

9/82

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

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

3. NAME OF OPERATOR
Yates Petroleum Corporation

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

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
940' FNL and 1550' FWL

6. At proposed prod. zone
same

7. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 6 miles west of Artesia, New Mexico.

8. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any.) 990'

9. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETION, OR APPLIED FOR, ON THIS LEASE, FT.
appr. 1500'

10. ELEVATIONS (Show whether DF, RT, GR, etc.)
3537' GL

5. LEASE DESIGNATION AND SERIAL NO.
NM-054434

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal "BQ"

9. WELL NO.
8

10. FIELD AND POOL, OR WILDCAT
Eagle Creek/SA

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 27-T17S-R25E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

14. NO. OF ACRES ASSIGNED TO THIS WELL
40

15. ROTARY OR CABLE TOOLS
Rotary

16. 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 1/2"	10 3/4"	30#	appr. 320'	200 sx circulated
9 1/2"	7"	23#	appr. 1150'	400 sx circulated
6 1/4"	4 1/2"	9.5#	TD	125 sx circulated

Proposed to drill a San Andres test. Approximately 320' of surface casing will be run to shut off gravel and caving. 7" intermediate casing will be run and set 100' below the Artesian Zone. If commercial, production is encountered, a string will be run, perforated and stimulated for production.

MUD PROGRAM: FW gel and LCM to 1150' (or dry drill), water to TD.

BOP PROGRAM: BOP's will be installed on 7" casing and tested daily.

Partial copy
of 1st BOP
1-7-83

17. ABOVE STATE 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 prevention program, if any.

SIGNED

Len Branstetter

TITLE

Regulatory Coordinator DATE 12/16/82

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

APPROVED
(ORIG. SGD.) DAVID R. GLASS

CONDITIONS OF APPROVAL

DEC 21 1982

for JAMES A. GILLHAM
DISTRICT SUPERVISOR

RECEIVED

DEC 16 1982

OIL & GAS
MINERALS MGMT. SERVICE
ROSWell, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-85

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

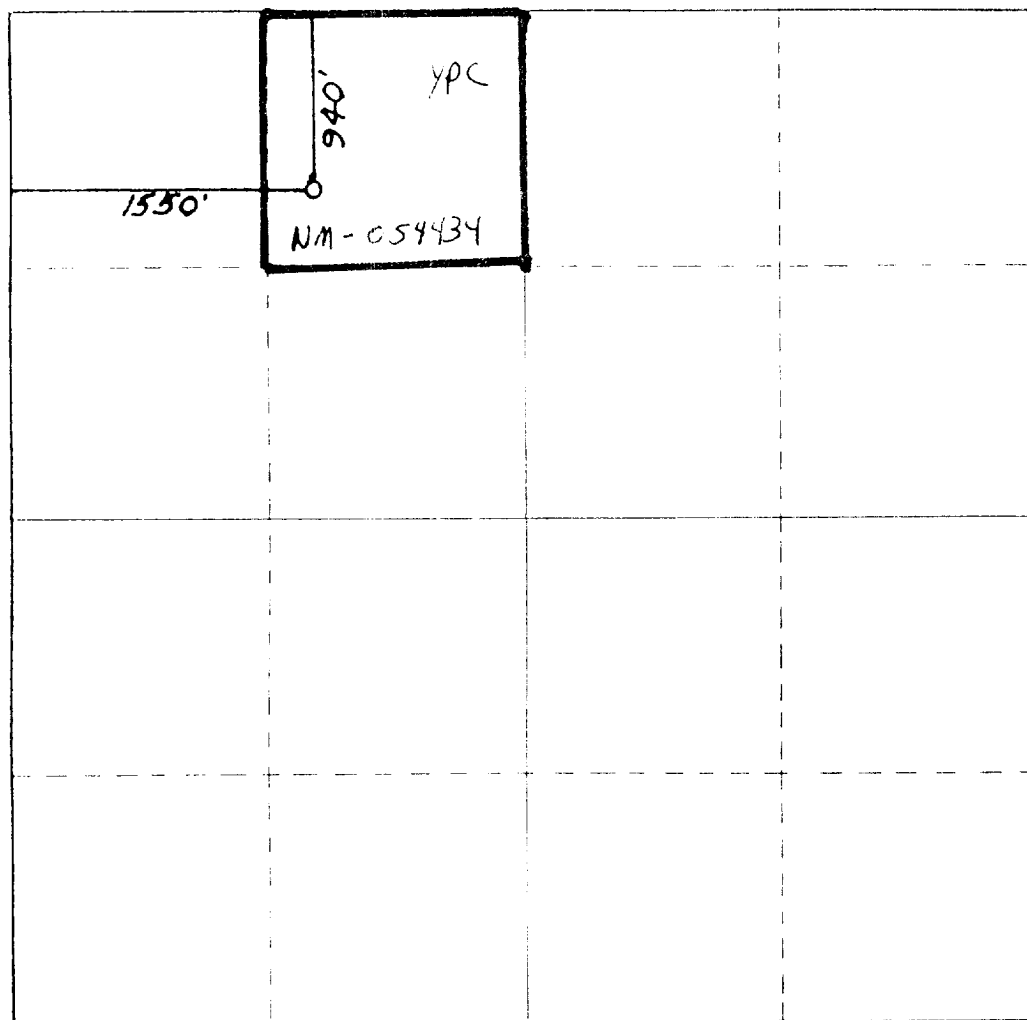
YATES PETROLEUM CORPORATION			Federal BQ		Well No. 8
Section C	Range 27	Meridian 17 South	Section 25 East	County Eddy	
940 feet from the North		1550 feet from the West			
3537	San Andres	Eagle Creek	SA	40	Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

