

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

660' FSL and 1650' FEL

At proposed prod. zone

Same

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

Approximately 19 miles east of Roswell, New Mexico

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.

1/2 mile

16. NO. OF ACRES IN LEASE

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.)

3850.1' GR

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
12-1/4"	8-5/8"	24# K-55	Approx. 1100'	600 sacks - circulate
7-7/8"	4-1/2"	9.5# K-55	" TD	400 sacks

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 cavings. 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 4200', salt gel and starch to TD

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

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. 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

Clifton R. May

TITLE Regulatory Agent

DATE March 19, 1987

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

S/Phil Kirk

Area Manager

MAR 25 1987

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR
CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE
TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD
*See Instructions On Reverse Side
ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREIN

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

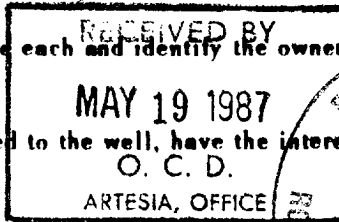
**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-4-65

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

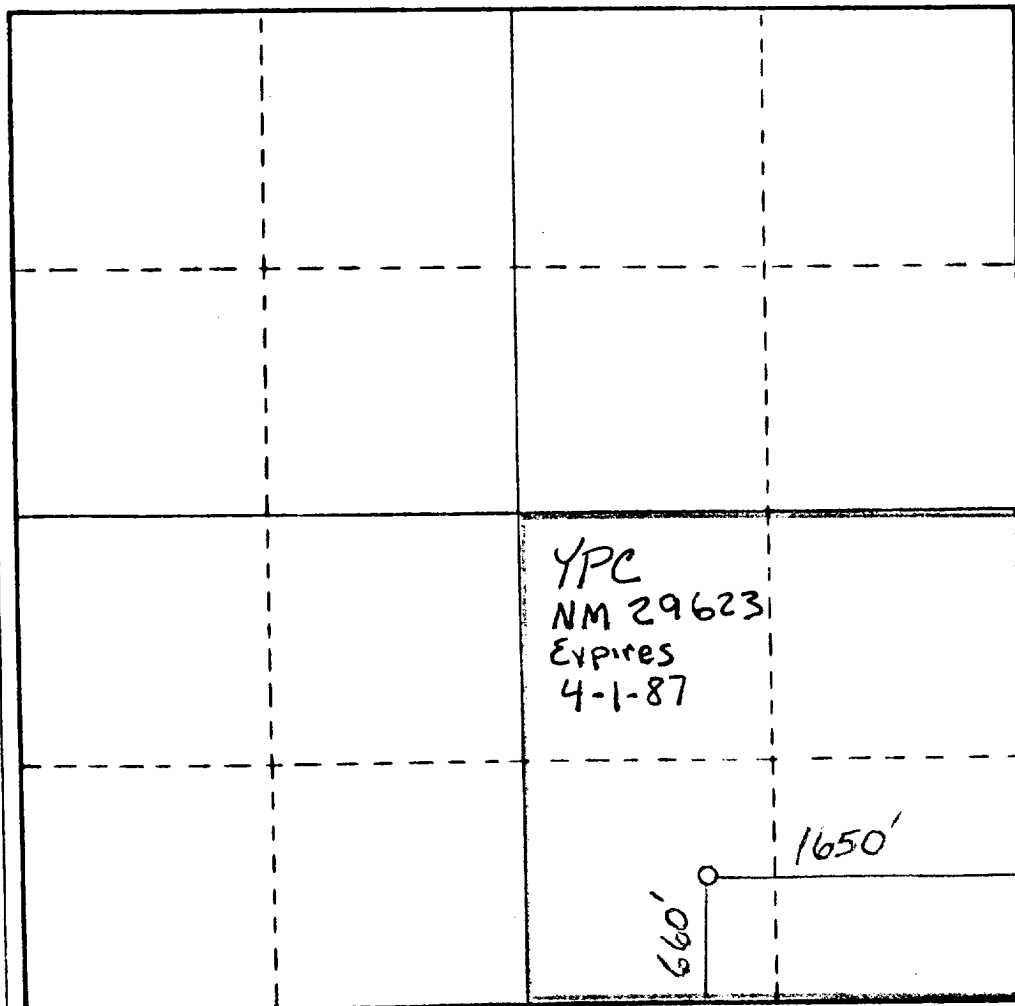
Operator Yates Petroleum Corp			Lease FIAREE AEL 7ED		Well No. 1
Unit Letter O	Section 33	Township T8S	Range 26E	County CHAVES	
Actual Footage Location of Well: 660 feet from the South line and 1650 feet from the EAST line					
Ground Level Elev. 3850.1	Producing Formation ABO		Dedicated Acreage: Pecos Slope ABO		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.

Cly Cowan
 Name **Cly Cowan**
 Position **Regulatory Agent**
 Company **Yates Petroleum Corp**
 Date **3-17-87**

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.

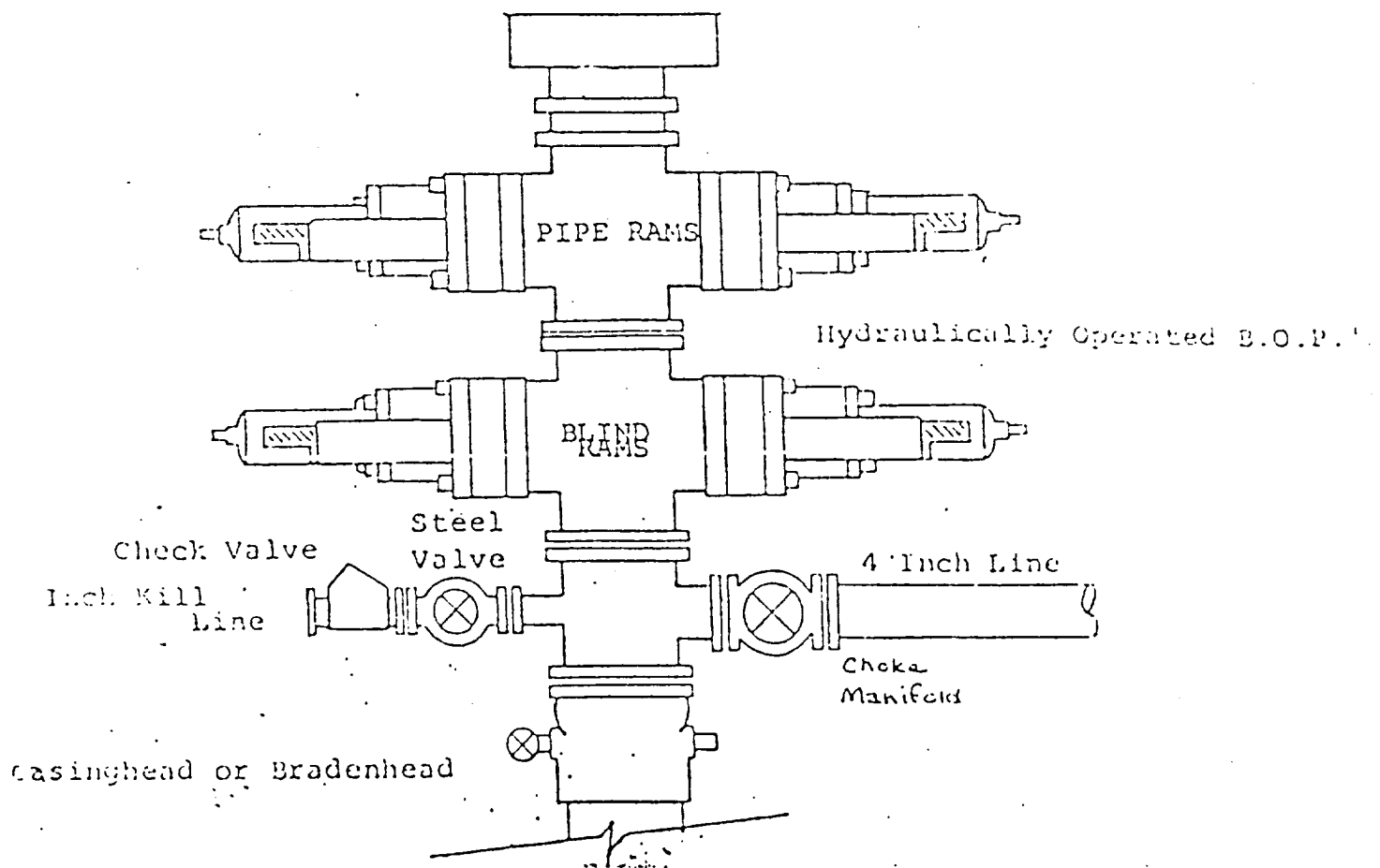
Date Surveyed **3-17-87**
 Registered Professional Engineer and/or Licensed Surveyor **540 ES**
 Certificate No. **3646**



EXHIBIT B

BOP DIAGRAM

RATED 3000[#]



YATES PETROLEUM CORPORATION
Filaree AEL Federal #1
660' FSL and 1650' FEL of
Section 33-T8S-R26E
Chaves County, New Mexico



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.

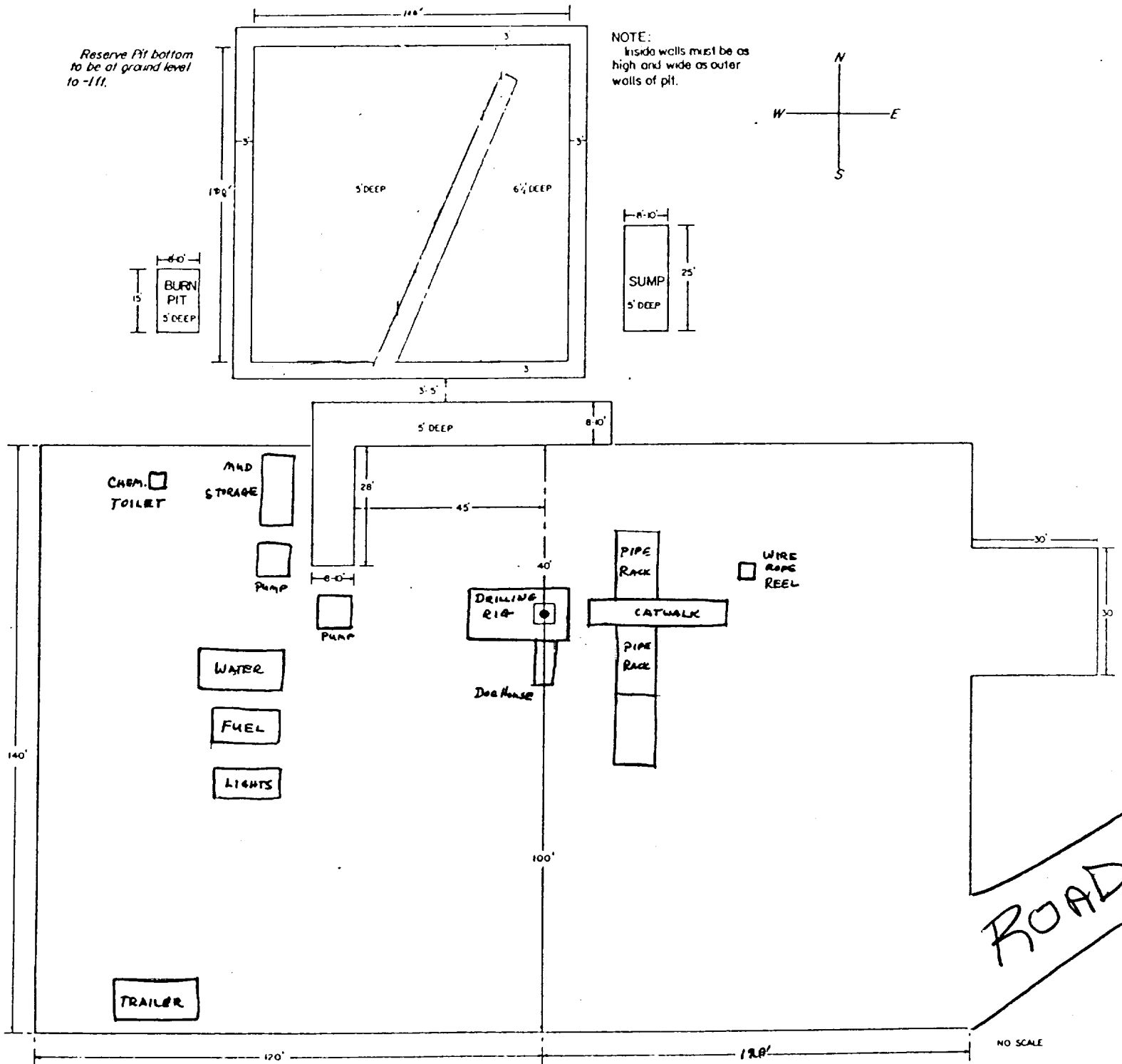
1. The geological surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	1048'
Glorieta	2166'
Yeso	2232'
Abo	4384'
TD	5000'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 150-300'
Oil or Gas: Abo 4400'
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:

