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AUG 11 1982

5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.
LG-855
7. Unit Agreement Name
8. Farm or Lease Name
Bitter Lake "PX" State
9. Well No.
1
10. Field and Pool, or Wildcat
Under Pecos Slope Abo
12. County
Chaves

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work: DRILL ☒ DEEPEN ☐ PLUG BACK ☐

Type of Well: OIL WELL ☐ GAS WELL ☒ OTHER ☐

Name of Operator: Yates Petroleum Corporation

Address of Operator: 207 South 4th Street, Artesia, New Mexico 88210

Location of Well: UNIT LETTER M LOCATED 660 FEET FROM THE South LINE

660 FEET FROM THE West LINE OF SEC. 16 TWP. 10 RGE. 25 NADPM

19. Proposed Depth: 4500'

19A. Formation: Abo

20. Rotary or C.T. Rotary

21A. Kind & Status Plug. Bond: Blanket

21B. Drilling Contractor: AFT #2

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
14 3/4"	10 3/4"	40.5# J-55	650'	600 circulate	
7 7/8"	4 1/2"	9.5#	TD	350 sx	

We propose to drill and test the Abo and intermediate formations. Approximately 650' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation) 8 5/8" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

MUD PROGRAM: FW Gel and LCM to 650' KCL starch to 3500' brine and KCL water to TD.

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

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 2-17-83
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION 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.

By Coy Cowan Title Regulatory Coordinator Date 8-10-82
(This space for State Use)

APPROVED BY Mike Walker TITLE OIL AND GAS INSPECTOR DATE AUG 16 1982

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness cementing

the casing

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED Form C-102
Supersedes C-128
Effective 1-1-65

AUG 11 1982

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

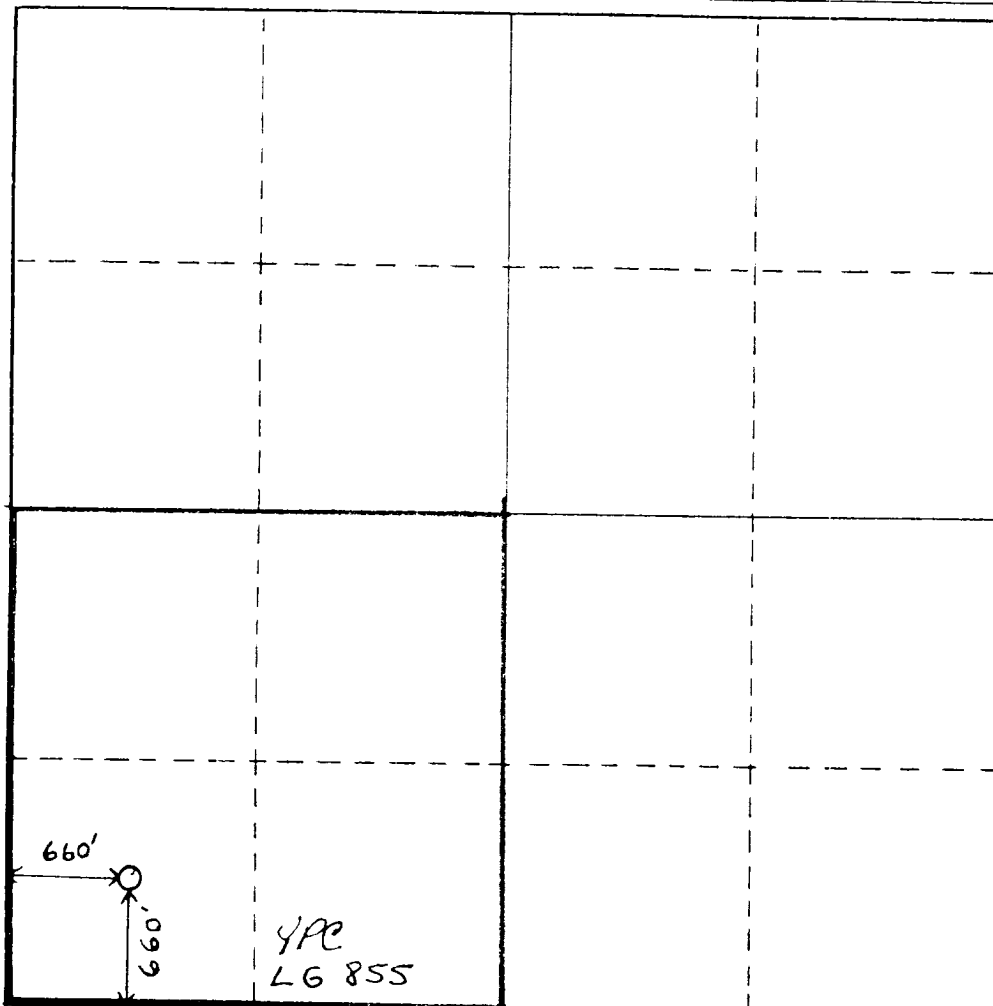
Operator YATES PETROLEUM CORPORATION			Lease BITTER LAKE "PX" STATE		Well No. O. C. D. 1
Unit Letter M	Section 16	Township 10 South	Range 25 East	County ARTESIA, OFFICE Chaves	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the West line					
Ground Level Elev. 3518.5'	Producing Formation ABO		Pool Unders Peecos Slope ABO		Dedicated Acreage: 160 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 Commission.



