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OPERATOR	✓

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

OCT -8 1986

O.C.D.  
ARTESIA, OFFICE

5A. Indicate Type of Lease

STATE ☐FEE ☒

5. State Oil &amp; Gas Lease No.

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. Type of Well

OIL WELL ☒GAS WELL ☐

OTHER

SINGLE ZONE ☐MULTIPLE ZONE ☐

c. Name of Operator

Yates Petroleum Corporation ✓

d. Address of Operator

105 South Fourth Street - Artesia, NM 88210

e. Location of Well

UNIT LETTER L LOCATED 1650 FEET FROM THE South LINEND 330 FEET FROM THE West LINE OF SEC. 27 TWP. 18S RGE. 26E NMPM

7. Unit Agreement Name

8. Farm or Lease Name

Hoffman PL

9. Well No.

3

10. Field and Pool, or Wildcat

Atoka Glorieta/Yeso

12. County

Eddy

1. Elevations (Show whether DT, KT, etc.)

3355' GR

21A. Kind &amp; Status Plug. Bond

Blanket

19. Proposed Depth

3700'

19A. Formation

Yeso

20. Rotary or C.T.

Rotary

21B. Drilling Contractor

LaRue Drilling Co.

22. Approx. Date Work will start

ASAP

3.

## 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# K-55	Approx. 960'	600 sacks	Circulate
7-7/8"	5-1/2"	15.5# K-55	" 3700'	675 sacks	Circulate

We propose to drill a Yeso test. 8-5/8" casing will be set to 100' below the Artesian Water Zone, which will be approximately 960' and will be cemented to the surface to shut off gravel and cavings. Production casing will be run and cemented, perforated and stimulated as needed for production.

MUD PROGRAM: Fresh water gel and LCM to 960' (or dry drill), fresh water to TD

BOP PROGRAM: BOP's to be installed on 8-5/8" casing and tested daily for operational.

NOTE: Please not extra enclosed plat showing the location of YPC's Hoffman PL #2 in the same quarter/quarter. Per NMOC Rule 102, a copy of this application for permit to drill will be kept on file with the Hoffman PL #2 records in our office.

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODU. 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 Les A. Clements Title Regulatory Agent Date Oct. 6, 1986

(This space for State Use)

Original Signed By

Les A. Clements

APPROVED BY

Supervisor District II

DATE OCT 9 1986

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness

Running & Cmt of 8 5/8" Csg

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 4-9-87  
UNLESS DRILLING UNDERWAY

NE EXICO OIL CONSERVATION COMMISSIC  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

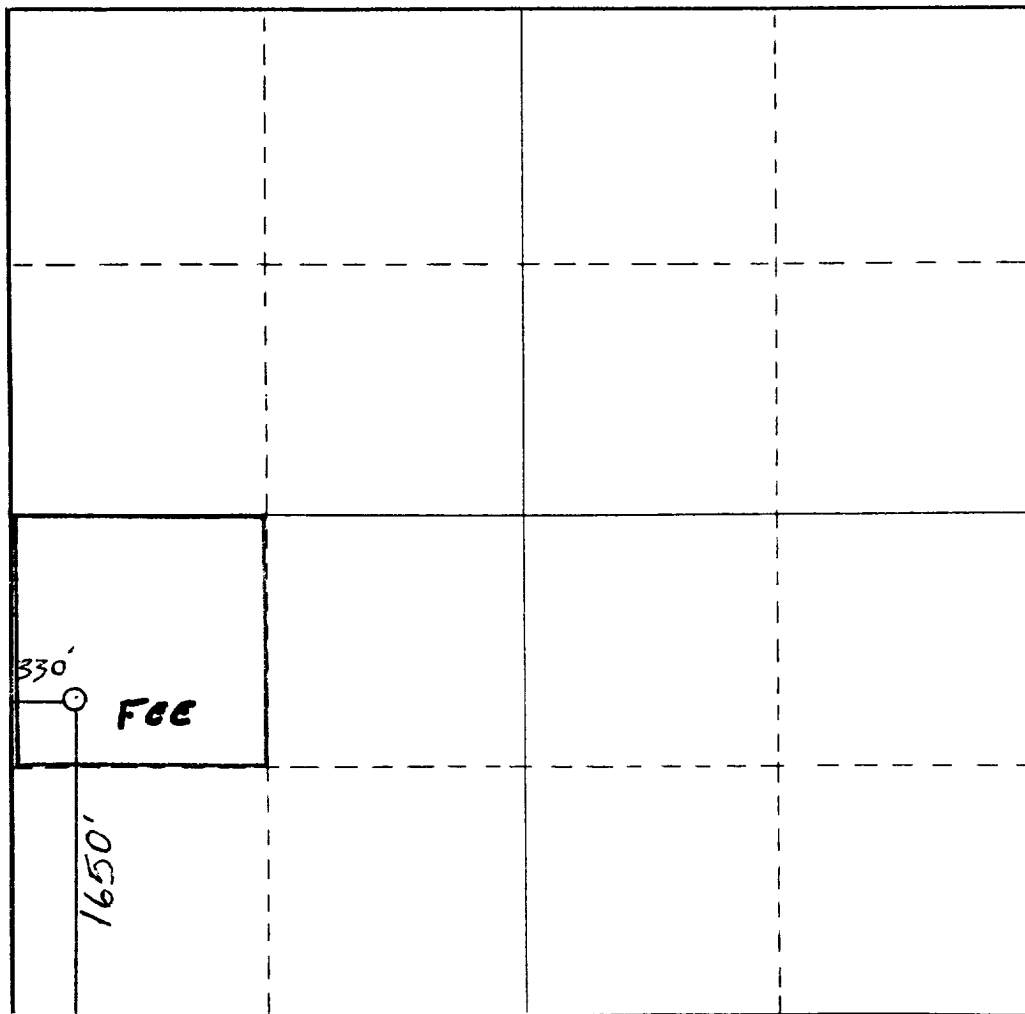
All distances must be from the outer boundaries of the Section.

