

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL ☐ GAS ☒ OTHER ☐
WELL ☐ WELL ☒ WELL ☐

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
207 S. 4th, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 1980' FNL and 1980' FWL

At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 5 miles east of Roswell, NM

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drg. unit line, if any)
1980'

18. DISTANCE FROM PROPOSED*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.
3000'

21. ELEVATIONS (Show whether DE, RT, GR, etc.)
3524.2'

22. APPROX. DATE WORK WILL START*
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	10 3/4"	40.5# J-55	900'	700 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 900' 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 900', Brine to 3500', Brine/KCL water to TD.

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

GAS NOT DEDICATED.

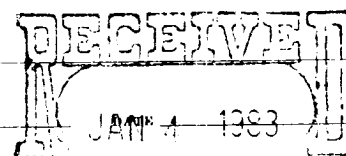
19. ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED *Regulatory Coordinator* DATE 1/3/83

(This space for Federal or State office use)

PERMIT NO. APPROVED
(ORIG. SGD.) DAVID R. GLASS
APPROVED BY
CONDITIONS OF APPROVAL
JAN 19 1983
JAMES A. GILLHAM
DISTRICT SUPERVISOR

APPROVAL DATE
TITLE
DATE 4 1983



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

30-005-61920

file

JAN 21 1983

O. C. D.
ARTESIA, OFFICE

5. LEASE DESIGNATION AND SERIAL NO.

NM-18819

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Mountain "VR" Federal

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Pecos Slope Abo

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 8-T10S-R25E

12. COUNTY OR PARISH 13. STATE

Chaves

NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

ASAP

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

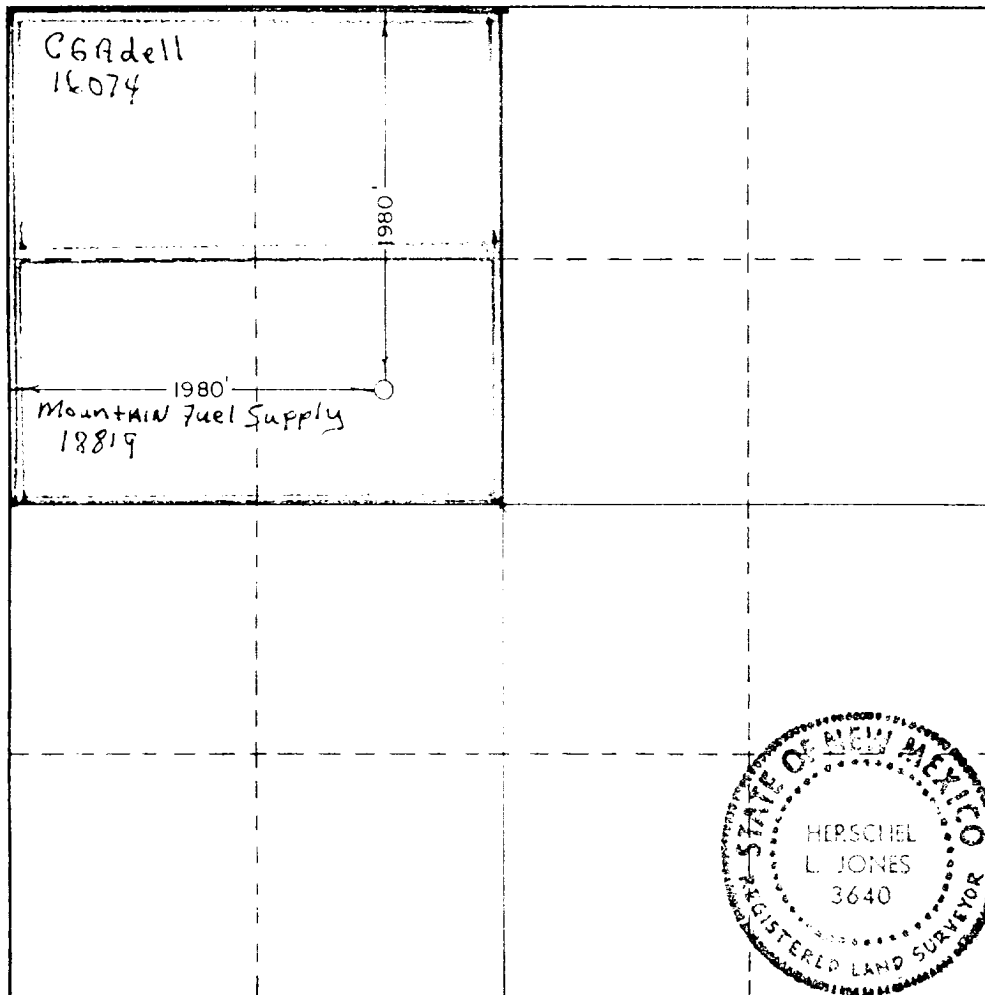
YATES PETROLEUM CORPORATION			Mountain "VR" Federal		Well No. 2
Section	Range	Township	Range	County	
1	5	10 South	25 East	Chaves	
Actual Footage Location of Well:					
1980 feet from the North line and		1980 feet from the West line			
Actual Level Elev.	Producing Formation		Pool	Dedicated Acreage	
3524.2'	ABO		VIA PEEDS Slope ABO	160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 TO BE COMMUNITIZED

