

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, New Mexico 88201-1481

4. LOCATION OF WELL (Report location clearly and in accordance with requirements of the State)

1797' FNL and 2159 FWL

At proposed prod. zone

Same

Unit F

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

16. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1797'

18. NO. OF ACRES IN LEASE

280

17. NO. OF ACRES ASSIGNED TO THIS WELL

280

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

8100'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3940' GR

22. APPROX. DATE WORK WILL START\*

ASAP

23.

PROPOSED CASING AND CEMENT

ROSWELL CONTROLLED WATER BASIN

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	9 5/8"	36#	1500'	1150 sx Circulate
8 3/4"	7"	23# & 36#	TD	1600 sx Circulate

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1500' of intermediate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: 0-1500' FW Spud Mud; 1500'-7500' Cut Brine; 7500'-8100' SW Gel/Starch/Drispac.

BOPE PROGRAM: BOPE will be installed on the 9 5/8" casing and tested daily for operational.

Post ID-1  
7-2-99  
API & LCC

NSL-

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present production zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED

*For Beatty*

TITLE Landman

DATE April 13, 1999

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Acting Assistant Field Office Manager,  
Lands and Minerals

APPROVED BY

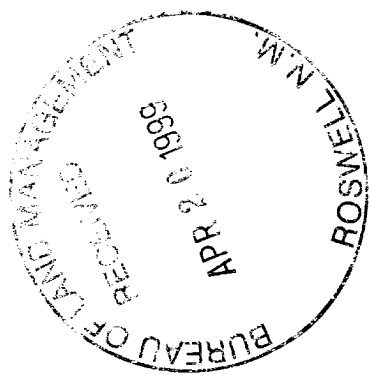
*Larry D. Beatty*

TITLE

DATE

6-23-99

\*See Instructions On Reverse Side



District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		1 Pool Code		1 Pool Name Indian Basin Upper Penn	
* Property Code		1 Property Name SMITH FEDERAL GAS COM			* Well Number 3
1 OGRID No. 025575		1 Operator Name YATES PETROLEUM CORPORATION			* Elevation 3940.

10 Surface Location

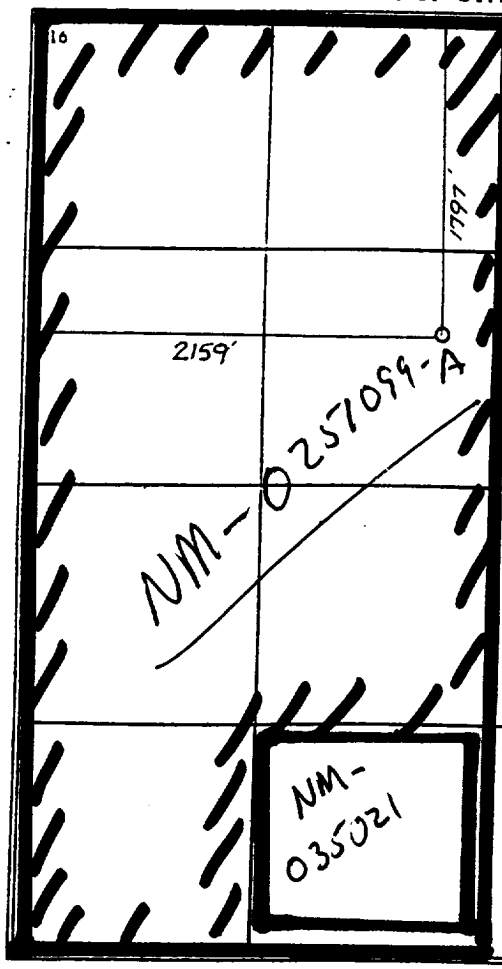
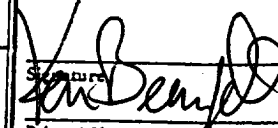

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	12	22-S	23-E		1797	NORTH	2159	WEST	EDDY

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

12 Dedicated Acres 280	13 Joint or Infill	14 Consolidation Code	15 Order No.
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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

	<b>17 OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature:  Printed Name: Ken Beardemphl Title: Landman Date: April 13, 1999	
	<b>18 SURVEYOR CERTIFICATION</b> 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.  APRIL 9, 1999 Date of Survey: R. R. E. D. K. Signature and Seal of Professional Surveyor:  Certificate Number: NM-035021	

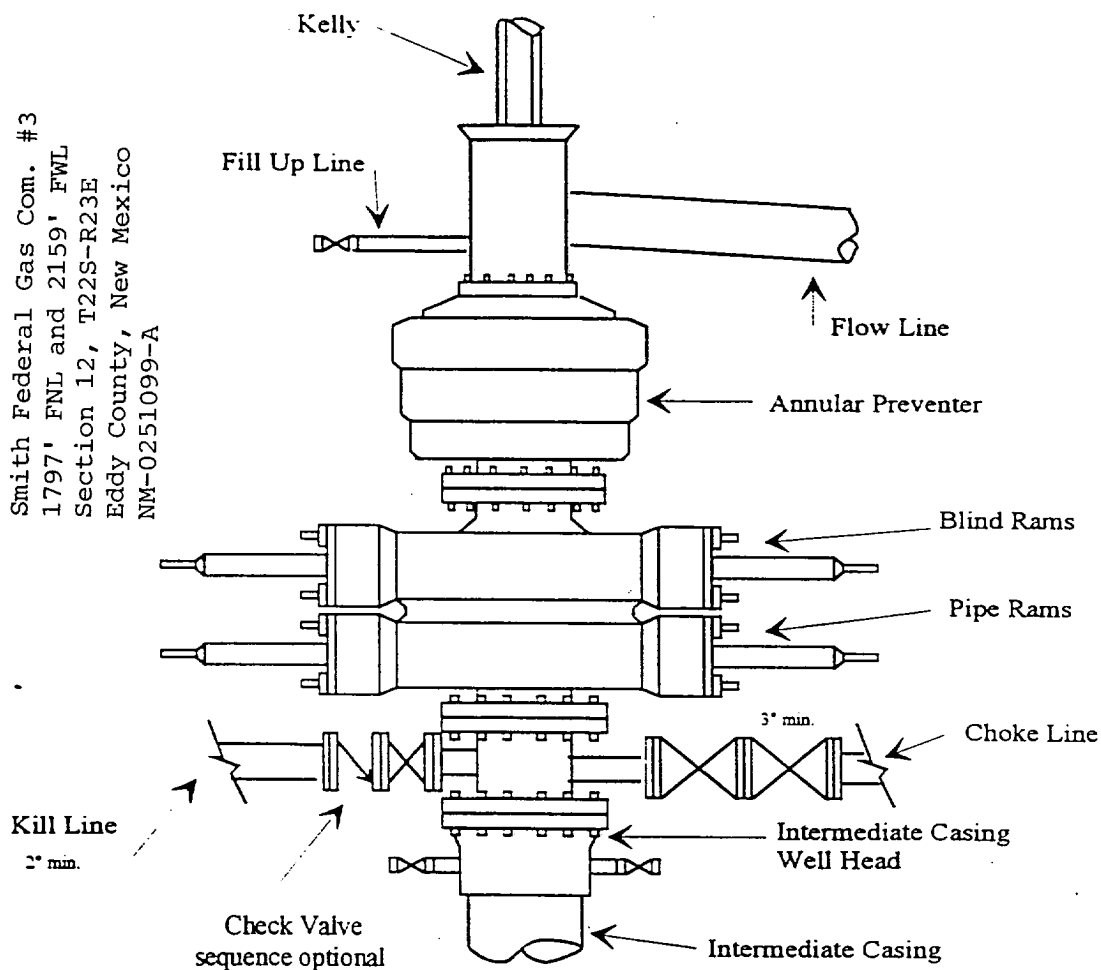


# Yates Petroleum Corporation

BOP-3

## Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack

Smith Federal Gas Com. #3  
 1797' FNL and 2159' FWL  
 Section 12, T22S-R23E  
 Eddy County, New Mexico  
 NM-0251099-A



Typical 3,000 psi choke manifold assembly with at least these minimum features