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>HOFFMAN PL</b>		Well No. <b>3</b>
Unit Letter <b>L</b>	Section <b>27</b>	Township <b>18S</b>	Range <b>26E</b>	County <b>EDDY</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>South</b> line and <b>330</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3355'</b>	Producing Formation <b>YESO</b>	Pool <b>ATOKA GLORIEA / YESO</b>		Dedicated Acreage: <b>40</b> 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, forced 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

Oct. 6, 1986

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

October 4, 1986

Registered Professional Engineer  
and of Land Surveyor

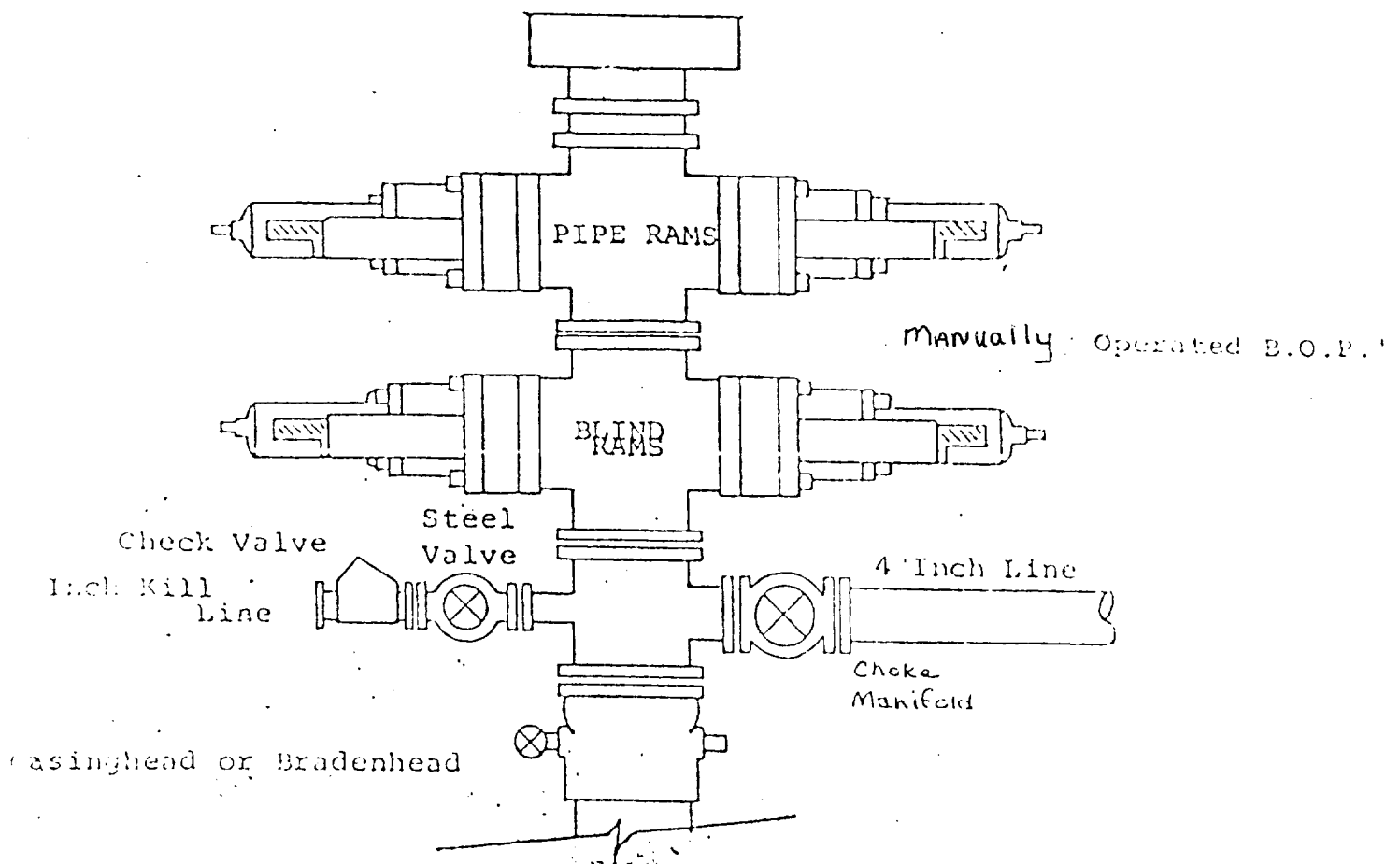
*Dan R. Reddy*  
Certificate No.

