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OPERATOR	<input checked="" type="checkbox"/>

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1. Indicate Type of Lease
STATE ☒ FEDERAL ☐

2. State Oil & Gas Lease No.
G-6682

DEC 21 1982

O.C.D.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		ARTESIA OFFICE Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Form or Lease Name Bajillo Draw "WQ" S	
2. Name of Operator Yates Petroleum Corporation		9. Well No. 1	
3. Address of Operator 207 S. 4th, Artesia, New Mexico 88210		10. Field and Pool, or Wildcat Undes. Abo	
4. Location of Well UNIT LETTER <u>D</u> LOCATED <u>660</u> FEET FROM THE <u>West</u> LINE AND <u>660</u> FEET FROM THE <u>North</u> LINE OF SEC. <u>28</u> TWP. <u>7S</u> RGE. <u>23E</u> NMPM		17. County Chaves	
19. Proposed Depth 3300'		19A. Formation Abo	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RT, etc.) 3885.8' GL	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor not determined	
22. Approx. Date Work will start ASAP			

23. 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	1100'	800 sx	circulated
7 7/8"	4 1/2"	9.5#	TD	350 sx	

We propose to drill and test the Abo and intermediate formations. Approximately 1100' 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. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1100, Brine to 3200', Brine/KCL water to TD.

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

GAS NOT DEDICATED.

APPROVED FOR 180 DAYS
PERMIT # 6-27-83
UNLESS DRILLING UNDERWAY

1. 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.

Signed Ken Beardsley Title Regulatory Coordinator Date 12/17/82

(This space for State Use)

APPROVED BY Mike Williams TITLE OIL AND GAS INSPECTOR

DATE DEC 27 1982

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient
time to witness cementing
the 10 3/4" casing

Posted as per
PD-12-31-82

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

DEC 21 1982

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

Operator YATES PETROLEUM CORPORATION			Lease Bajillo Draw "WQ" State			Well No. O. C. D.
Unit Letter D	Section 28	Township 7 South	Range 23 East	County Chaves		
Actual Footage Location of Well: 660 feet from the West line and 660 feet from the North line						
Ground Level Elev. 3885.8' GL	Producing Formation Abo		Pool Undes 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.

YATES et al
LG-6692

STATE OF NEW MEXICO
HERSCHEL L. JONES
3640
REGISTERED LAND SURVEYOR

CERTIFICATION

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

Ken Beardemphl

Name

Ken Beardemphl

Position

Regulatory Coordinator

Company

Yates Petroleum Corp.

Date

12/17/82

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

December 15, 1982

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones

Certificate No.

7977

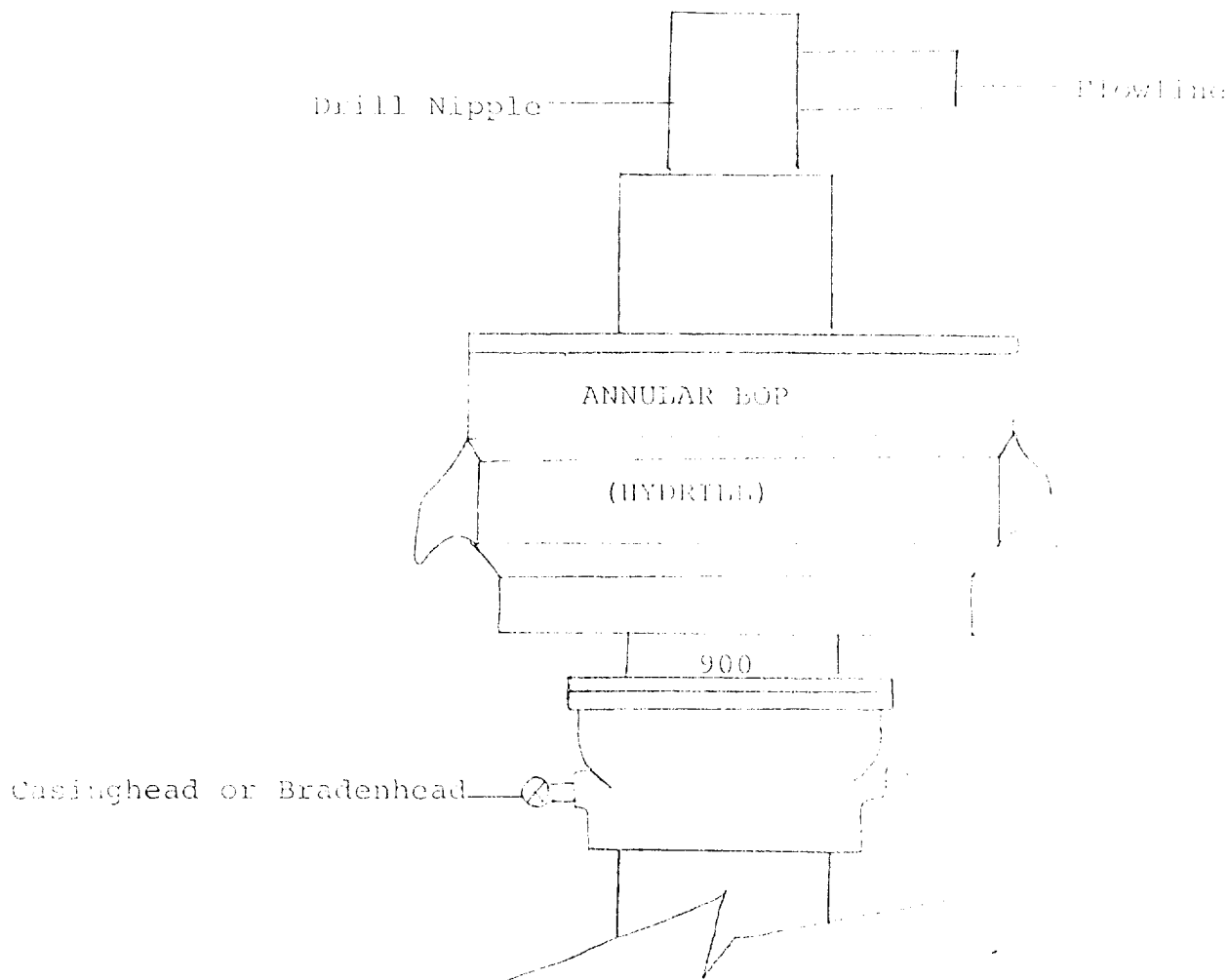
0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

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O. C. D.
ARTESIA, OFFICE

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.