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5A. Indicate Type of Lease
STATE FEE

6. State Oil & Gas Lease No.
K-6444

7. Unit Agreement Name

8. Farm or Lease Name
Hanladdie "WR" St.

9. Well No.
2

10. Field and Pool, or Wildcat
Undes. Saunders

11. Formation
Permo-Penn

12. County
Lea

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work

b. Type of Well
 DRILL DEEPEN PLUG BACK
 OIL WELL GAS WELL OTHER
 SINGLE ZONE MULTIPLE ZONE

c. Name of Operator
Yates Petroleum Corporation

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

e. Location of Well
 UNIT LETTER C LOCATED 330 FEET FROM THE North LINE
 NO. 2310 FEET FROM THE West LINE OF SEC. 16 TWP. 14S RGE. 33E NMPM

| | | |
|-------------------------------|------------------------------|--------------------------------|
| 19. Proposed Depth 10,500' | 19A. Formation Permo-Penn | 19B. History or C.T. Rotary |
|-------------------------------|------------------------------|--------------------------------|

| | | | |
|--|--|---------------------------------------|--|
| 20. Elevations (Show whether DF, KI, etc.) 4223.0' GL | 21A. Kind & Status Plug. Bond Blanket | 21B. Drilling Contractor Landis #3 | 22. Approx. Date Work will start ASAP |
|--|--|---------------------------------------|--|

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# J-55 | 450' | 450 sx | circ |
| 12 1/4" | 8 5/8" | 24# J-55 | 4200' | 1300 sx | 400' |
| 7 7/8" | 5 1/2" | 17# N-80-L | TD | 450 sx | 9200' |
| | | 17# N-55-L | | | |
| | | 17# N-55-S | | | |
| | | 17# N-80-L | | | |

We propose to drill a 10,500' well and test the Permo-Penn and intermediate formations. Approximately 450' of surface casing will be set and cement circulated and approximately 4200' of intermediate casing will be set and cement circulated back to about 500'. Production casing will be set to TD and cemented back to approximately 9200'.

MUD PROGRAM: FW gel to 450', native mud 4200', water & paper to 7500'.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

See Amended Location

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 [Signature] Title Regulatory Agent Date 7/18/83

(This space for State Use)

ORIGINAL SIGNED BY EDDIE SEAY
OIL & GAS INSPECTOR

APPROVED BY _____ TITLE _____ DATE JUL 19 1983

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 1/19/83
UNLESS DRILLING UNDERWAY

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.

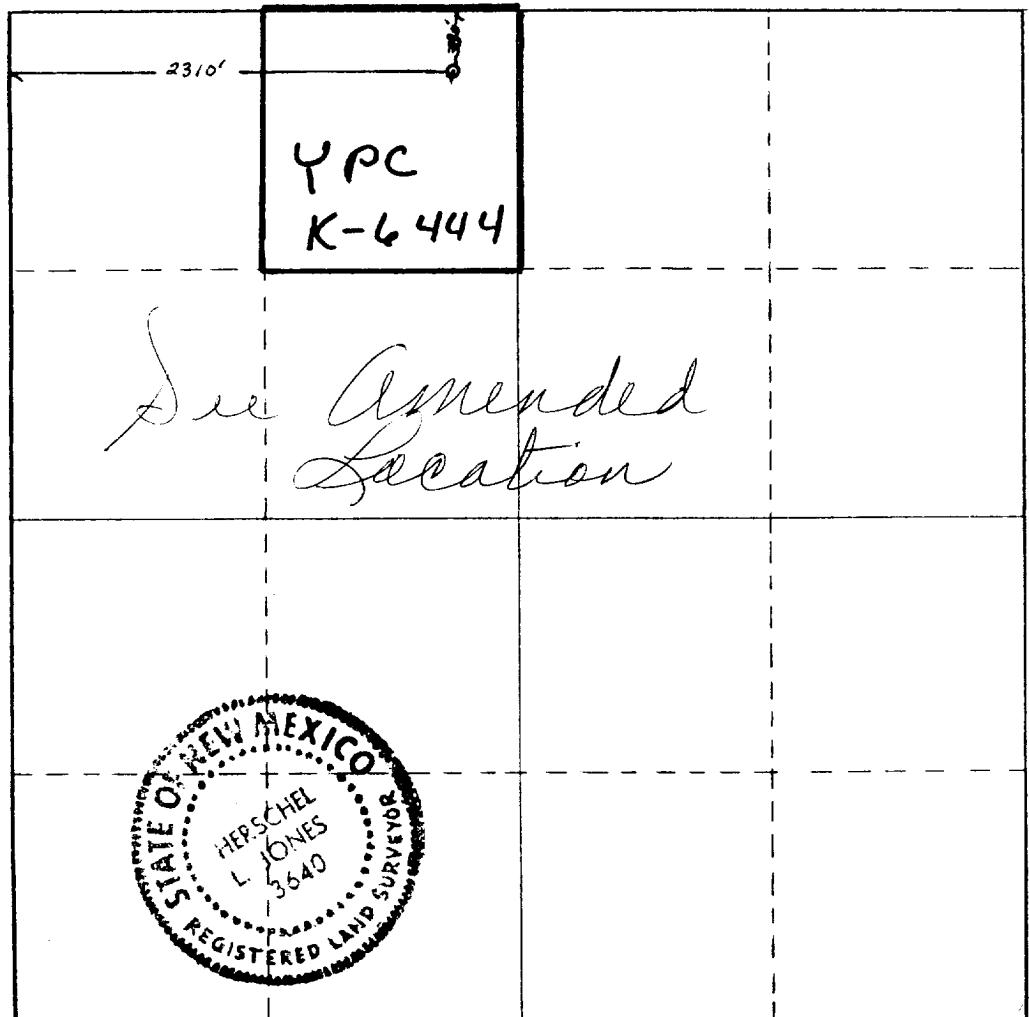
| | | | | | |
|--|--|-----------------------------|---|----------------------|---------------------------------------|
| Operator YATES PETROLEUM CORPORATION | | | Lease Hanladdie "WR" State | | Well No. 2 |
| Unit Letter C | Section 16 | Township 14 South | Range 33 East | County Lea | |
| Actual True Location of Well: 330 feet from the North line and 2310 feet from the West line | | | | | |
| Ground Level Elev. 4223.0' GL | Producing Formation Permo-Penn | | Pool Undes. Saunders Permo-Penn | | 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 unitization, communitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



ENGINEER'S CERTIFICATE

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

Gliserio Rodriguez
Name

Gliserio Rodriguez
Position

Regulatory Agent
Company

Yates Petroleum Corp.
Date

7-18-83

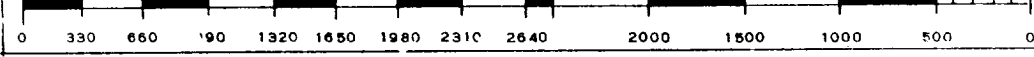
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 16, 1983

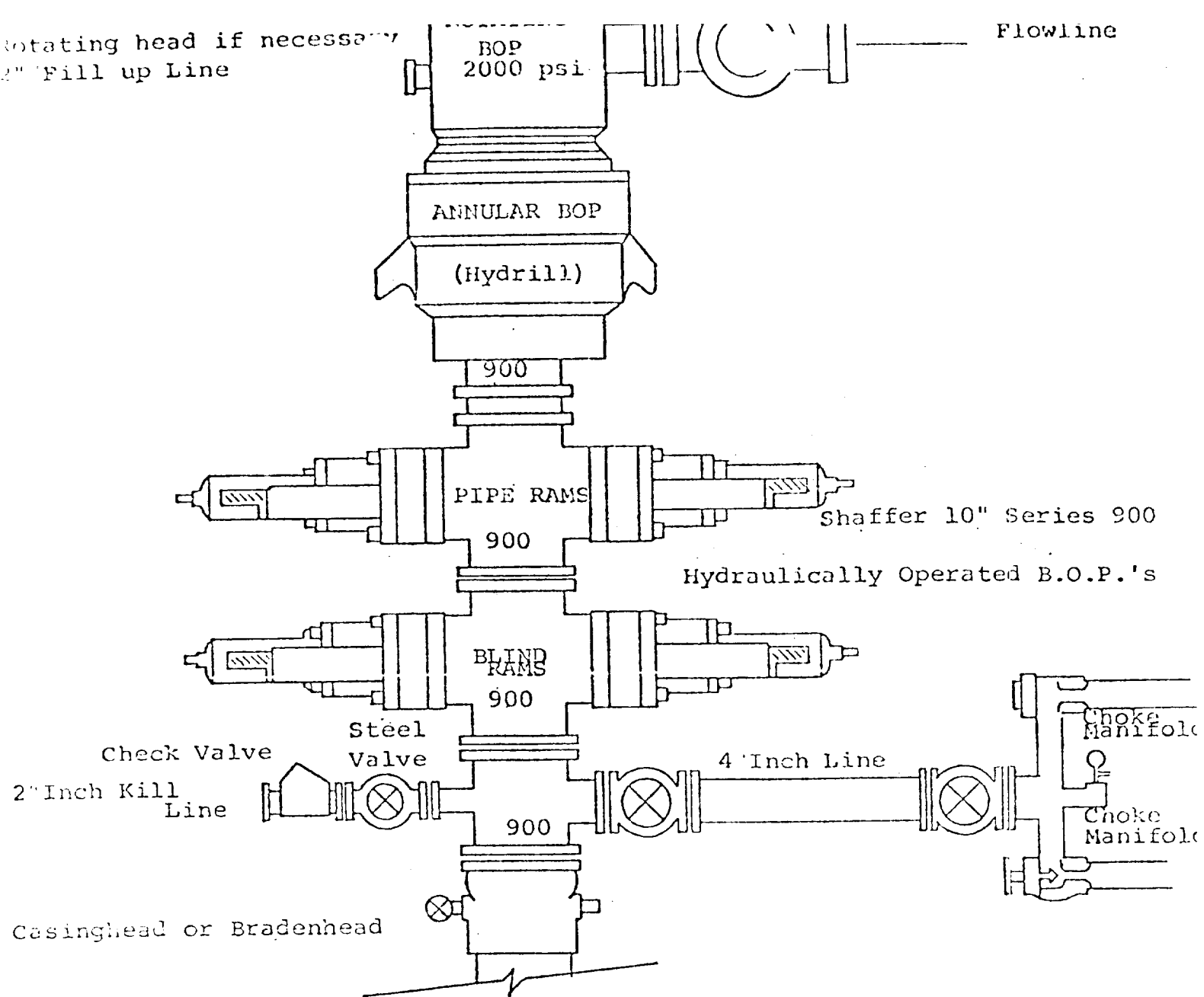
Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No.

3640



rotating head if necessary
2" Fill up Line



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.
10. D. P. float must be installed and used below zone of first gas intrusion.