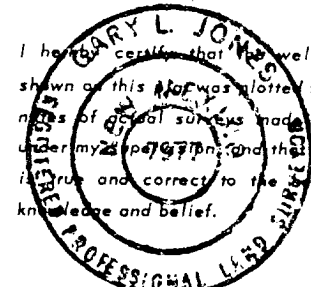
CERTIFICATION

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

Cy Cowan

Name
Regulatory Coordinator
Position
Yates Petroleum Corporation
Company
8-10-82
Date

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.

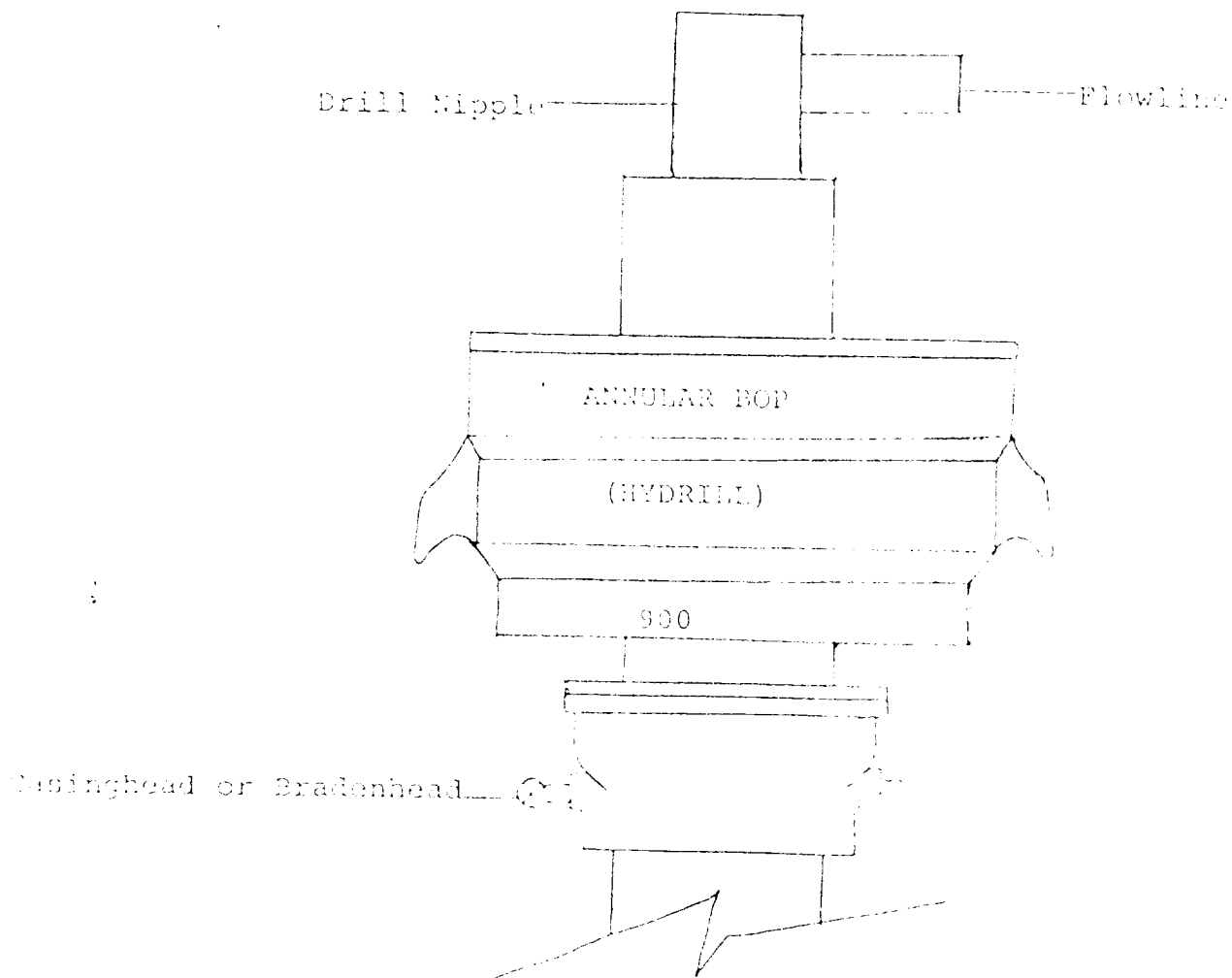


Date Surveyed
August 5, 1982
Registered Professional Engineer and/or Land Surveyor

Dan R. Jones
Certificate No.

7977

EXHIBIT B



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing.