

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Department of Minerals and Natural Resources

Form C-101
Revised 1-1-89

OK
Bunt
508

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

O. C. D.
ARTESIA OFFICE

API NO. (assigned by OCD on New Wells)
20-015-26974

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
V-2597

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:
OIL WELL ☒ GAS WELL ☐ OTHER ☐
SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
105 South Fourth Street, Artesia, New Mexico

4. Well Location
Unit Letter K : 1980 Feet From The South Line and 2310 Feet From The West Line
Section 2 Township 22 South Range 31 East NMPM Eddy County

7. Lease Name or Unit Agreement Name
Flora AKF State

8. Well No.
2

9. Pool name or Wildcat
Undes. Lost Tank Delaware

10. Proposed Depth
8500'

11. Formation
Delaware

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3528'

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Undesignated

16. 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"	54.5#	850'	850	Circulate
11"	8 5/8"	32.0#	4500'	2500	Circulate
7 7/8"	5 1/2"	17 & 20#	TD	As warranted	Tie Back

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Approximately 4500' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented to tie-back to the 8 5/8' casing, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 850'; Brine to 4500'; cut Brine/Starch to TD.

BOP PROGRAM: BOP will be installed at the offset and tested daily for operational.

Letter has been sent to N.M. Potash Corporation.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 9/26/92
UNLESS DRILLING UNDERWAY

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

SIGNATURE Clifton R. May TITLE Permit Agent DATE 1-21-92
TYPE OR PRINT NAME CLIFTON R. MAY TELEPHONE NO. 748-1471

(This space for State Use) ORIGINAL SIGNED BY
MIKE WILLIAMS
SUPERVISOR, DISTRICT II

APPROVED BY _____ TITLE _____ DATE MAR 26 1992

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M. O.C.D. IN SUFFICIENT
TIME TO ALLOW COMPLETING THE
133/8-85/8-5/2 Casing

Part ID-1
3-27-92
New Loc & API

Submit to Appropriate
District Office
State Leases - 4 copies
Fee Leases - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

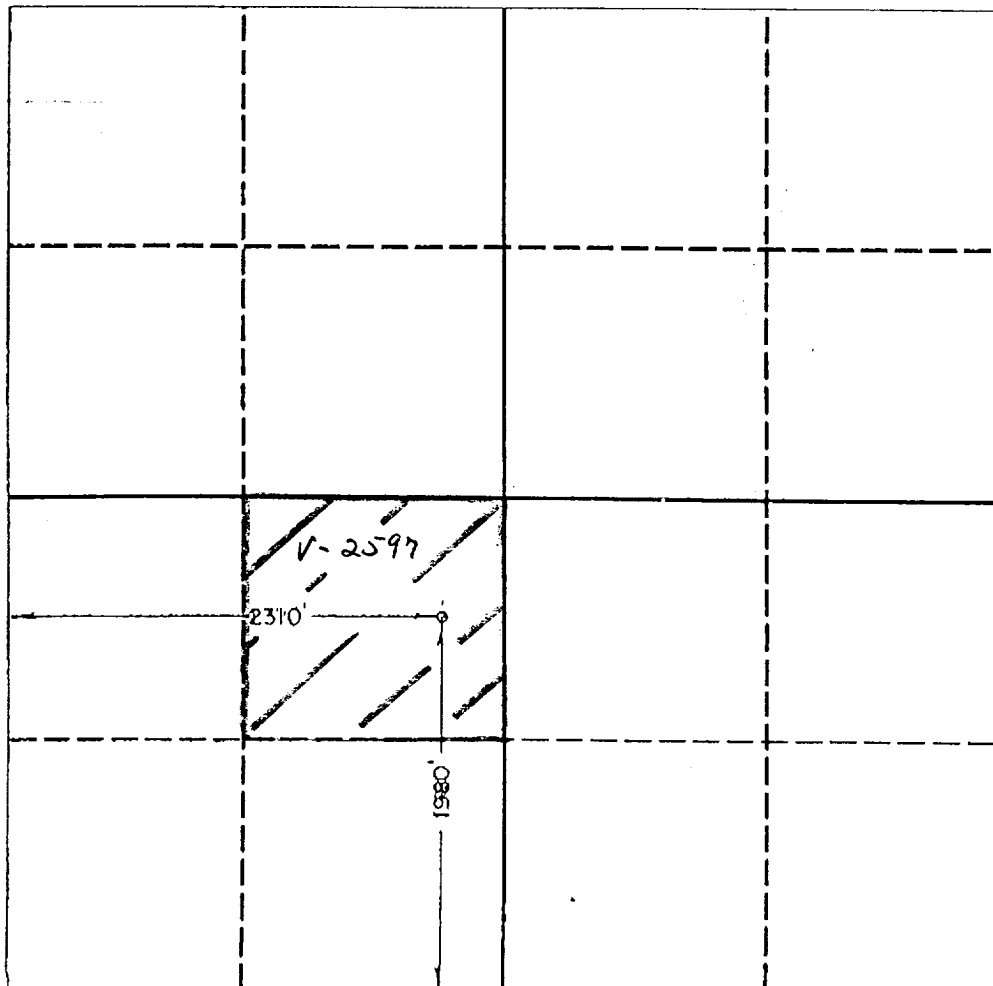
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease FLORA "AKF" STATE			Well No. 2		
Unit Letter K	Section 2	Township 22 SOUTH	Range 31 EAST	County NMPM		EDDY		
Actual Footage Location of Well: 1980 feet from the SOUTH line and 2310 feet from the WEST line								
Ground level Elev. 3528		Producing Formation DELAWARE		Pool UNDERS. LOST TANK DELAWARE		Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

