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Phone:(575) 393-6161 Fax:(575) 393-0720 <u>District II</u>:
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1000 Rio Brazos Rd., Azteo, NM 87410 Phone:(505) 334-6178 Fax:(505) 334-6170 <u>District IV</u>:
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 221092

| )  | YATES   | and Address<br>PETROLEUM | CORPORATIO     | N                |          |   |         |                   |                                       |           | 2. 00                              | RID Number<br>25575             |           |      |
|--|---------|--------------------------|----------------|------------------|----------|---|---------|-------------------|---------------------------------------|-----------|------------------------------------|---------------------------------|-----------|------|
|  |         | 4TH ST<br>SIA , NM 88210 |                |                  |          |   |         |                   |                                       |           |                                    | Number<br>30-015-4386           | 0         |      |
| 4. Property Code         5. Property Name           22552         JACQUE |         |                          |                |                  | UE AQJ S | STATE                                       |         |                   |                                       |           | 6. We                              | ell No.<br>010                  |           |      |
|  |         |                          | Ric            | 35               |          | 51-0  | 7. Surf | ace Location      | No.                                   | 12 to     |                                    | 518                             | 265       |      |
| L - Lot  | М       | Section 34               | Township 21    | S Range          | 31E      | Lot Idn                                     | M       | Feet From<br>190  | N/S Line<br>S                         | Feet From | 1100                               | E/W Line<br>W                   | County    | Eddy |
|  |         |                          |                |                  |          | 8. Prop                                     | osed B  | ottom Hole Locati | on                                    |           |                                    |                                 |           |      |
| L - Lot<br>N   | М       | Section 34               | Township 21    | Range<br>S       | 31E      | Lot Idn                                     | M       | Feet From<br>190  | N/S Line<br>S                         | Feet From | 1100                               | E/W Line<br>W                   | County    | Eddy |
|  |         |                          |                |                  |          |   | 9. Poo  | I Information     |                                       |           |                                    |                                 |           |      |
| OST TAN  | NK; DE  | LAWARE, WE               | ST             |                  |          |   |         |                   |                                       |           |                                    | 96582                           |           |      |
|  |         | LAWARE, WE               |                |                  |          |   |         |                   |                                       |           |                                    | 96582                           |           |      |
|  |         |                          |                |                  |          |   | :4:1    | Well Information  |                                       |           |                                    | 400                             |           |      |
| 1. Work Ty   |         |                          | 12. Well Typ   | -                | 42       |   |         |                   | Lance Town                            |           | . C                                |                                 |           |      |
|  | vew W   | /ell                     |                | OIL              | 13.      | 13. Cable/Rotary                            |         | 14.               | 14. Lease Type<br>State               |           | 15. Ground Level Elevation<br>3482 |                                 |           |      |
| 3. Multiple  | Y       |                          | 17. Propose    | d Depth<br>12300 | 18.      | 18. Formation 19. Con<br>Wolfcamp           |         |                   | 19. Contractor 20. Spud Date 1/1/2017 |           |                                    |                                 |           |      |
| epth to Gro  | ound wa | ater                     |                |                  | Dis      | Distance from nearest fresh water well Dist |         |                   |                                       |           | istance to r                       | stance to nearest surface water |           |      |
| We will b  | be usi  | ng a closed-lo           | op system in l | ieu of lined pit | s        |   |         |                   |                                       |           |                                    |                                 |           |      |
|  |         |                          |                |                  | 2        | 1. Propose                                  | d Cas   | ing and Cement Pr | ogram                                 |           |                                    |                                 |           |      |
| Type   |         | Hole Size                | Casing         | Size             |          | ing Weight/ft                               |         | Setting D         |                                       | Sacks     | of Cement                          |                                 | Estimated | TOC  |
| Surf   | 0       | 17.5                     | 13.3           |                  |          | 48  |         | 600               |                                       |           | 485                                |                                 | 0         |      |
| Int1   |         | 12.25                    | 9.6            |                  |          | 36  |         | 4260              |                                       |           | 405                                |                                 | 0         |      |
| Int2   | 19      | 8.75                     | 7              |                  |          | 26  |         | 1130              |                                       |           | 605                                |                                 | 6000      |      |
| Prod   |         | 6.125                    | 4.             | 5                |          | 11.6  |         | 1230              | 0                                     |           | 115                                |                                 | 1070      | 0    |
|  |         |                          |                |                  |          |   |         |                   |                                       |           |                                    |                                 |           |      |

| 22. Proposed Blowout Prevention Program |                  |               |              |  |  |  |  |  |
|---|------------------|---------------|--------------|--|--|--|--|--|
| Type                                    | Working Pressure | Test Pressure | Manufacturer |  |  |  |  |  |
| Double Ram                              | 3000             | 3000          |              |  |  |  |  |  |

| knowledge and  | I have complied with 19.15.14.9 (A) |                                 |                | OIL CONS   | ERVATION DIVISION          |
|----------------|-------------------------------------|---------------------------------|----------------|------------|----------------------------|
| Printed Name:  | Electronically filed by Travis Hahn |                                 | Approved By:   | Paul Kautz |                            |
| Title:         | Land Regulatory Agent               |                                 | Title:         | Geologist  |                            |
| Email Address: | thahn@yatespetroleum.com            |                                 | Approved Date: | 7/19/2016  | Expiration Date: 7/19/2018 |
| Date:          | 7/19/2016                           | Conditions of Approval Attached |                |            |                            |

