Form C-101 Revised 1-1-89

State of New Mexico Submit to Appropriate District Office ergy, Minerals and Natural Resources Department State Lease — 6 copies Fee Lease — 5 copies OIL CONSERVATION DIVISION DISTRICT API NO. (assigned by OCD on New Wells) P.O. Box 2088 P.O. Box 1980, Hobbs, NM 88240 3D-D25-23DD5 Santa Fe, New Mexico 87504-2088 **DISTRICT II** 5. Indicate Type of Lease P.O. Drawer DD, Artesia, NM 88210 DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410 V-1237 APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

STATE [X 6. State Oil & Gas Lease No. la. Type of Work: 7. Lease Name or Unit Agreement Name DRILL | RE-ENTER X DEEPEN X PLUG BACK b. Type of Well: SINCLE MULTIPLE ZONE WELL X CITHER Lagarto State Unit 2. Name of Operator 8. Well No. #2 Yates Petroleum Corporation Address of Operator 9. Pool name or Wildcat 105 South Fourth Street, Artesia, New Mexico 88210 wild Well Location 330 Feet From The South Unit Letter Line and 330 Feet From The East Line 13 115 34E Section Township Lea Range NMPM County 10. Proposed Depth 11. Formation 12. Rotary or C.T. 13600' Devonian Rotary 13. Elevations (Show whether DF, RT, GR, etc.) 14. Kind & Status Plug. Bond 15. Drilling Contractor 16. Approx. Date Work will start Blanket 4141.6 Gr Undesignated ASAP 17. PROPOSED CASING AND CEMENT PROGRAM SIZE OF HOLE WEIGHT PER FOOT SIZE OF CASING SETTING DEPTH EST. TOP This well was originally drilled to a TD of 13,396' by Earl T. Smith & Associates, Inc. as their Bogle Farms #1 in February, 1969. It was plugged and abandoned on July 22, 1969. We propose to re-enter and deepen the well approximately 200 feet. Will move in a pulling and reverse unit to attempt 8 5/8" casing repair and splice at 1090' and cement to surface. If successful, will schedule drilling rig to drill plugs to existing TD of 13396' and deepen an additional 200 feet, run and cement 5 1/2" casing. Plans are to test Devonian, Atoka and possibly other formations for oil and gas 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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY. I hereby certify that the inform te to the best of my knowledge and belief.

Landman 11-21-89 SIGNATURE . (505) TELEPHONE NO. 748-1471 Ken Beardemphl TYPE OR PRINT NAME (This space for State UDRIGINAL SIGNED BY JERRY SEXTON DISTRICT | SUPERVISOR APPROVED BY TITLE CONDITIONS OF APPROVAL, IF ANY:

> Permit Expires 6 Months From Approval Date Unless Drilling Underway.

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