CONDITIONS OF APPROVAL, IF ANY :

UNITED STATES DEPARTMENT OF THE INTERIOR

| RECEIVED LICATE | * Form approved. Budget Bureau No. 42-R1 |
|-----------------|---|
| reverse side) | ~ ~ |
| 1005 | 30-015-0119 |

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|-------|--------|-------|--------|-------|---------|---|
| 5. LE | ASE DI | SIGNA | TION A | ND SE | RIAL MC | - |

| | 2// | | 9 | -(/ | 119 | 7 |
|----|-------|--------|-------|-------|---------|----|
| 5. | LEASE | DESIGN | ATION | AND 8 | CRIAL N | ð. |

| | GEOLG | GICAL SURVE | U THOUJAN A | \$2 1303 | 5. LEASE DESIGNATION AND | SERIAL NO. |
|---|----------------------------|--------------------|-----------------------------|---------------------------|------------------------------------|------------------------|
| A DDL IC A TIO | | | | C. D. | NM-38459 6. IF INDIAN, ALLOTTEE OR | |
| a. TYPE OF WORK | N FOR PERMIT | DEEPEN [| ARTES | JG BACK [| 7. UNIT AGREEMENT NAME | |
| on to | RE-ENTR | <u></u> | SINGLE [| MULTIPLE [7 | 8. FARM OR LEASE NAME | |
| . NAME OF OPERATOR | ELL OTHER | | ZONE | ZONE L | _1 | |
| Yates Petrole | um Corporation | | | | Welch "ABV" F | ederal |
| . ADDRESS OF OPERATOR | un corporation | | | | 1 | |
| 207 South Fou | rth Street, Ar | tesia. New Me | exico 88210 | | 10. FIELD AND POOL, OR W | /ILDCAT |
| . LOCATION OF WELL (R | eport location clearly and | in accordance with | any State requiremen | its.*) | Wildcat- Ba | و من من |
| 660' FNL and | 760' FWL | | | <u></u> | 11. SEC., T., B., M., OR BLK. | - 47262 - 3 |
| At proposed prod. zon | ie | | | Q_{i} \mathcal{U}_{i} | AND SURVEY OR AREA | , (|
| | | | | W. | Sec. 21-T26S- | R27E |
| | AND DIRECTION FROM NEA | | | | | 3. STATE |
| Approximately | 23 miles SW of | | | | Eddy | NM |
| 5. DISTANCE FROM PROPE LOCATION TO NEARES PROPERTY OR LEASE I (Also to nearest dr) | r INE, FT. | | 16. No. of acres in 320 | | OF ACRES ASSIGNED CHIS WELL | |
| S. DISTANCE FROM PROF TO NEAREST WELL, D OR APPLIED FOR, ON TH | RILLING, COMPLETED. | | 19. гворовер рерти 8945! | 1 _ | ARY OR CABLE TOOLS EVERSE Unit | |
| 1. ELEVATIONS (Show who 3235' GL | ether DF, RT, GR, etc.) | | | <u> </u> | ASA P | WILL START |
| 3. | 1 | PROPOSED CASING | AND CEMENTING | PROGRAM | | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOO | T SETTING DE | PTH | QUANTITY OF CEMENT | - |
| 17 3/4 | 13 3/8 | 54.5#J-55 | 630 s | v ir | n place | |
| 12 1/4 | 9 5/8 | 40.0#S-95 | 5694 s | | place | |
| 7 7/8 | 7'' | 32.0#S-95 | 12,614 s | | PLACE | |
| This well was originally drilled by El Paso Natural Gas Company 5/5/57, as the #1-X Welch Unit to total depth of 13,348'. Plugged back to 12,490'. This well was P&A'ed 12/13/63. We propose to drill out plug @ 4220'. Clean out hole to CIBP at 11,200' cement behind 7" production casing as necessary. Seclectively perforated and stimulated Bone Springs formation to obtain production. | | | | | | |

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any. Regulatory Agent SIGNED (This space for ederal or State office use) PERMIT NO Listing: APPROVED BY TITLE

> GENERAL REQUIREMENTS AND AllAuncil

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APPROVAL SUBJECT SPECIAL STIPULATIONS

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

IL CONSERVATION DIVISIC

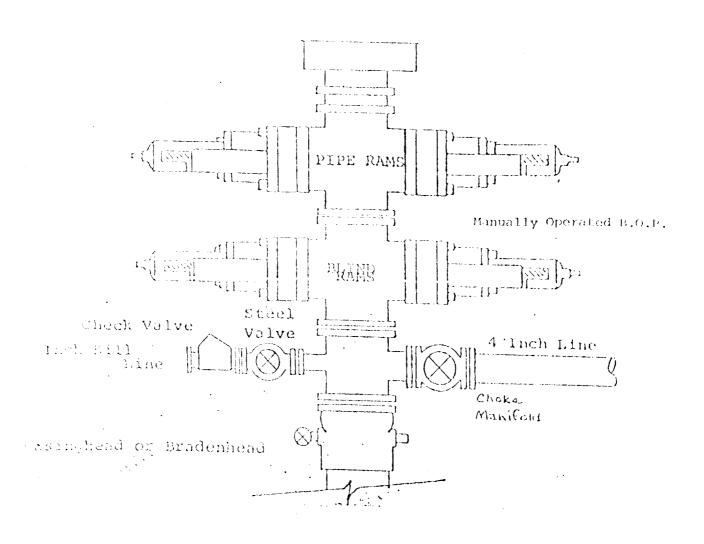
P. O. BOX 2088

Form C-102 Revised 10-1-18

SANTA FE, NEW MEXICO 87501 All distances must be from the outer boundaries of the Section Operator Well No. Lease Yates Petroleum Corporation Welch "ABV" Fed 1 Unit Letter Section Hang. 26S 21 27E Eddy Actual Footage Location of Well: 660' 7601 North West feet from the line and feet from the line Ground Level Elev. 3235 GL Producing Formation Pool Dedicated Acreage; Deleware Wildcat 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? If answer is "yes," type of consolidation _ Yes 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, climinating such interests, has been approved by the Division. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. NM 38459 None Cv Cowan Regulatory Agent Company Yates Petroleum Corporation <u>January 10, 1985</u> I hereby certly that the well location shown on this plat was platted 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 refer to original pla and/or Land Surveyor Certificate No. The second of th 660 3000

EXHIBIT B

BOP DIAGRAM RATED 3000#



YATES PETROLEUM CORPORATION Weich "ABV" Federal #1 660' FNL and 760' FWL Section 21, T26S-R27E Eddy County, NM1 Re-entry

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Company submits the following ten items of pertinent information in accordance with BLM requirements.

- 1. The geologic surface formation is Alluvial.
- 2. The estimated tops of geologic markers are as follows:

| Top Salt | 1293 |
|--------------------|-------|
| Base Salt | 1864 |
| Deleware Limestone | 2047 |
| Deleware Sandstone | 2080 |
| Bone Springs | 5665 |
| Wo I fc amp | 8945 |
| Top of Penn | 11200 |
| Atoka | 12296 |

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 250-300!

Oil or Gas: 45001

- 4. Proposed Casing Program: See Form 9-331C.
- 5. Pressure Control Equipment: See Form 9-331C.
- 6. Mud Program: See Form 9-331C.
- 7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
- 8. Testing, Logging and Coring Program:

Samples:

As warranted

DST's:

As warranted

Coring:

None

Logging:

CNL-FDC w/GR CNL to surface

- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible after approval.

