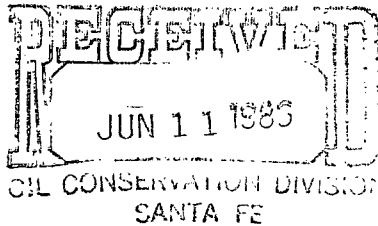


Release Immediately

By Doc



207 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1331



S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. TREAS.

June 9, 1986

Mr. David Catanach
Engineer
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

NSL - 2291
Kemnitz Lower Wolfcamp Pool
80 Acres del
W/2 NW 14 Sec 34

RE: Vacuum North ADJ State No. 1
833' FNL & 660 FWL
Sec. 34, T. 16S., R. 34E.
Lea County, New Mexico
State Lease No. LG3562

Dear Mr. Catanach:

Thank you for your call of June 5, 1986, regarding the referenced well. You advised that in addition to our application of May 14, 1986, for downhole commingling approval, Yates Petroleum also needs to apply for nonstandard location approval.

Under Kemnitz Lower Wolfcamp Pool Rules, the well location is nonstandard. Accordingly, based on the well's marginal production of approximately 3 barrels of oil per day, we hereby respectfully request approval of the well's non-standard location for the portion of production to be attributed to the Kemnitz Lower Wolfcamp Pool. Ownership interests will not be affected. Offset operators are being notified by certified copy of this letter.

Sincerely,

Albert R. Stall

Albert R. Stall
Engineer

xc: Elk Oil Company
Security Natl. Bank Bldg.
Roswell, New Mexico 88201

N.M.O.C.D.
Hobbs District Office
P.O. Drawer 1980
Hobbs, New Mexico 88240

Mobil Producing TX & NM, Inc.
P.O. Box 633
Midland, Texas 79702

Shell Western Expl.
P.O. Box 576
Houston, Texas 77001

All distances must be from the outer boundaries of the Section.

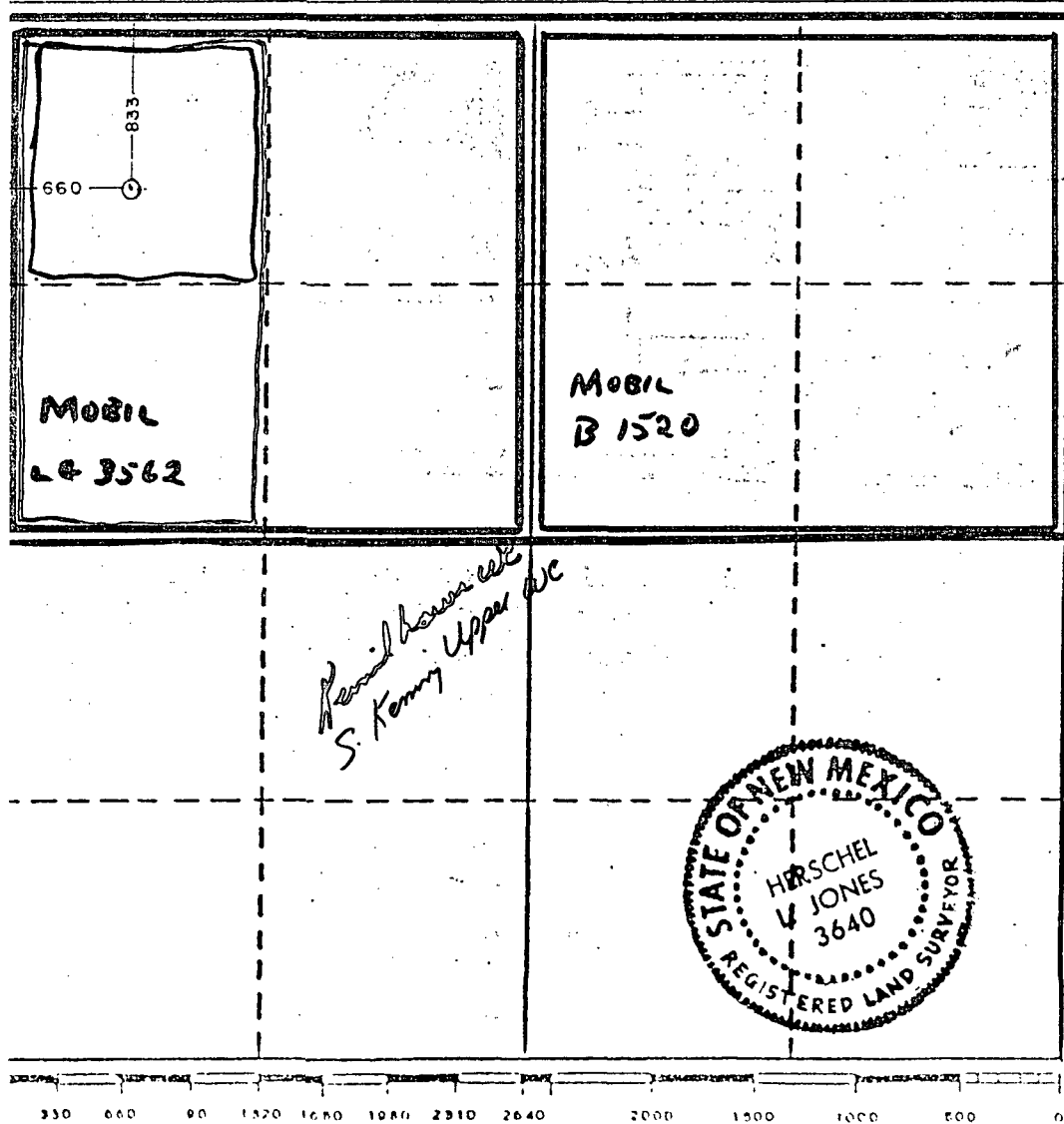
Operator Yates Petroleum Corporation		Lease Vacuum North "ADJ" State Com.		Well No. 1
Unit Letter D	Section 34	Township 16 South	Range 34 East	County Lea
Actual Footage Location of Well: 833 feet from the North line and 660 feet from the West line				
Ground Level Elev. 4088.5	Producing Formation MORROW	Pool UNRES. S. Kanabaz Area MORROW	Dedicated Acreage: 320 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 Division.



