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RECEIVED BY  
OCT 10 1984  
O. C. D.  
ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE ☒ FEE ☐  
5. State Oil & Gas Lease No.  
LG-2351

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. Type of Well  
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

c. Name of Operator  
YATES PETROLEUM CORPORATION ✓

d. Address of Operator  
207 South 4th Street, Artesia, New Mexico 88210

e. Location of Well  
UNIT LETTER I LOCATED 1980 FEET FROM THE South LINE  
AND 660 FEET FROM THE East LINE OF SEC. 11 TWP. 19S RGE. 23E NMPM

7. Unit Agreement Name

8. Farm or Lease Name  
Tanque Rojo "AAT" State

9. Well No.  
1

10. Field and Pool, or Wildcat  
Undesignated Morrow

12. County  
Eddy

19. Proposed Depth  
Appr. 8350'

19A. Formation  
Morrow

20. Rotary or C.T.  
Rotary

1. Elevations (Show whether DF, KT, etc.)  
3905' GL

21A. Kind & Status Plug. Bond  
Blanket

21B. Drilling Contractor  
Exeter (?)

22. Approx. Date Work will start  
ASAP lease expiring!

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING   | WEIGHT PER FOOT            | SETTING DEPTH | SACKS OF CEMENT | EST. TOP   |
|--------------|------------------|----------------------------|---------------|-----------------|------------|
| 17 1/2"      | 13 3/8"          | 48#                        | Approx. 200'  | 200 sx          | circulated |
| 12 1/4"      | 8 5/8"           | 24#                        | Approx. 1680' | 850 sx          | circulated |
| 7 7/8"       | 5 1/2" or 4 1/2" | 15.5 - 17#<br>10.5 - 11.6# | TD            | 400 sx          |            |

We propose to drill and test the morrow and intermediate horizons. Will set approximately 200' surface casing to shut off gravel and caving, and will set intermediate casing through the Glorieta Sand, both strings to be circulated. If commercial will run 5 1/2" or 4 1/2" and cement with at least 600 feet of cover.

MUD PROGRAM: FW gel and LCM to 1680', water to 5700', starch-driskpak to 7900', SW gel starch driskpak to TD.

BOP PROGRAM: BOP's and hydril on 8 5/8" casing and tested, pipe rams tested daily, blind rams on trips; yellow jacket, pit level control and flow sensor on at 5200'.

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 4-11-85  
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Glenn Rodriguez Title Regulatory Agent Date 10/9/84

(This space for State Use)

APPROVED BY Larry Brooks TITLE Geologist DATE 10/11/84

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

|   |                                      |   |  |                       |                      |
|---|--------------------------------------|---|--|-----------------------|----------------------|
| Operator<br><b>YATES PETROLEUM CORPORATION</b>  |                                      |   | Lease<br><b>Tanque Rojo AAT State</b>  |                       | Well No.<br><b>1</b> |
| Unit Letter<br><b>I</b>                         | Section<br><b>11</b>                 | Township<br><b>19 South</b>               | Range<br><b>23 East</b>                | County<br><b>Eddy</b> |                      |
| Actual Footage Location of Well:                |                                      |   |  |                       |                      |
| <b>1980</b> feet from the <b>South</b> line and |                                      | <b>660</b> feet from the <b>East</b> line |  |                       |                      |
| Ground Level Elev.<br><b>3905</b>               | Producing Formation<br><b>MORROW</b> | Pool<br><b>UNDERS. MORROW</b>             | Dedicated Acreage:<br><b>320</b> Acres |                       |                      |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation **TO BE COMMUNITIZED**

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

|  |   |
|--|---|
|  | <p align="center"><b>CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Gliserio Rodriguez</i><br/>Name<br/><b>Gliserio Rodriguez</b></p> <p>Position<br/><b>Regulatory Agent</b></p> <p>Company<br/><b>Yates Petroleum Corporation</b></p> <p>Date<br/><b>10/9/84</b></p>  |
|  | <p>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 knowledge and belief.</p> <p align="center"> </p> <p>Date Surveyed<br/><b>Oct. 5, 1984</b></p> <p>Registered Professional Engineer and/or Land Surveyor<br/><i>Dan R. Reddy</i></p> <p>Certificate No.<br/><b>NMPE&amp;LS #5412</b></p> |

# EXHIBIT B

## BOP DIAGRAM

RATED 3000<sup>#</sup>