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

Cy Cowan

Position

Regulatory Coordinator

Company

Yates Petroleum Corp.

Date

1/3/83

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.

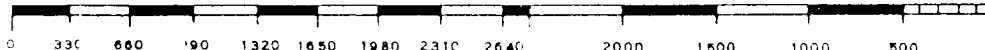
Date Surveyed

December 13, 1982

Registered Professional Engineer and/or Land Surveyor

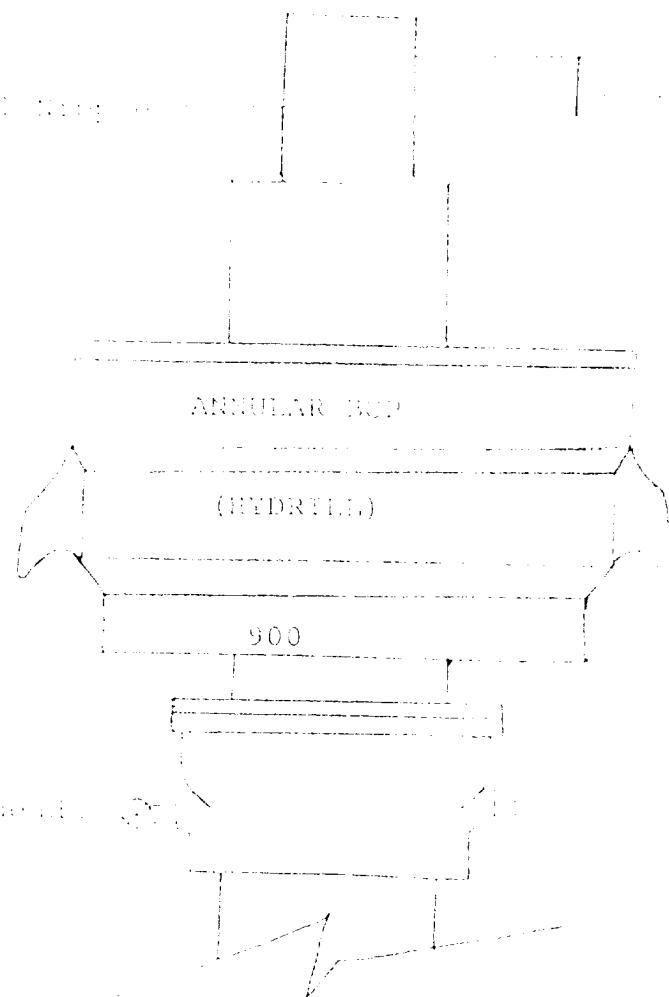
Certificate No.

3640



Drill Pipe

Flowline



Tosingham or Bradenhead

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 oil line 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.

