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

OCT 09 '87

O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease
STATE ☒ FEE ☐

5. State Oil & Gas Lease No.
LG-4916

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		2. Name of Operator Yates Petroleum Corporation		7. Unit Agreement Name	
3. Address of Operator 105 South Fourth Street - Artesia, New Mexico 88210		8. Farm or Lease Name Sandlewood AEU State		9. Well No. 1	
4. Location of Well UNIT LETTER <u>N</u> LOCATED <u>660</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>31</u> TWP. <u>8S</u> RGE. <u>27E</u> NMPM		10. Field and Pool, Wildcat <u>FEED</u> Four Ranch North		12. County Chaves	
11. Elevations (Show whether DF, RT, etc.) 3958.4' GR		21A. Kind & Status Plug. Bond Blanket		19. Proposed Depth 6400'	
21B. Drilling Contractor L & M Rig #2		19A. Formation Penn		20. Rotary or C.T. Rotary	
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
12-1/4"	8-5/8"	24# J-55	Approx. 950'	550 sacks	Circulate
7-7/8"	4-1/2"	9.5# J-55	TD	300 sacks	

We propose to drill and test the Penn and intermediate formations. Approximately 950' of surface casing will be set and cement circulated. 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 950', brine to 4300', starch to TD.

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

Post 11
NGL APJ
10-9-87

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 4-10-88
UNLESS DRILLING UNDERWAY

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. 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 Brading Title Landman Date October 9, 1987

(This space for State Use)

Original Signed By
Los A. Clements

APPROVED BY Supervisor District 11 TITLE DATE OCT 10 1987

CONDITIONS OF APPROVAL, IF ANY:

map

**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.

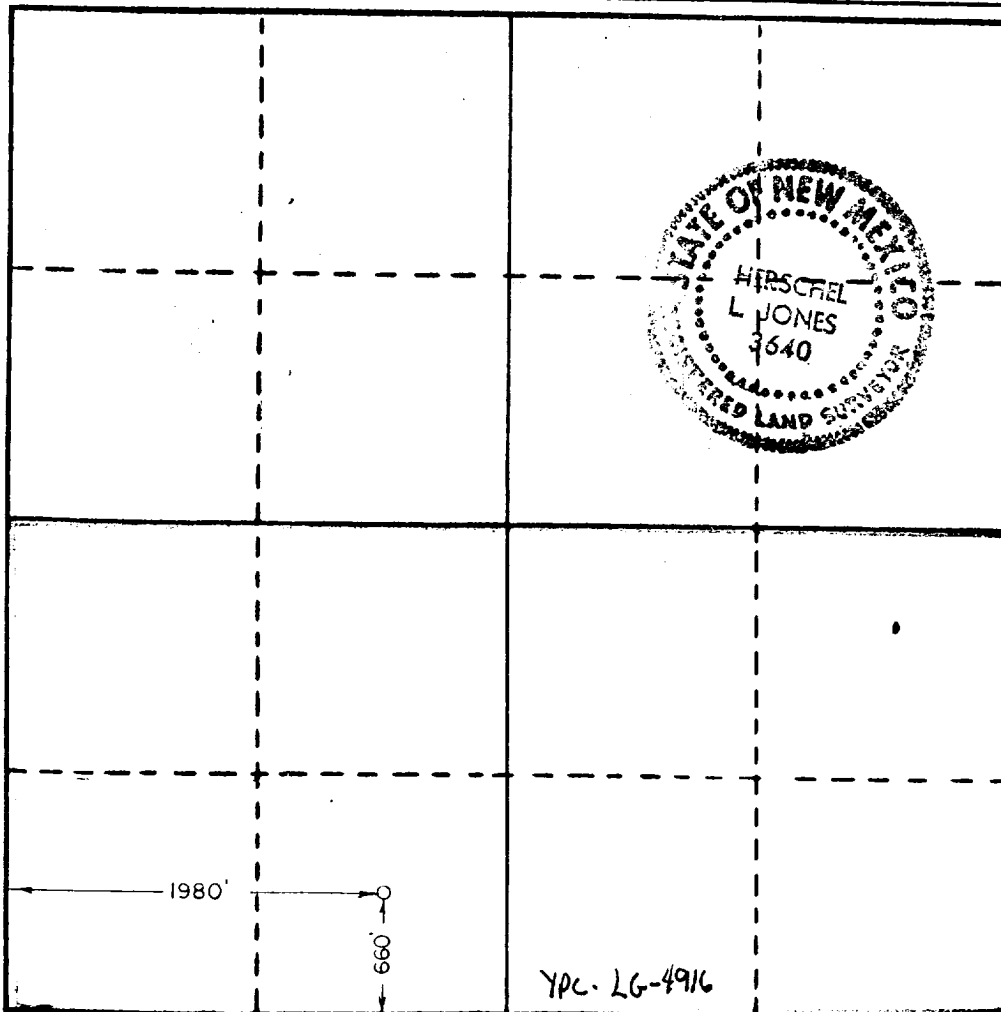
Operator YATES PETROLEUM CORPORATION			Lease SANDLEWOOD "AEW" STATE		Well No. 1
Unit Letter N	Section 31	Township 8 South	Range 27 East	County Chaves	
Actual Footage Location of Well: 1980' West 660' South					
Ground Level Elev. 3958.4	Producing Formation Penn		Well WILDCAT PENN Four-Ranch North		Dedicated Acreage 320 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.



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
Landman

Company
Yates Petroleum Corporation

Date
October 9, 1987

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
10/7/87

Registered Professional Engineer and/or Land Surveyor

Herschel L Jones
Certificate No. **3640**



EXHIBIT B

BDP DIAGRAM

RATED 3000[#]