CERTIFICATION

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

Clifton R. May

Name

Clifton R. May

Position

Regulatory Agent

Company

Yates Petroleum Corporation

Date

November 25, 1985

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

November 25, 1985

Registered Professional Engineer and/or Land Surveyor

Herschel V Jones

Certificate No.

3640

30-025-29502

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

Form C-101
Revised 10-1-78

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SANTA FE, NEW MEXICO 87501

RECEIVED
JAN 20 1986

REVISED LOCATION

5A. Indicate Type of Lease
STATE ☒ FEDERAL ☐
5. State Oil & Gas Lease No.
LG-3562

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well
OIL WELL ☐ GAS WELL ☒ OTHER ☐
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. Unit Agreement Name
8. Farm or Lease Name
Vacuum North ADJ St. Com

2. Name of Operator
Yates Petroleum Corporation

9. Well No.
1

3. Address of Operator
207 South Fourth Street - Artesia, NM 88210

10. Field and Pool, or Wildcat
Undes. S. Kemnitz Atoka

4. Location of Well
UNIT LETTER D LOCATED 833 FEET FROM THE North LINE
AND 660 FEET FROM THE West LINE OF SEC. 34 TWP. 16S RGE. 34E NMPM

12. County
Lea

19. Proposed Depth 13300'	19A. Formation Morrow	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 4008.5' GR	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Undesignated
		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# H-40	Approx. 550'	300 sacks	Circulate
12-1/4"	8-5/8"	24, 28 & 32#			
7-7/8"	5-1/2"	K-55 & S-80 17# N-80 & S-95	" 4600' TD	1600 sacks 600 sacks	Circulate

We propose to drill and test the Morrow formation and intermediate zones. Approximately 426' of surface casing will be set with cement circulated to surface to shut off gravel and cavings. Intermediate casing will be set at approximately 4600' with cement circulated. If productive, 5-1/2" casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 550', native mud and oil to 4600', fresh water to 9500' and brine polymer to 13300'.

BOP PROGRAM: BOP's to be installed on intermediate casing and tested daily.

GAS NOT DEDICATED

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.

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

Signed Clifton R. May Title Regulatory Agent Date Nov. 25, 1985

(This space for State Use)

APPROVED BY [Signature] TITLE DISTRICT 1 SUPERVISOR DATE JAN 20 1986

CONDITIONS OF APPROVAL, IF ANY: