District I 1625 N. French Dr., Hobbs, NM 88240 District II 811 South First, Artesia, NM 88210 District III 1000 Rio Brazos Road, Aztec, NM 87410 District IV

Date:

August 10,2000

State of New MexicoRECEIVED Energy Minerals and Natural Rosown 15/14

Form C-101 Revised March 17, 1999

Oil Conservation Division 2040 South Pacheco

Submit to appropriate District Office State Lease - 6 Copies

Expiration Da

2040 South Pacheco, Santa Fe, NM 87505 Fee Lease - 5 Copies Santa Fe, NM 87505 AMENDED REPORT APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE Operator Name and Address
YATES DRILLING COMPANY OGRID Number 025513 105 South Fourth Street API Number Artesia, New Mexico 30 -Property Code Spurck 15 State Com. Well No. Surface Location UL or lot no. Section Township Rance Lot Idn Feet from the North/South line Feet from the East/West line County L 15 17_S 28E 1980' South 660' West Eddy Proposed Bottom Hole Location If Different From Surface UL or lot no. Section Township Lot Idn Feet from the North/South line Feet from the East/West line County *Proposed Pool 1 Proposed Pool 2 Work Type Code Well Type Code Cable/Rotary Lease Type Code Ground Level Elevation G R S Multiple 35221 Proposed Depth Formation Contractor Spud Date N 10,250' Morrow Not determined Minimum WOC time Shra. ASAP ²¹ Proposed Casing and Cement Program Hole Size Casing Size Casing weight/foot Setting Depth Sacks of Cement Estimated TOC 14 3/4" 11 3/4" 42# 400° 250 sxSurface 11" 8 5/8" 24# 20001 900 sx Surface 7 7/8" 5 1/2" 17# & 15.5# 10250' 200 sx TOC 6100' Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Yates Petroleum Corporation 400' proposes to drill and test the Morrow and Intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed production. MUD PROGRAM: 0'-400' FW/SpudMud; 400'-2000' FW; 2000'-5400' FW/Cut Brine; 5400'-9400' Cut Brine; 9400'-10250' Salt Gel/Starch/2% KCL BOPE PROGRAM: A 3000# BOPE will be installed on 8 5/8" casing and tested daily. 23 I hereby certify that the information given above is and complete to the best of OIL CONSERVATION DIVISION my knowledge and belief. ORIGINAL SIGNED BY TIM W. GUM BO Signature: Approved by: Printed name: Title: Title: tory Agent Approval Da

Conditions of Approval:

Attached

Phone: (505) 748-1471

District I 1625 N. French Dr., Hobbs, NM 88240

District II 811 South First, Artesia, NM 88219

District III 1000 Rio Brazos Rd., Aztec, NM 87410 State of New Mexico Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION 2040 South Pacheco Santa Fe. NM 87505

Form C-102 Revised March 17, 1999

Submit to Appropriate District Office

State Lease - 4 Copies

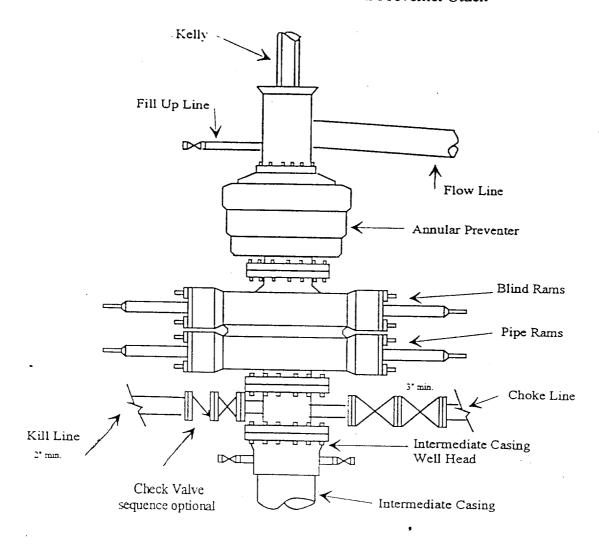
Fee Lease - 3 Copies District IV 2040 South Pacheco, Santa Fe. NM 87505 ☐ AMENDED REPORT WELL LOCATION AND ACREAGE DEDICATION PLAT API Number Peol Code Red Lake Morrow Northeast **Property Code** Property Name Well Number SPURCK 15 STATE COM. 2 OGRID No. Operator Name Elevation YATES DRILLING COMPANY 025513 3522. Surface Location UL or lot no. Section Township Range Lot Ida Feet from the North/South Had Feet from the East/West line County 15 28-E 1980 SOUTH L 17-S WEST 660 **EDDY** ¹¹ Bottom Hole Location If Different From Surface UL er lot ne. Section Township Feet from the North/South line Feet from the East/West line County Dedicated Acres Joint or infill Consolidation Code Order No. 320

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL AL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION OPERATOR CERTIFICATION hereby certify that the information contained herein is true and plete to the best of my knowledge and belief Signature Cowan rRegulatory Agent August 10, 2000 Title 18SURVEYOR CERTIFICATION B-8617 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me 60 or under my supervision, and that the same is true and correct RD 268 AUGUSTR8R E 2000 IN MEX 8 5412 B-1969

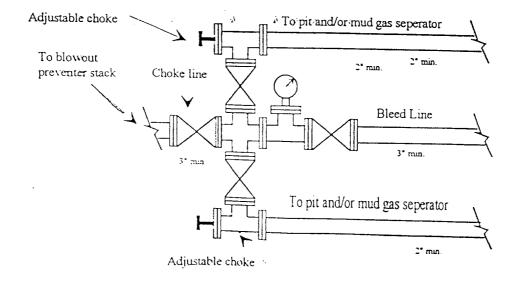


Yates Petroleum Corporation

Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimun features



Feet from the

District 1 1625 N. French Dr., Hobbs, NM 88240 District II

State of New Mexico Energy, Minerals & Natural Resources

Form C-102 Revised March 17, 1999

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION 2040 South Pacheco

Submit to Appropriate District Office State Lease - 4 Copies

District [][1006 Rio Brazos Rd., Aztec, NM 87410 District IV

UL er let se.

320

Santa Fe. NM 87505

Fee Lease - 3 Copies

2640 South Pacheco, Santa Fe, NM 87505

Section

Township

☐ AMENDED REPORT

API Numbe	r Fwal Code	Pool Name
		Empire Penn
Property Code	SPURCK 15 STATE COM.	erty Name Well Number 2
OGRID No. 025513		ator Name Elevation 3522 -

Feet from the Range East/West line Свину SOUTH 1980 660 WEST L 15 17-S 28-E EDDY Bottom Hole Location If Different From Surface UL or lot no. Towaskie Range Lot Ida Feet from the North/South Em Feet from the East/West line County Dedicated Acres Joint or Inilli Conselldation Code Order No.

Lot Ida

North/South line

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A

NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION			
660.	crck 15 Com #1	OPERATOR CERTIFICATION I hereby ceruly than the information contacted herein is true and consisting to the best of any knowledge and bester Connected Plat	
B-8617		Signature Cy Cowan Frinted Native Regulatory Agent This August 28, 2000	
660	B-2178	18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was ploned from third nows of actual surveys made by me or under any succession, and that the same is one and correct to the best of my belief AUGUSTI R 8 R E 2000 Date of Surveys Market	
.086/ (2)	1969	Section of the sectio	