Testing: As warranted.
Logging: CNL/FDC from TD to casing with GR-CNL on to surface; DLL from TD to casing.
Samples: Surface casing to TD.
Coring: None anticipated.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

EXHIBIT C



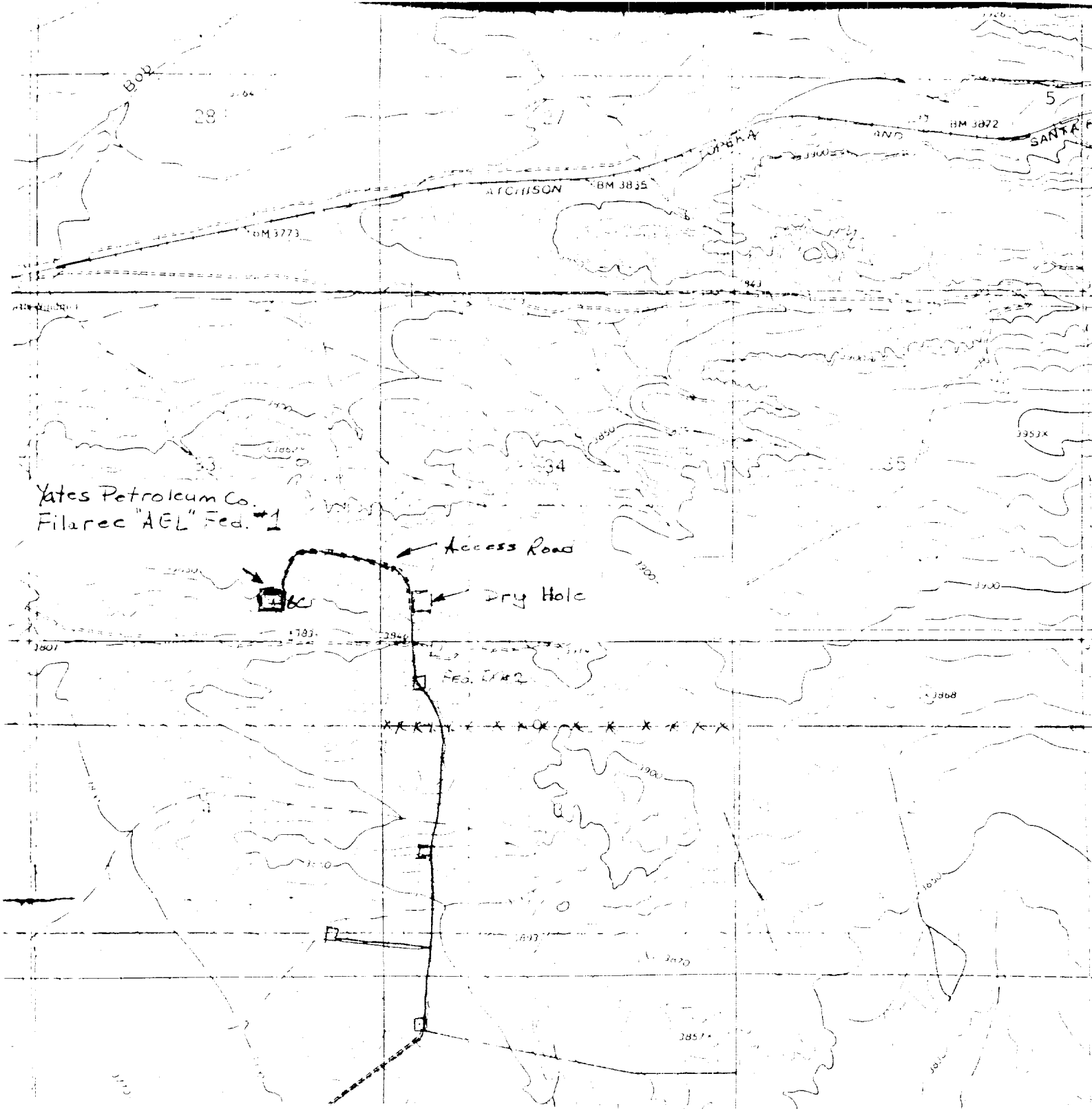


Fig. 1. USGS ACME QUADRANGLE, 7.5 Minute Series, 1:24,000, 1962, showing YATES PETROLEUM CORPORATION's proposed Filaree "AEL" Federal Well No. 1, 660 FSL, 1650 FEL, and access road, Sections 33 and 34, T8S, R26E, NMPM, Chaves County, New Mexico.

EXHIBIT A