

NM OIL COM. COMMISSION
Drawer DL
Artesia, NEW MEXICO
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN ' LIGATE'
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-B1425.30-005-62079
5. LEASE DESIGNATION AND SERIAL NO.

NM-28171

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Spear "OA" Federal

9. WELL NO.

10. FIELD AND POOL, OR WILDCAT

Becos Slope Abo

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

Sec. 15-T9S-R26E

12. COUNTY OR PARISH 13. STATE
Chaves NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒OTHER ☐

DIST. OF N. M.

SINGLE
WELL ☐MULTIPLE
ZONE ☐

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' FSL and 660' FWL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 18 miles east of Roswell, NM.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

1000'

19. PROPOSED DEPTH

5000'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3756.2' GL

22. APPROX. DATE WORK WILL START*

ASAP

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 | 1000' | 800 sx circulated |
| 7 7/8" | 4 1/2" | 9.5# J-55 | TD | 350 sx |

We propose to drill and test the Abo and intermediate formations. Approximately 1000' 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 stimulate as needed for production.

MUD PROGRAM: FW gel/LCM to 1000', Brine to 3200', Brine/KCL water to TD.

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

GAS NOT DEDICATED.

15. 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 Earl R. Cunningham TITLE Regulatory Agent DATE 11/11/83

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY 'Orig. Sgd.' Earl R. CunninghamTITLE District ManagerDATE NOV 28 1983

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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

| | | | | | |
|--|-----------------------------------|----------------------------|-------------------------------------|-------------------------|----------------------|
| Operator YATES PETROLEUM CORPORATION | | | Lease SPEARS "OA" FEDERAL | | Well No. 3 |
| Tract Letter L | Section 15 | Township 9 South | Range 26 East | County Chaves | |
| Actual Well Location of Well: 1980 feet from the South line and 660 feet from the West line | | | | | |
| Ground Level Elev. 3756.2 | Producing Formation Abc | | Estimated Acreage 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 _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

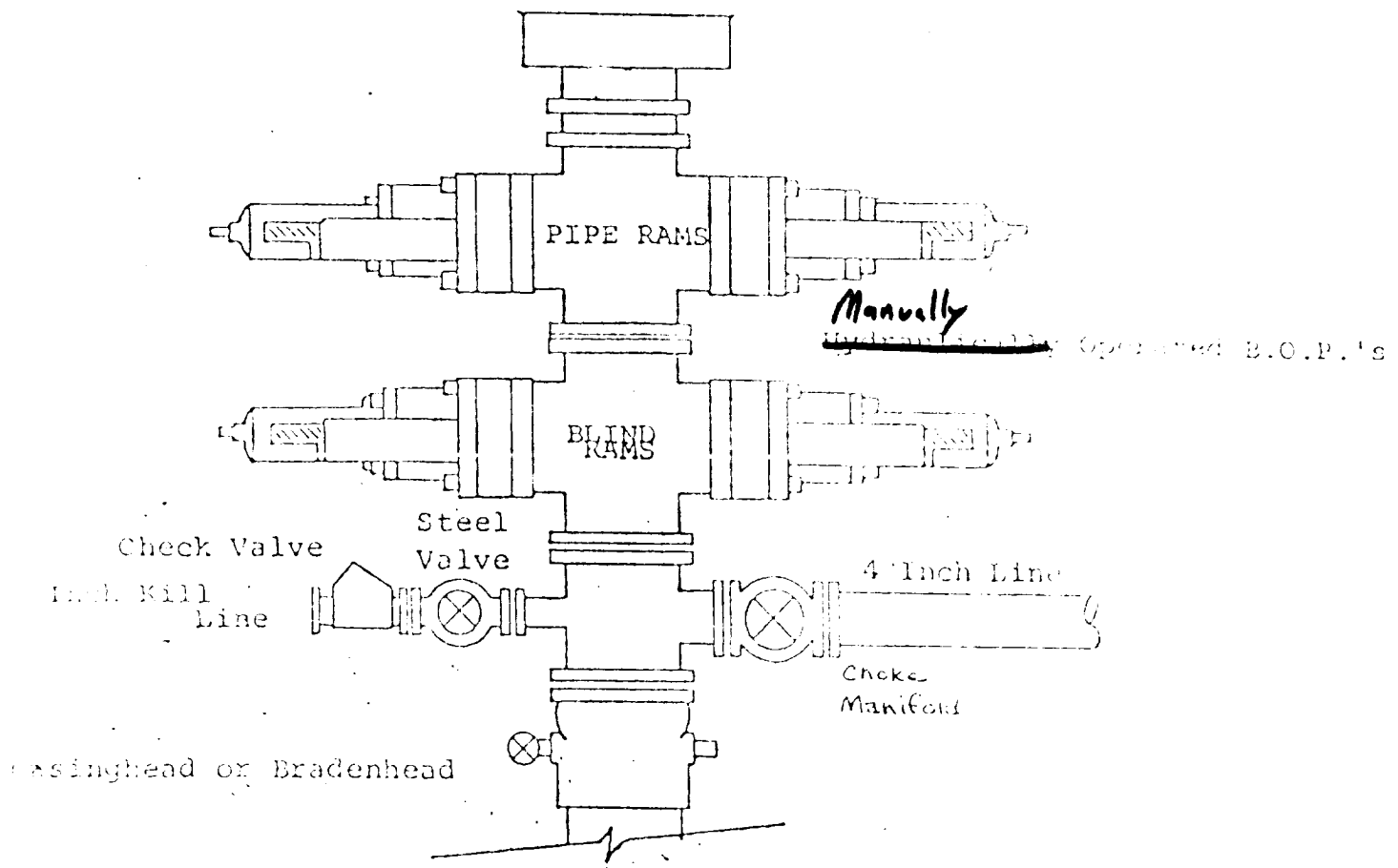
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

| | |
|--|---|
| | <p align="center">CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Name <u>Ken Beardsley</u></p> <p>Position <u>Registering Agent</u></p> <p>Company <u>Yates Petroleum Corp</u></p> <p>Date <u>11-11-83</u></p> |
| | <p>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.</p> <p>Date Surveyed <u>11/3/83</u></p> <p>Registered Professional Engineer and/or Land Surveyor <u>[Signature]</u></p> <p>Certificate No. <u>3640</u></p> |

EXHIBIT B

BDP DIAGRAM

RATED 3000[#]



YATES PETROLEUM CORPORATION
Spear "OA" Federal #3
1930' FSL and 660' FWL
Sec. 15-T9S-R26E

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 BLM requirements.

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

| | |
|------------|-------|
| San Andres | 970' |
| Glorieta | 2175' |
| Fullerton | 3605' |
| Abo | 4353' |
| TD | 4975' |
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 150-280'

Oil or Gas: Abo 4300'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
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 csg w/GR-CNL to surface & DLL from TD to csg w/RxO.
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.

