CONDITIONS OF APPROVAL, IF ANY:

State of New Mexico

Form	C-101	
Revise	ed 1-1-89	9

District Office State Lease — 6 copies Fee Lease — 5 copies	Energy	y, Minerals and Natural Re	Form C-101 Revised 1-1-89					
DISTRICT I P.O. Box 1980, Hobbs, NI		CONSERVATIO P.O. Box 208 Santa Fe, New Mexico		API NO. (assigned by OC	D on New Wells) 2659/			
DISTRICT II P.O. Drawer DD, Artesia,		•	07304-2000	5. Indicate Type of Lease S	FATE X FEE			
DISTRICT III 1000 Rio Brazos Rd., Azza	·	. D		6. State Oil & Gas Lease V-120	No.			
APPLICA	TION FOR PERMIT	TO PRILL, DEEPEN, C	OR PLUG BACK					
1a. Type of Work:	,			7. Lease Name or Unit A	greement Name			
b. Type of Well:	L 🔀 RE-ENTE	R DEEPEN	PLUG BACK					
MET X MET [OTHER	SINGLE ZONE	MULTIPLE 20NE	Medano "VA" S	State			
2. Name of Operator Yates Petroleum Corporation 8. Well No. 3								
3. Address of Operator 105 South Fourth Street, Artesia, NM 88210 9. Pool name or Wildcat Wildcat Delaware								
4. Well Location Unit Letter	F : 2310 Feet	From The North	Line and 165	O Feet From The	West Line			
Section	16 Tow	nship 23 South Rai	nge 31 East	NMPM Eddy	County			
		10. Proposed Depth	8,200'	Delaware	12 Rozay or C.T. Rotary			
13. Elevations (Show wheth 3349.	e r DF, RT, GR, etc.) GR	14. Kind & Status Plug. Bond Blanket	15. Drilling Contractor Undes i gna	ted 16. Approx.	Date Work will start			
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"	54.5#	500'	700 sacks	Circulate			
11"	8 5/8"	32#	4200'	2800 sacks	Circulate			
7 7/8"	5 1/2"	17# & 15.5#	TD	800 sacks	As warranted			

We propose to drill and test the Delaware and intermediate zones. Approximately 500' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4200' and cement circulated. A second string will be run to TD and tied-back to the 8 5/8" casing. If commercial, production casing will be run and cemented with

adequate cover, perforated and stimulated as needed for production. MUD PROGRAM: Spud mud to 500'; brine water to 4200'; cut brine water to TD.

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

APPROVAL VALID FOR 1801 BOP PROGRAM: , PERMIT EXPIRES -LIMLEGS ONILLING UNDERWAY IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR FLUID BACK, DIVE 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. SKONATURE R. May		edge and belief.	Permit Agent	DATE	12-26-90	
TYPE OR PRINT NAME	Clifton R. May			TELEPH	ONE NO.	748-1471
(This space for State Use)	ORIGINAL SIGNED BY MIKE WILLIAMS			•	DEC	2 7 1990
	OUDED HOOD DICTRICT IS	n		5.47		