

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)  
**30-015-26497**

5. Indicate Type of Lease  
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.  
V-3346

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. Lease Name or Unit Agreement Name

Loving "AIB" State

2. Name of Operator

Yates Petroleum Corporation ✓

8. Well No.

2

3. Address of Operator

105 South Fourth Street, Artesia New Mexico 88210

9. Pool name or Wildcat

South Loving Delaware

4. Well Location

Unit Letter J : 2080 Feet From The South Line and 2040 Feet From The East Line

Section 16 Township 23S Range 28E NMPM Eddy County

10. Proposed Depth

6300'

11. Formation

Delaware

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3016

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Undesignated

16. Approx. Date Work will start

ASAP

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4"	8 5/8"	36#	525'	350 sacks	circulate
7 7/8"	5 1/2"	15.5# & 17#	TD	1800 sacks	

Yates proposes to drill and test the Delaware and intermediate formations. Approximately 525' of surface casing will be set and cement circulated to surface. If commercial, production casing will be run, cemented, perforated, and stimulated as needed for production.

Mud Program: Fresh water GEL/LCM to 525'; Brine 10# to 5800'; Starch/Salt GEL to TD. *new loc + API*

BOP Program: BOP's will be installed at the offset and tested daily for operational.

IN 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.

SIGNATURE Ken Beardemphl TITLE Landman DATE 10-12-90

TYPE OR PRINT NAME Ken Beardemphl TELEPHONE NO. 748-1471

(This space for State Use)

ORIGINAL SIGNED BY

MIKE WILLIAMS

APPROVED BY SUPERVISOR, DISTRICT II TITLE  DATE OCT 12 1990

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 YATES PETROLEUM CORPORATION			Lease Loving AIB State		Well No. 2
Unit Letter J	Section 16	Township 23 South	Range 28 East	County Eddy County, NM	

Actual Footage Location of Well:

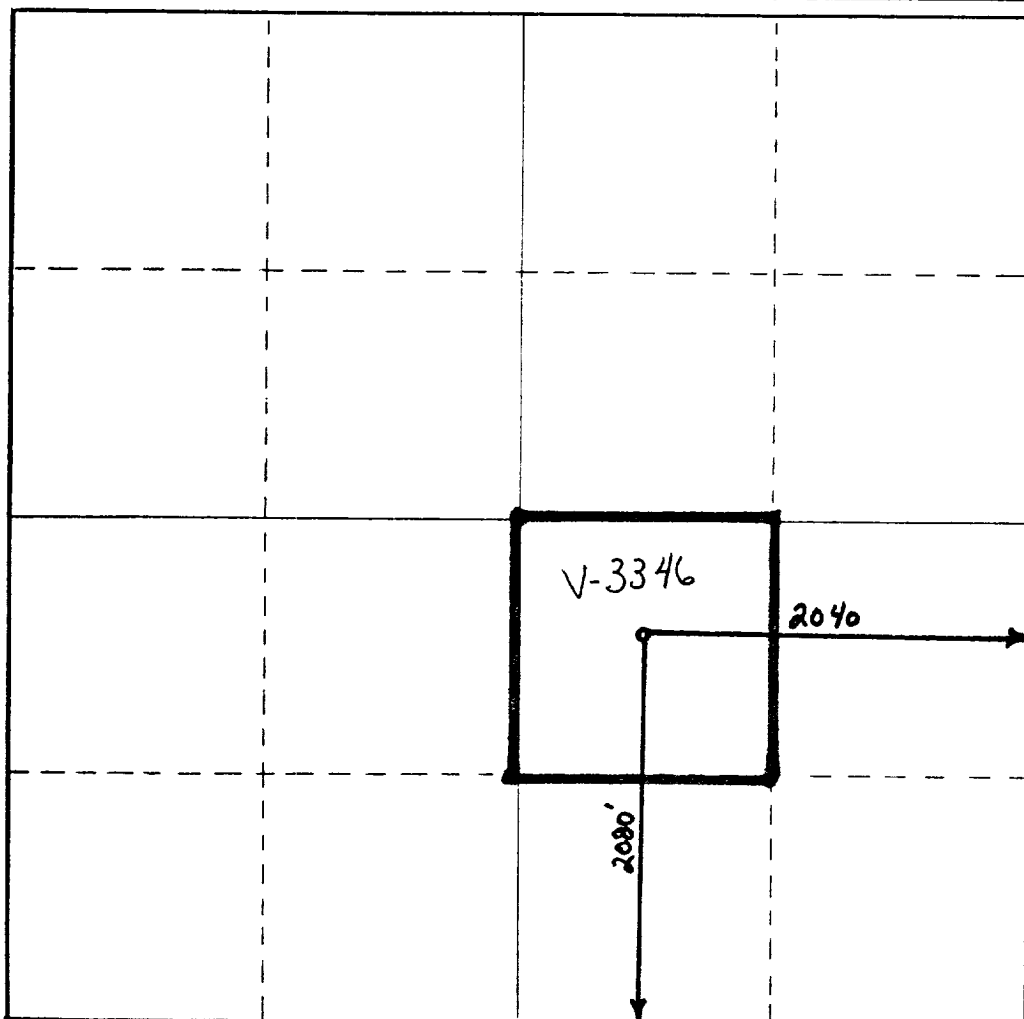
2080	feet from the	South	line and	2040	feet from the	East	line	
Ground Level Elev. 3016.	Producing Formation Delaware		Pool South Loving Delaware		Dedicated Acreage: 40			Acres

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 \_\_\_\_\_

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.