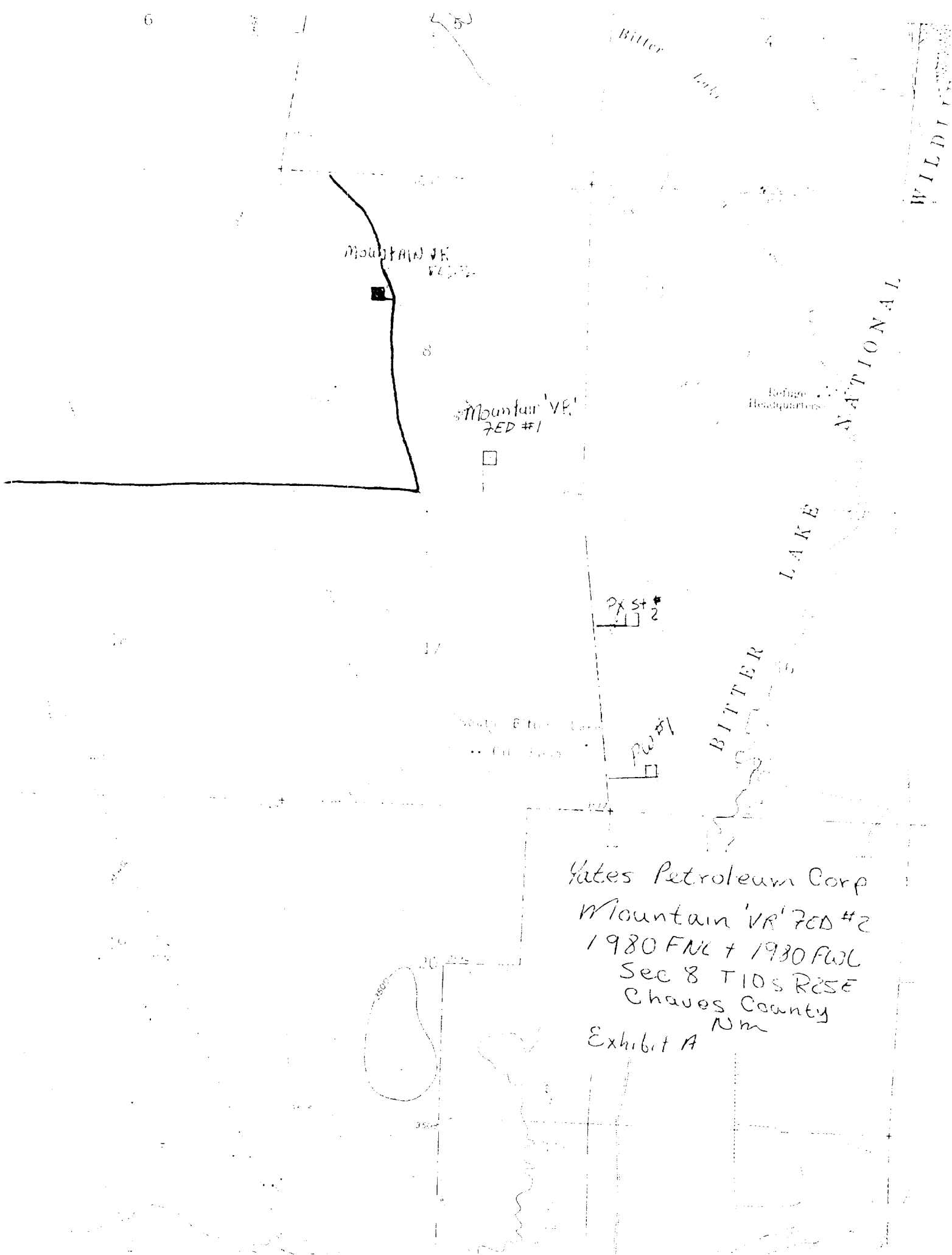
YATES PETROLEUM CORPORATION
Mountain "VR" Federal #2
1980' FNL and 1980' FWL
Sec. 8-T10S-R25E

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with FMSR requirements.

1. The geologic surface formation is sandy alluvium
2. The estimated tops of geologic markers are as follows:

San Andres	508'
Glorieta	1388'
Fullerton	3033'
Abo	3534'
TD	4100'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:
Water: 250'-300'
Oil or Gas: Abo 3570'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples:	Surface casing to TD.
DST's:	As warranted.
Coring:	None
Logging:	CNL-FDC TD to csg w/GR-CNL to surf & DLL from TD to csg.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.



YATES PETROLEUM CORP.

Exhibit C

Reserve Pit
bottom to be at
ground level to
1 ft.

Notes:

Inner walls must be as
high and wide as outer
walls of pit.

