREES DEVIATION TO INTERMEDIATE CASING, LATEROLOG 30 DEGREES DEVIATION TO INTERMEDIATE CASING, CMR 30 DEGREES DEVIATION TO INTERMEDIATE CASING, DIPOLE SONIC/FMI 30 DEGREES DEVIATION TO INTERMEDIATE CASING (SCHLUMBERGER TOOLS PLATFORM/HRLA/CMR/FMI PLUS DIPOLE). DST's: None. Coring: None. Mudlogging: On after surface casing.	5/17/2016
thahn	MAXIMUM ANTICIPATED BHP (DEPTHS ARE TVD): 0'-1870' 895 PSI, 1870'-5600' 2970 PSI, 5600'-11733' 5613 PSI	5/17/2016
thahn	C-102 and drilling diagram will follow. Please note H2S is not anticipated in this well.	5/17/2016



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Form APD Conditions

Permit 221174

**PERMIT CONDITIONS OF APPROVAL**

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210		API Number: 30-025-43278
		Well: CRANBERRY BSU 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	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	Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate	
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.	
pkautz	The New! Gas Capture Plan (GCP) notice is posted on the NMOCDD website under Announcements. The Plan became effective May 1, 2016. A copy of the GCP form is included with the NOTICE and is also in our FORMS section under Unnumbered Forms. Please review filing dates for all applicable activities currently approved or pending and submit accordingly. Failure to file a GCP may jeopardize the operator's ability to obtain C-129 approval to flare gas after the initial 60-day completion period.	