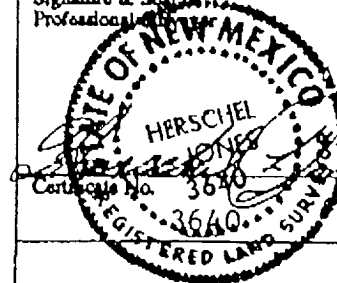
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Clifton R. May
Printed Name
Clifton R. May
Position
Permit Agent
Company
YATES PETROLEUM CORPORATION
Date
January 21, 1992

SURVEYOR CERTIFICATION

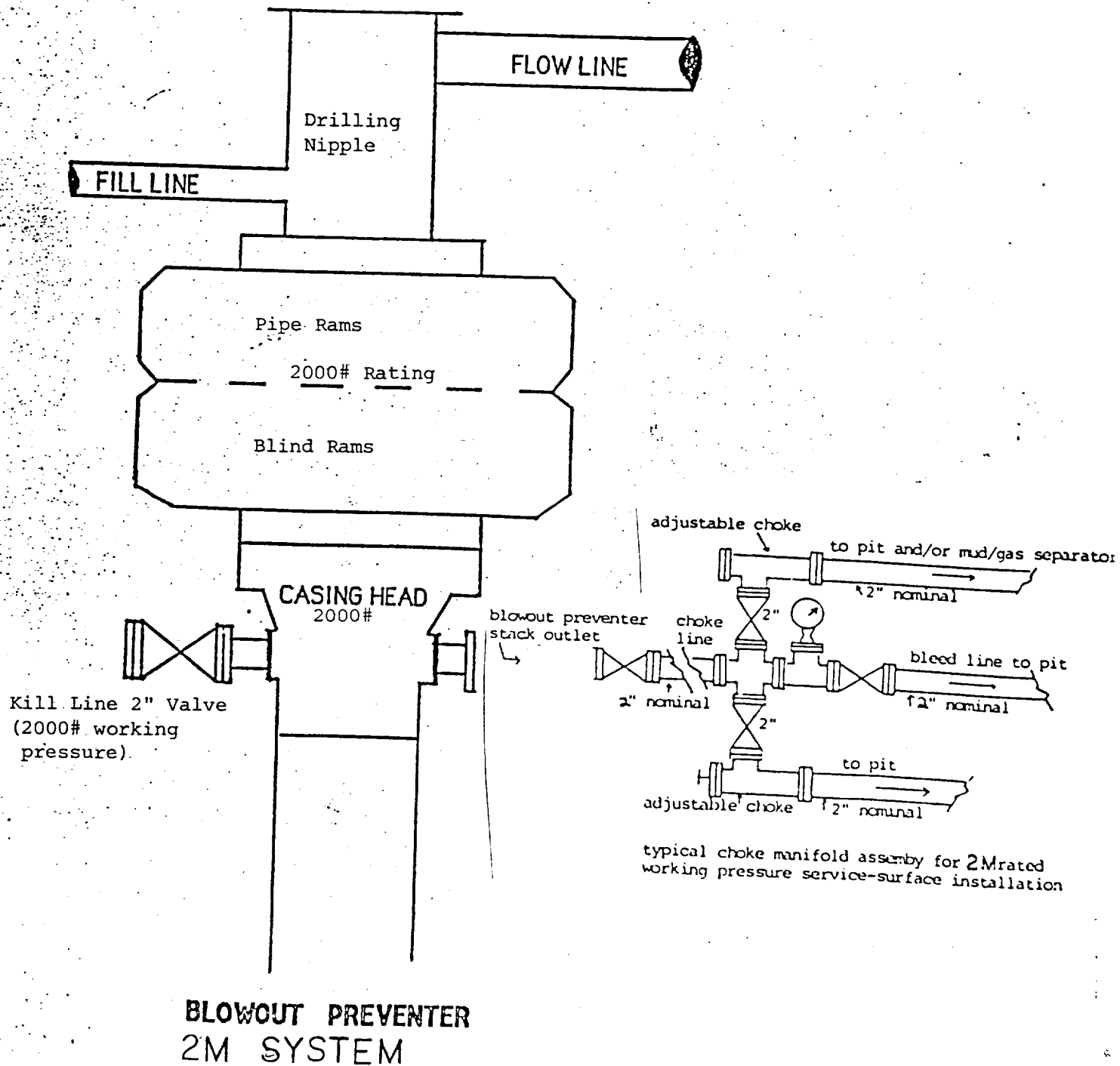
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
1/17/1992
Signature & Seal of
Professional Surveyor



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

YATES PETROLEUM CORPORATION



YATES PETROLEUM CORPORATION

<p>SECTION 34-215-31E</p> <p>NEW MEXICO POTASH</p> <p>UNLEASED</p> <p>NEW MEXICO POTASH</p> <p>SW 1/4 SE 4</p> <p>STATE</p> <p>USA</p>	<p>SECTION 35-215-31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 36-215-31E</p> <p>NEW MEXICO POTASH</p> <p>STATE</p>
<p>SECTION 3-225-31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 2-225-31E</p> <p>#3. #1.</p> <p>GRAHAM AKE ST.</p> <p>#4. #2.</p> <p>NEW MEXICO POTASH</p> <p>#2</p> <p>FLORA AKE ST. #1</p> <p>STATE</p>	<p>SECTION 1-225-31E</p> <p>UNLEASED</p> <p>USA</p>
<p>SECTION 10-225-31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 11-225-31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 12-225-31E</p> <p>UNLEASED</p> <p>USA</p>

10-31-91 --- GEORGE SCHEPPOFF, DISTRICT MINING ENGINEER
 11-1-91 --- CHARLENE NMSLD CENTRAL LEASING

Clifton R. May

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

January 16, 1992

Mr. Bob Lane
New Mexico Potash
P.O. Box 610
Hobbs, NM 88241

Dear Mr. Lane:

Yates Petroleum Corporation is the operator of the Oil & Gas Lease V-2597. We have staked the following location:

Flora "AKF" State #2
1980' FSL and 2310' FWL'
Sec. 2-T22S-R31E
Eddy County, NM

A Application to Drill has been filed with Oil Conservation District.

We have been advised that your company is the owner of record of certain potash leases in this area. We respectfully request that you waive any objection you may have to this porposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Clifton R. May
Permit Agent

CRM/tg

NO OBJECTIONS OFFERED

NEW MEXICO POTASH

By: _____
Title: _____
Date: _____

OBJECTIONS OFFERED

NEW MEXICO POTASH

By: _____
Title: _____
Date: _____