

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 225339

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 17550		3. API Number 30-025-43389
5. Property Name HUNT APO STATE		6. Well No. 004H

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
G	4	21S	34E	15	2655	S	1980	E	Lea

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet From	N/S Line	Feet From	E/W Line	County
B	4	21S	34E	2	330	N	1980	E	Lea

9. Pool Information

GRAMA RIDGE;BONE SPRING, NORTH	28434
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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 3698
16. Multiple N	17. Proposed Depth 15488	18. Formation 2nd 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	1840	1345	0
Int1	12.25	9.625	36	6000	2020	0
Prod	8.5	5.5	17	15488	950	11028
Prod	8.75	5.5	17	11028	835	5500

Casing/Cement Program: Additional Comments

Well will be drilled vertically to 10287', then well will then be kicked off and directionally drilled at 12 degrees per 100' with a 8.75" hole to 11028' MD (10765' TVD). Hole size will then be reduced to 8.5" and drilled to 15488' MD (10846' 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 3124' FSL and 1980' FEL, 4-21S-34E. Deepest TVD is 10846' 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:	OIL CONSERVATION DIVISION
Printed Name: Electronically filed by Travis Hahn Title: Land Regulatory Agent Email Address: thahn@yatespetroleum.com Date: 8/22/2016	Approved By: Paul Kautz Title: Geologist Approved Date: 8/22/2016 Expiration Date: 8/22/2018 Conditions of Approval Attached

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Form C-102
August 1, 2011
Permit 225339

WELL LOCATION AND ACREAGE DEDICATION PLAT

1. API Number 30-025-43389	2. Pool Code 28434	3. Pool Name GRAMA RIDGE;BONE SPRING, NORTH
4. Property Code 17550	5. Property Name HUNT APO STATE	6. Well No. 004H
7. OGRID No. 25575	8. Operator Name YATES PETROLEUM CORPORATION	9. Elevation 3698

10. Surface Location

UL - Lot G	Section 4	Township 21S	Range 34E	Lot Idn 15	Feet From 2655	N/S Line S	Feet From 1980	E/W Line E	County Lea
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11. Bottom Hole Location If Different From Surface

UL - Lot B	Section 4	Township 21S	Range 34E	Lot Idn 2	Feet From 330	N/S Line N	Feet From 1980	E/W Line E	County Lea
12. Dedicated Acres 158.69	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: 8/22/2016</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: 12/12/2013 Certificate Number: 7977</p>

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Form APD Comments

Permit 225339

PERMIT COMMENTS

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA , NM 88210	API Number: 30-025-43389
	Well: HUNT APO STATE #004H

Created By	Comment	Comment Date
thahn	C-102 and directional plan will be mailed in.	8/22/2016
thahn	H2S is not anticipated for this well.	8/22/2016
thahn	Samples: 30' samples until 4500', then 10' samples until TD.	8/22/2016
thahn	Maximum anticipated BHP (Depths are TVD): 0' - 1840' is 880 PSI, 1840' - 6000' is 3182 PSI, 6000' - 10846' is 5189 PSI.	8/22/2016

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Form APD Conditions

Permit 225339

PERMIT CONDITIONS OF APPROVAL

Operator Name and Address: YATES PETROLEUM CORPORATION [25575] 105 S 4TH ST ARTESIA, NM 88210		API Number: 30-025-43389
		Well: HUNT APO STATE #004H
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	Must notify OCD Hobbs Office of any water flows in the Salado Formation at 575-370-3186. Report depth and flow rate	
pkautz	The New! Gas Capture Plan (GCP) notice is posted on the NMOCD 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.	