NM PE&LS NO. 5412

# EXHIBIT B

## BDP DIAGRAM

RATED 3000<sup>#</sup>



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.

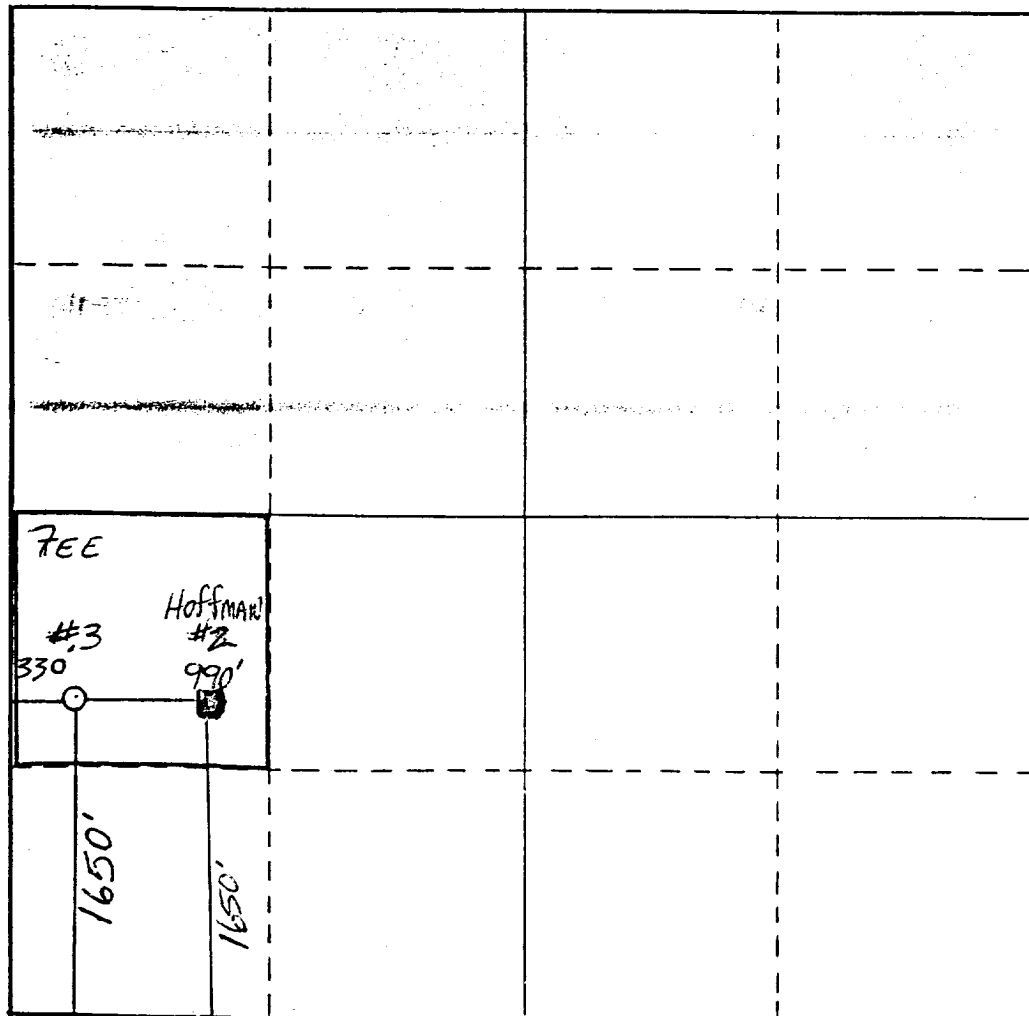
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CERTIFICATION

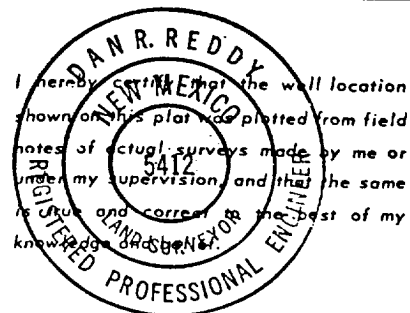
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*Cy Cowan*  
Name  
Cy Cowan

Position  
Regulatory Agent

Company  
Yates Petroleum Corporation

Date  
Oct. 6, 1986



Date Surveyed  
October 4, 1986

Registered Professional Engineer  
and of Land Surveyor

*Dan R. Reddy*  
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