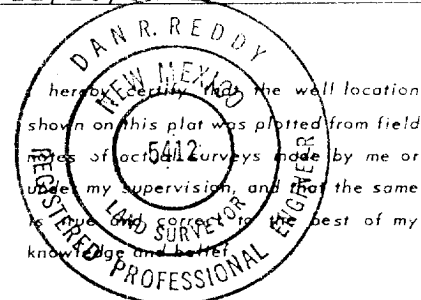
Regulatory Coordinator

Company

Yates Petroleum Corp.

Date

12/16/82



Date Surveyed

12/15/82

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

NMPE&LS #5412

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

Federal "BQ" #8
940' FNL and 1550' FWL
Sec. 27-T17S-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 USGS requirements.

1. The geologic surface formation is quaternary alluvium.

2. The estimated tops of geologic markers are as follows:

TP appr. 1500'

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 150' - 250' and 700' - 950'

Oil or Gas: San Andres 1300' - 1450'

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. Test logs, logging and Coring Program:

Coring: 10' samples from under surface

Logging: none

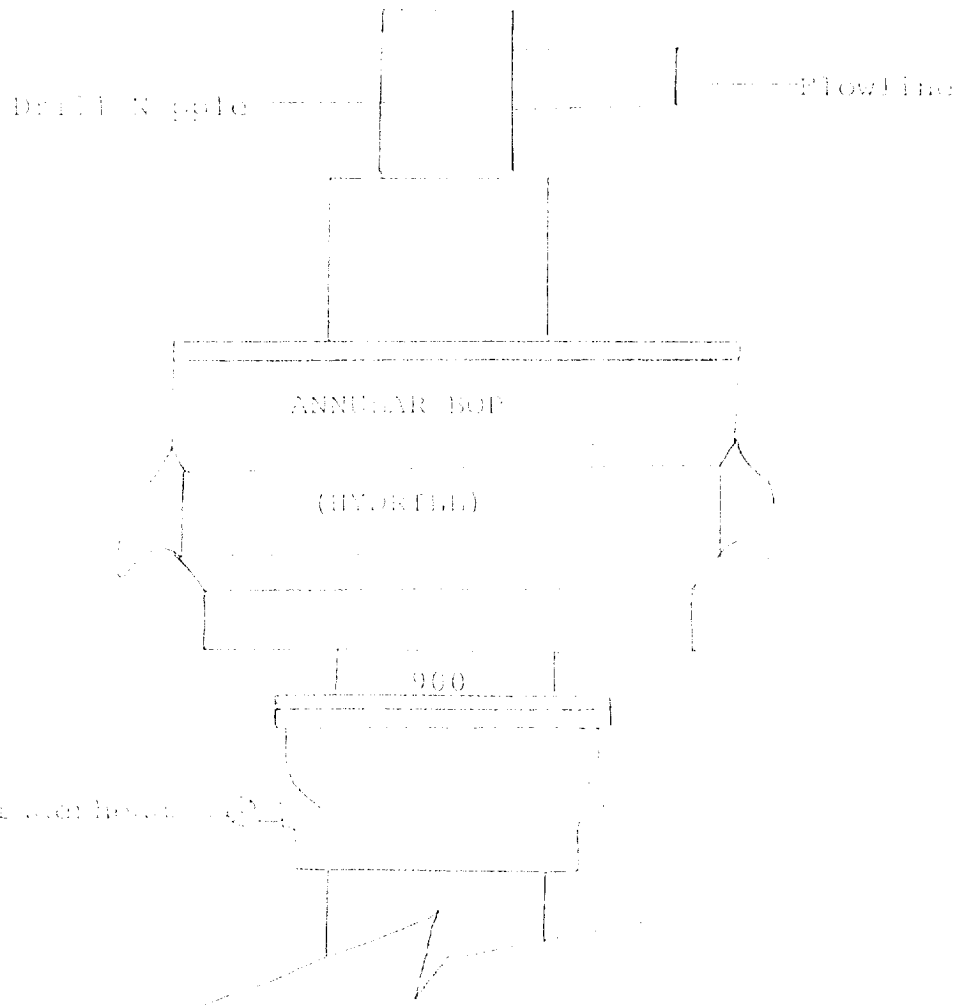
Coring: none

Logging: GR/Neutron

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

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.

YATES PETROLEUM CORP.
Exhibit C