CERTIFICATION

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

*Ken Beardemphl*

Name  
Ken Beardemphl

Position  
Landman

Company  
Yates Petroleum Corporation

Date  
October 15, 1990

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.

Date Surveyed  
October 15, 1990

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

Certificate No.  
NM PE & PS

**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.

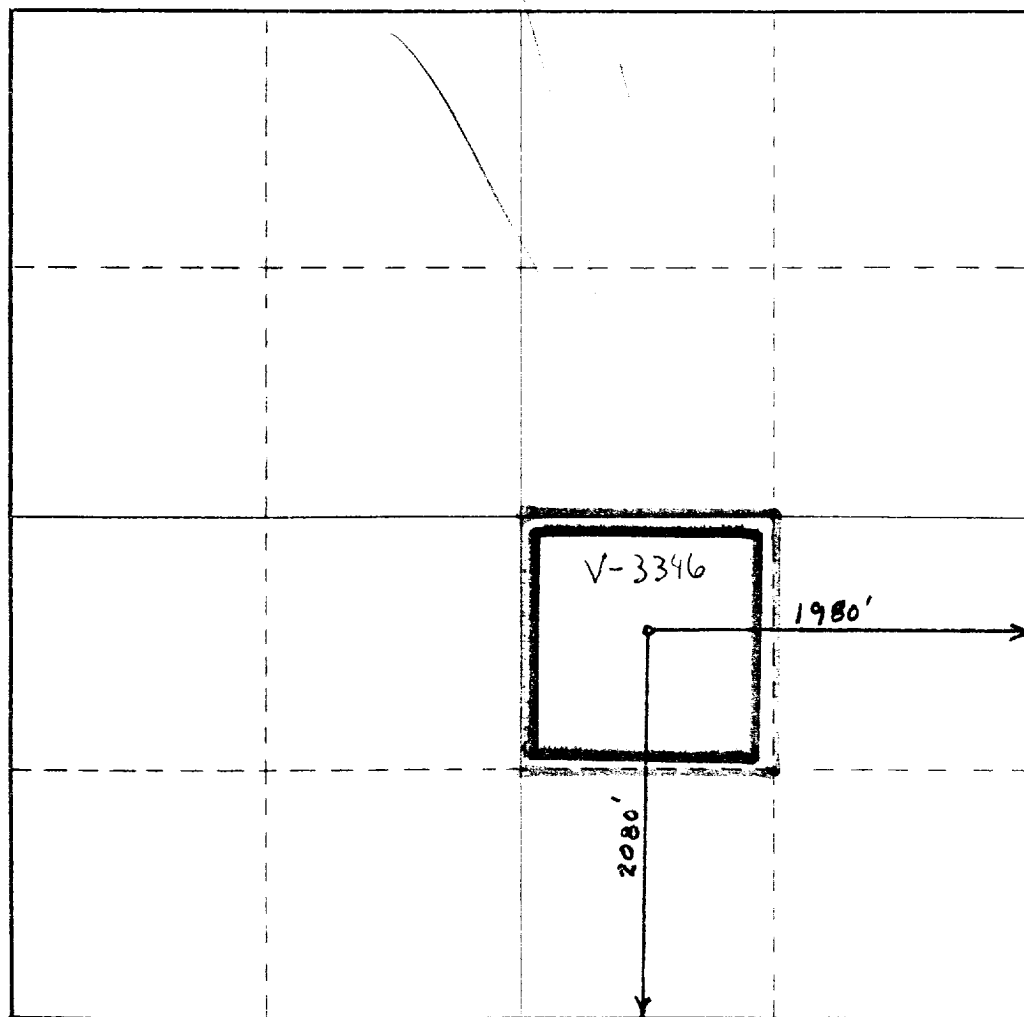
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Loving AIB State</b>		Well No. <b>2</b>
Unit Letter <b>J</b>	Section <b>16</b>	Township <b>23 South</b>	Range <b>28 East</b>	County <b>Eddy County, NM</b>	
Actual Footage Location of Well: <b>2080</b> feet from the <b>South</b> line and <b>1980</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3016.</b>	Producing Formation <b>Delaware</b>		Pool <b>South Loving Delaware</b>	Dedicated Acreage: <b>40</b> Acres	

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**CERTIFICATION**

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

Name

**Ken Beardemphl**

Position

**Landman**

Company

**Yates Petroleum Corporation**

Date

**10-11-90**

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 are true and correct to the best of my knowledge and belief.

Date Surveyed

**October 5, 1990**

Registered Professional Engineer and/or Land Surveyor

**Jan R. Reddy**  
Certificate No. \_\_\_\_\_

# EXHIBIT B

## BDP DIAGRAM

### RATED 3000<sup>#</sup>

