

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

SEP 11 1991

O. C. D.

API NO. (assigned by OCD on New Wells)
30-015-26836

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
E-7901

7. Lease Name or Unit Agreement Name

Ranchero "AJP" State

8. Well No.
1

9. Pool name or Wildcat
Wildcat Morrow

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, NM 88210

4. Well Location
Unit Letter C : 660 Feet From The North Line and 1980 Feet From The West Line
Section 17 Township 19S Range 24E NMPM Eddy County

10. Proposed Depth 8,700'
11. Formation Morrow
12. Rotary or C.T. Rotary

13. Elevations (Show whether DF, RT, GR, etc.) 3788'
14. Kind & Status Plug. Bond Blanket
15. Drilling Contractor Undesignated
16. Approx. Date Work will start ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4"	9 5/8"	36# J-55	1200'	100 sx	Circulated
8 3/4"	7" of 5 1/2"	23&26# J-55	ID	As warranted	

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be ran and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW/Gel LCM to 1200'; FW to 3400'; BW to 7500'; SW/Gel/S/Drispak to TD

BOP PROGRAM: BOP's & hydril to be installed on 9 5/8" casing & tested daily.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 3/13/92
UNLESS DRILLING UNDERWAY
Post ID-1
9-20-91
New Doc &
API

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 Ken Beardemph1 TITLE Landman DATE 9/11/91

TYPE OR PRINT NAME Ken Beardemph1 TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY Mr. B. Walker TITLE SUPERVISOR, DISTRICT II DATE SEP 13 1991

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT TIME TO WITNESS CEMENTING THE 9 5/8" CASING

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Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

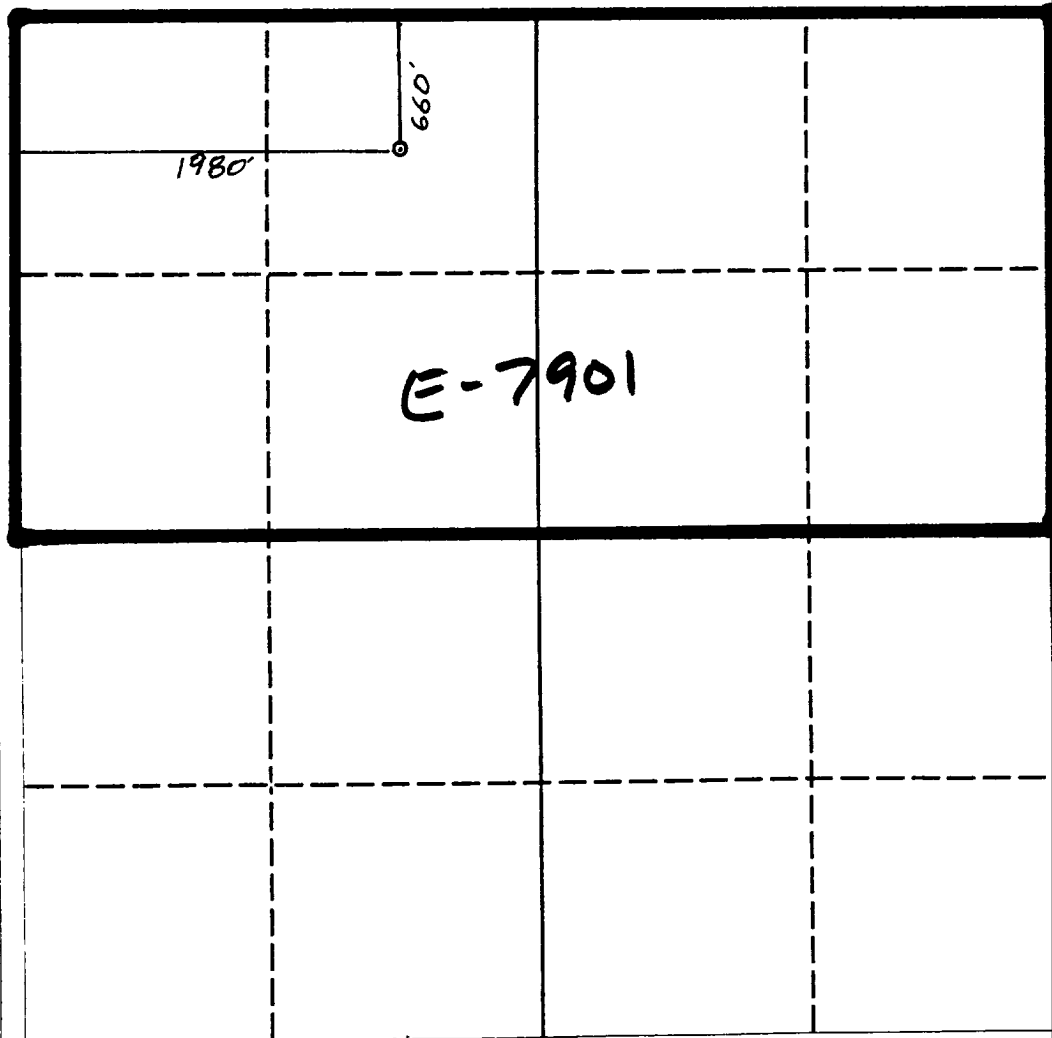
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 RANCHERO AJT STATE		Well No. 1
Unit Letter C	Section 17	Township 19 SOUTH	Range 24 EAST	County EDDY COUNTY, N.M.	
Actual Footage Location of Well: 660 feet from the NORTH line and 1980 feet from the WEST line					
Ground level Elev. 3788.	Producing Formation Morrow		Pool Wildcat Morrow	Dedicated Acreage: 320 Acres	
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. 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.? <input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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.</p>					



OPERATOR CERTIFICATION

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

Signature

Printed Name

Position

Company

Date

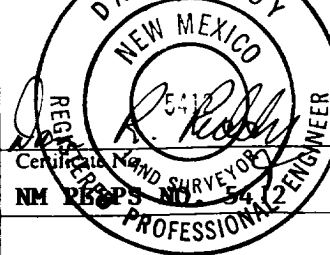
SURVEYOR CERTIFICATION

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

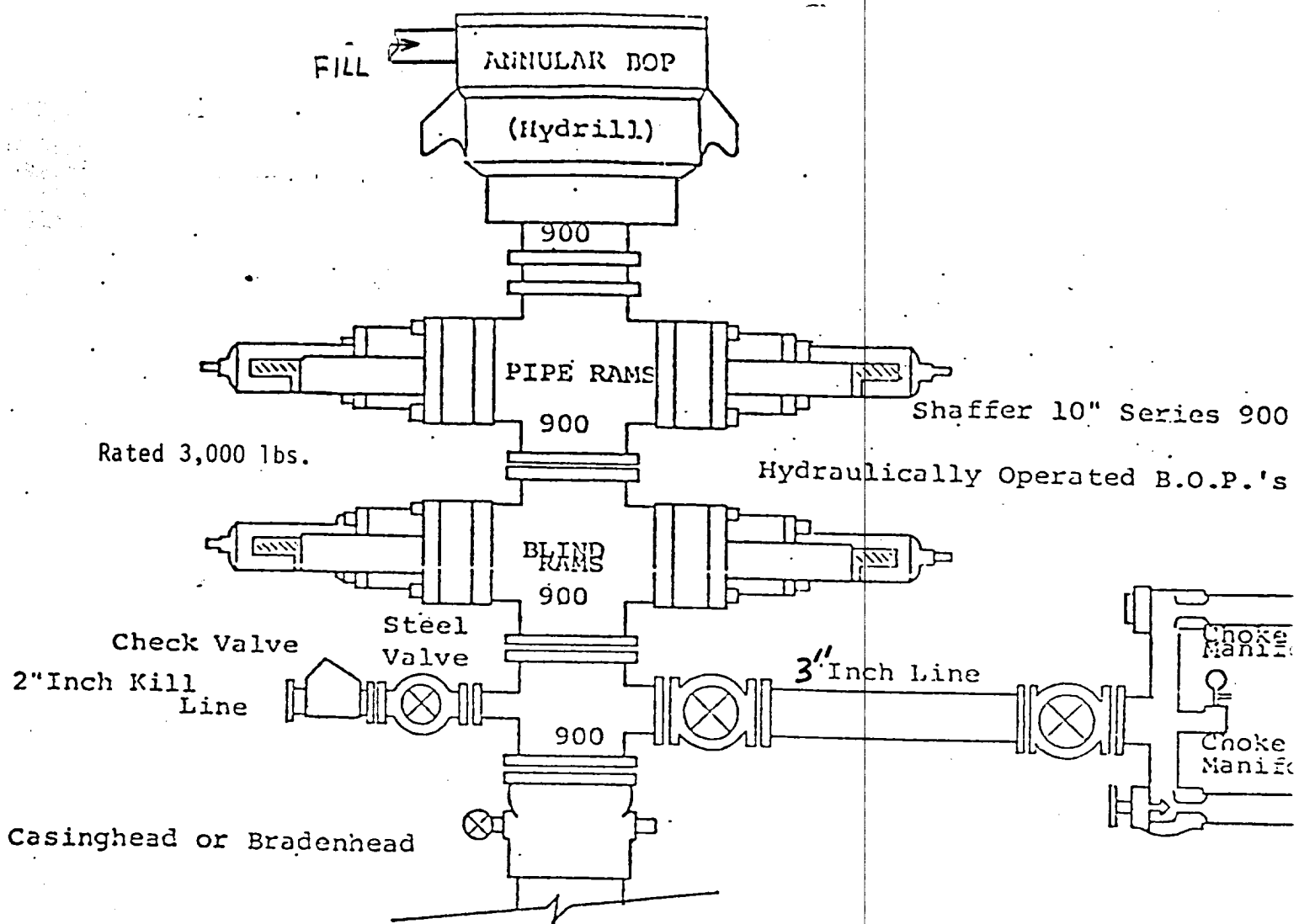
AUGUST 30, 1991

Signature & Seal of Professional Surveyor



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





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 3" 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.

EXHIBIT
B