District I

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# State of New Mexico Energy, Minerals and Natural Resources Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Form C-102 August 1, 2011

ermit 221092

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

| 1. API Number         | 2. Pool Code                                 | 3. Pool Name              |
|-----------------------|--|---------------------------|
| 30-015-43860          | 96582  | LOST TANK; DELAWARE, WEST |
| 4. Property Code      | 5. Property Name                             | 6. Well No.               |
| 22552                 | JACQUE AQJ STATE                             | 010                       |
| 7. OGRID No.<br>25575 | 8. Operator Name YATES PETROLEUM CORPORATION | 9. Elevation<br>3482      |

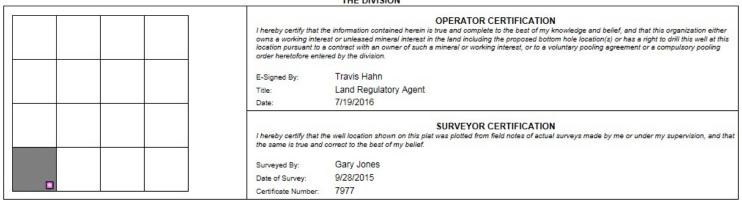
10. Surface Location

| Γ | JL - Lot | Section | Township | Range | Lot Idn | Feet From | N/S Line | Feet From | E/W Line | County |
|---|----------|---------|----------|-------|---------|-----------|----------|-----------|----------|--------|
|   | M        | 34      | 21S      | 31E   | M       | 190       | S        | 1100      | W        | Eddy   |

11. Bottom Hole Location If Different From Surface

| UL - Lot                     | Section | Township | Range               | Lot Idn | Feet From             | N/S Line | Feet From | E/W Line      | County |
|------------------------------|---------|----------|---------------------|---------|-----------------------|----------|-----------|---------------|--------|
| 12. Dedicated Acres<br>40.00 |         |          | 13. Joint or Infill | 50      | 14. Consolidation Co. | de       |           | 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



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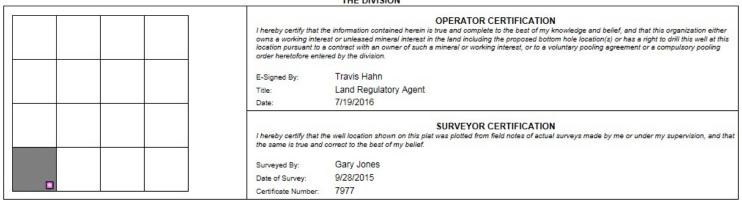
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Form APD Comments

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### State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Permit 221092

### PERMIT COMMENTS

| Operator Name and Address:          | API Number:           |  |  |
|-------------------------------------|-----------------------|--|--|
| YATES PETROLEUM CORPORATION [25575] | 30-015-43860          |  |  |
| 105 S 4TH ST                        | Well:                 |  |  |
| ARTESIA, NM 88210                   | JACQUE AQJ STATE #010 |  |  |

| Created By  | Comment   | Comment<br>Date |
|-------------|---|-----------------|
| Cy<br>Cowan | 30' samples to 4260'. 10' samples to TD.  | 5/17/2016       |
| Cy<br>Cowan | Logging: Schlumberger Platform Express CNL/LDT/NGT TD to intermediate casing. CNL/GR td to surface casing. DLL-MSFL TD to intermediate casing. BHC SONIC TD to intermediate casing. | 5/17/2016       |
| Cy<br>Cowan | MAXIMUM ANTICIPATED BHP: 0-600' 287 PSI 600'-4260' 2260' PSI 4260'-11300' 5258' PSI 11300'-12300' 6524' PSI H2s Not Anticipated   | 5/17/2016       |
| Cy<br>Cowan | This well will be drilled vertically to 12300' where 4 1/2" production casing will be run and cemented 500' into previous casing string.  | 5/17/2016       |
| Cy<br>Cowan | Gas Capture Plan and Form C-102 will delivered to your office under separate cover at a later date.   | 5/17/2016       |
| kjones      | Please provide an sundry with an extension request. Thank you.  | 5/19/2016       |
| kjones      | Please confirm whether it is a closed loop system or not. Thanks, Kellie  | 7/19/2016       |

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State of New Mexico **Energy, Minerals and Natural Resources** Oil Conservation Division 1220 S. St Francis Dr. Santa Fe, NM 87505

Permit 221092

### PERMIT CONDITIONS OF APPROVAL

| Operator Name and Address:          | API Number:           |
|-------------------------------------|-----------------------|
| YATES PETROLEUM CORPORATION [25575] | 30-015-43860          |
| 105 S 4TH ST                        | Well:                 |
| ARTESIA , NM 88210                  | JACQUE AQJ STATE #010 |

| OCD<br>Reviewer | Condition  |
|-----------------|--|
|                 | 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 |
| kjones          | Cement is required to circulate on both surface and intermediate1 strings of casing  |
| kjones          | If cement fails to circulate, a temperature survey is required.  |