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SUBMIT IN LPLICATE*

Form approved.
Budget Bureau No. 42-R1425.

30-015-25050

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
O.C.D.
ARTESIA, OFFICE

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

207 South 4th Street, Artesia, New Mexico

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

At surface
330' FSL & 1750' FWLAt proposed prod. zone
same

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

15 miles east of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED*

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

330'

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

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

4089' GL

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
17 1/2"	13 3/8"	48# H-40	575'	Circ.
12 1/4"	8 5/8"	24# K-55	1950'	Circ.
7"	5 1/2"	15.5# K-55	4000'	350 SX

We propose to drill a San Andres test. Approximately 575' of surface casing will be run to shut off gravel and caving. If needed, Intermediate casing will be run and set to protect the fresh water zones. If commercial production is encountered, a production string will be run, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 575', Brine & LCM to TD.

BOP PROGRAM: BOP's will be installed 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 Cy Cowan TITLE Regulatory Agent DATE 9/27/84

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

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.

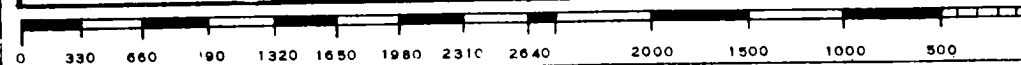
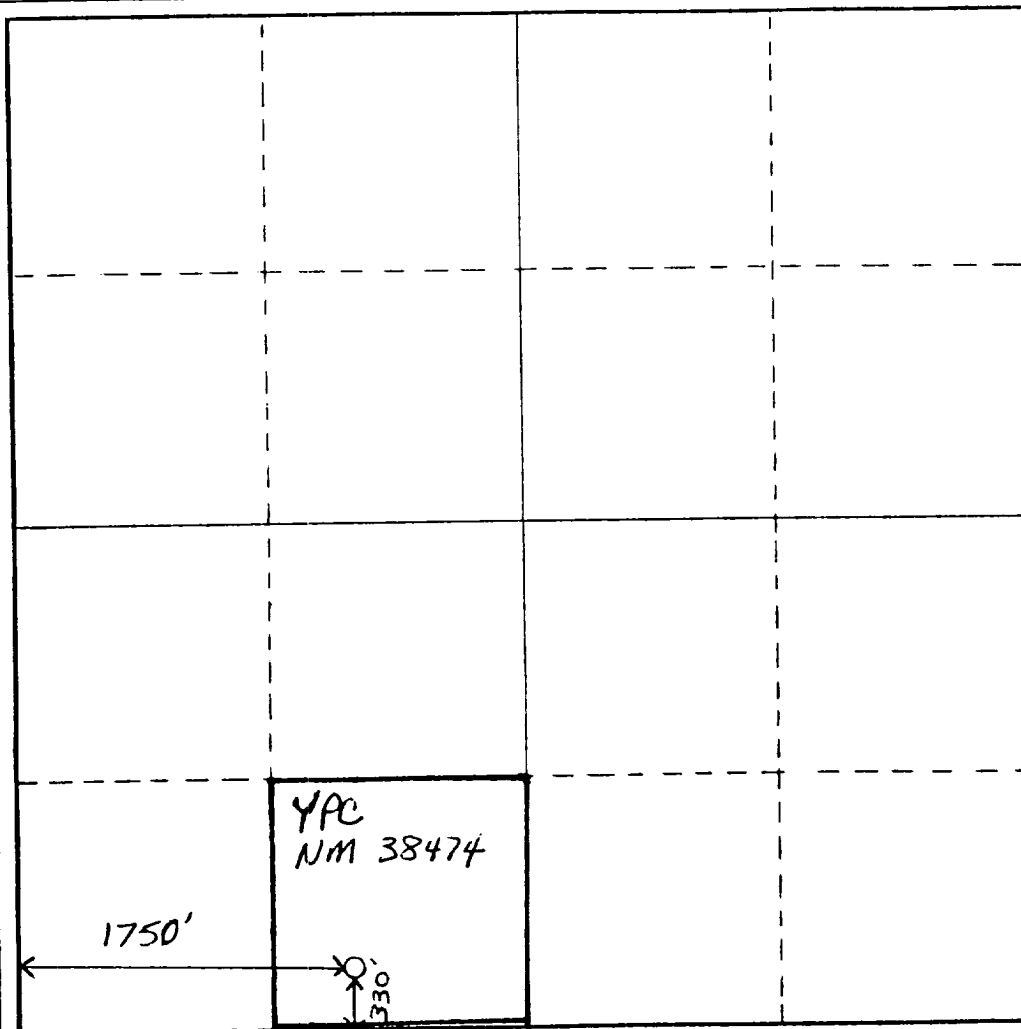
Operator YATES PETROLEUM CORPORATION			Lease Porcupine "AAQ" Federal		Well No. 1
Unit Letter N	Section 26	Township 16 South	Range 31 East	County Eddy	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 330' feet from the South line and 1750' feet from the West line </div>					
Ground Level Elev. 4089' GL	Producing Formation SAN ANDRES	Pool Square Lake Grayburg S.A.	Dedicated Acreage: 40 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

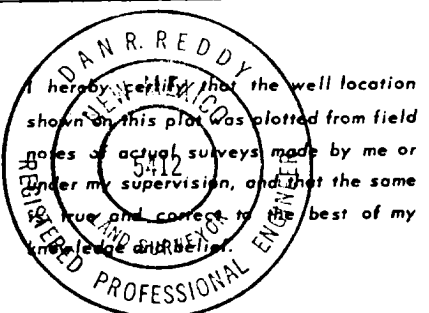
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Cy Cowan
Name: **Cy Cowan**

Position:
Regulatory Agent

Company:
Yates Petroleum Corporation

Date:
9/27/84



Date Surveyed:
September 19, 1984

Registered Professional Engineer
and/or Land Surveyor

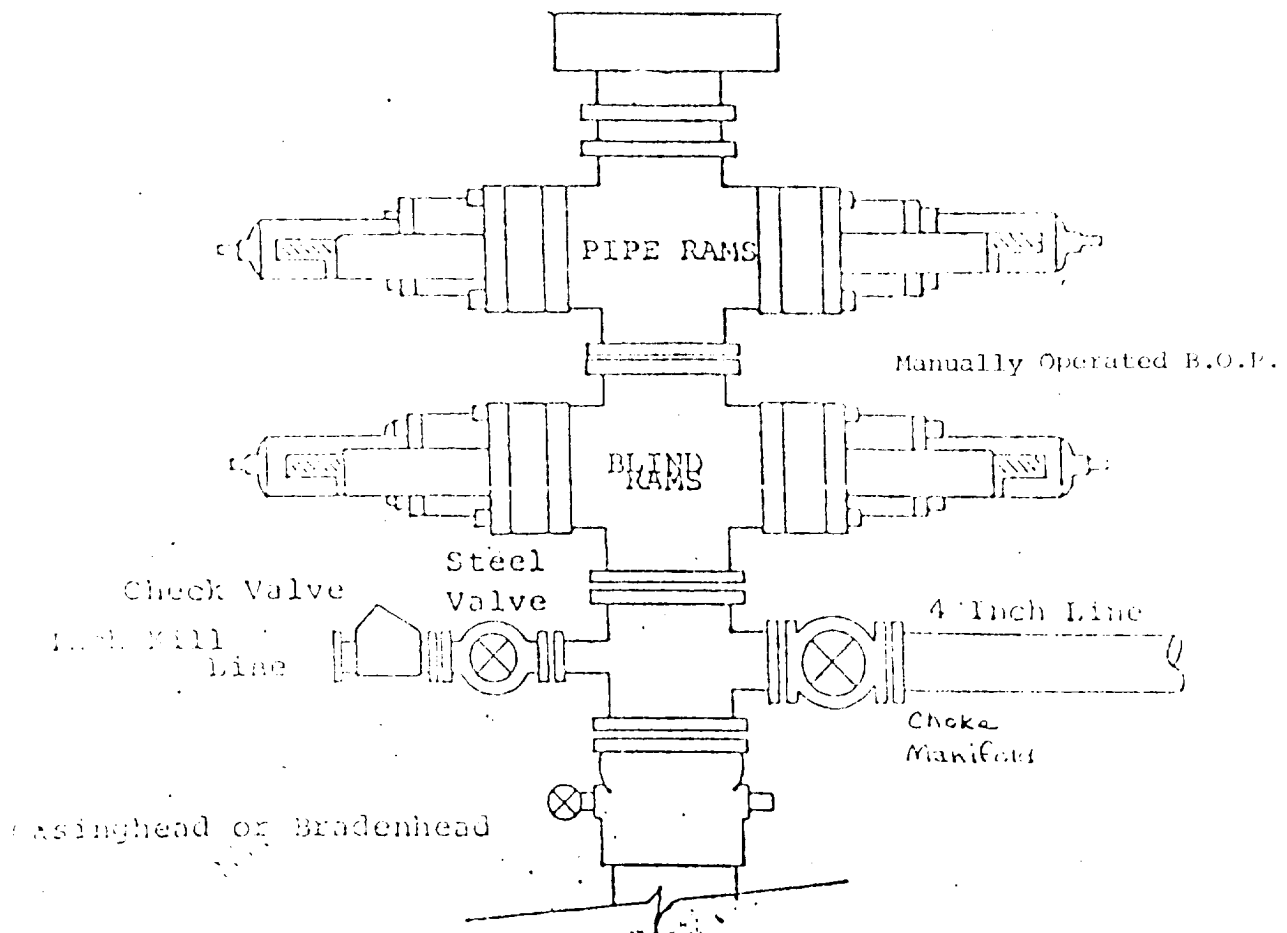
Dan R. Reddy
Certificate No. _____

NM PE&LS #5412

EXHIBIT B

BDP DIAGRAM

RATED 3000[#]



YATES PETROLEUM CORPORATION
Porcupine "AAQ" Federal #1
330' FSL and 1750' FWL
Section 26-T16S-R31E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Company 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:

Anhydrite	770'	Metex	3580'
Base of salt	1900'	Primer	3680'
Queen	2930'	San Andres	3730'
Penrose	3240'	Lovington Sand	3850'
		TD	4000'

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

Water: Approximately 200-240'

Oil or Gas: 3780'
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: 10' samples caught out from under surface casing to TD.
DST's: As warranted.
Logging: ONL/LDT - TD to casing w/GR to surface DLL w/RxO to 3000'
Mud Logging: One man unit on out from under surface casing to 3000'
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Porcupine "AAQ" Federal #1
330' FSL and 1750' FWL
Section 26-T16S-R31E
Developmental Well

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS.

Exhibit A is a portion of a county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 24 miles ESE of Artesia, New Mexico and the access route to the location is indicated in red and green.

DIRECTIONS:

1. Go East from Artesia to Loco Hills.
2. Continue east for approximately 2.5 miles.
3. Turn north on black top.
4. Follow main lease road approximately 5 miles north, then approximately 6 miles east.
5. Turn north at pump station.
6. and go approximately .4 of a mile.
7. Location will be on right.

2. PLANNED ACCESS ROAD.

- A. No new road.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed and crowned, with drainage on one side.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive gas.

YATES PETROLEUM CORP.

Exhibit C

