

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

30-015-27292

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
B-7070

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐

SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. Lease Name or Unit Agreement Name

Walters Lake "AML" St.

2. Name of Operator

Yates Petroleum Corporation

8. Well No.

1

3. Address of Operator

105 South 4th Street, Artesia, New Mexico 88210

9. Pool name or Wildcat

Walter Lake Bone Spring Pool

4. Well Location

Unit Letter J : 1650 Feet From The South Line and 2310 Feet From The East Line
Section 2 Township 18S Range 30E NMPM Eddy County

10. Proposed Depth
7400'

11. Formation
Bone Spring

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3603

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Not Designated

16. Approx. Date Work will start
ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	48#	550'	300 SX	Circulated
12 1/4"	8 5/8"	32#	3600'	1500 SX	Circulated
7 7/8"	5 1/2"	17#	TD	1000 SX	Tie back into

surface

Yates Petroleum Corporation proposes to drill and test the Bone Spring and intermediate formations. Approx. 550' 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 for production.

Mud Program: FW/LCM to 550'; Brine/LCM to 3600'; Cut brine/LCM to 6600'; Cut Brine/Drispac/Starch/LCM to TD

BOP Program: Bop's and hydril will be installed on 8 5/8" casing and tested daily.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 7-25-93
UNLESS DRILLING UNDERWAY

POST 10-1
1-24-93
NEWLOG 4 AET

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.

SIGNATURE

Ken Beardemphl

TITLE Landman

DATE 1/25/93

TYPE OR PRINT NAME Ken Beardemphl

TELEPHONE NO.

(This space for State Use)

APPROVED BY

Mark R. Kelly

TITLE

Geologist

DATE

1-25-93

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
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Fee Lease - 3 copies

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Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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P.O. Drawer DD, Artesia, NM 88210

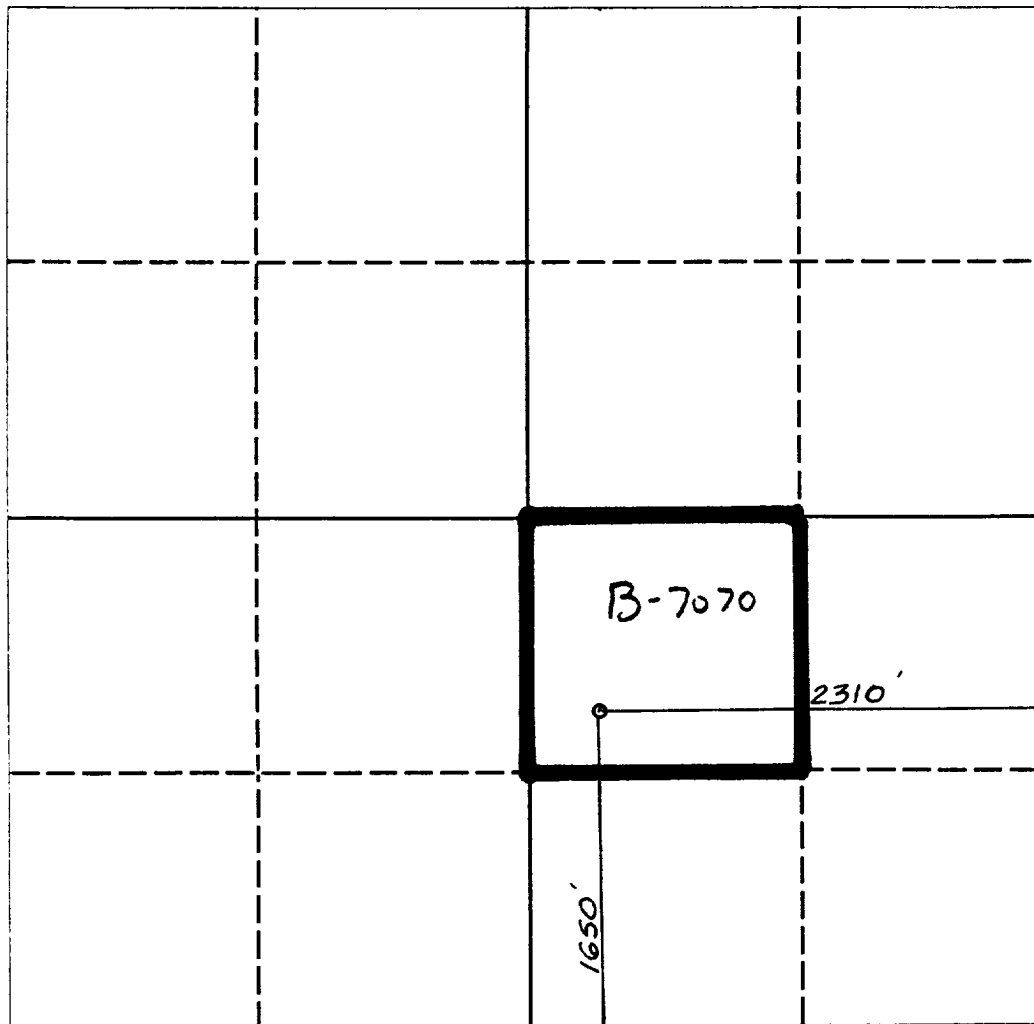
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease WALTERS LAKE AML STATE			Well No. 1		
Unit Letter J	Section 2	Township 18 SOUTH	Range 30 EAST	County EDDY COUNTY, NM				
Actual Footage Location of Well: 1650 feet from the SOUTH line and 2310 feet from the EAST line								
Ground level Elev. 3603.		Producing Formation Bone Springs		Pool Walter Lake Bone Spring Pool		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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Ken Beardolph
Printed Name
Ken Beardolph
Position
Landman
Company
Yates Pet. Corp.
Date
1-25-93

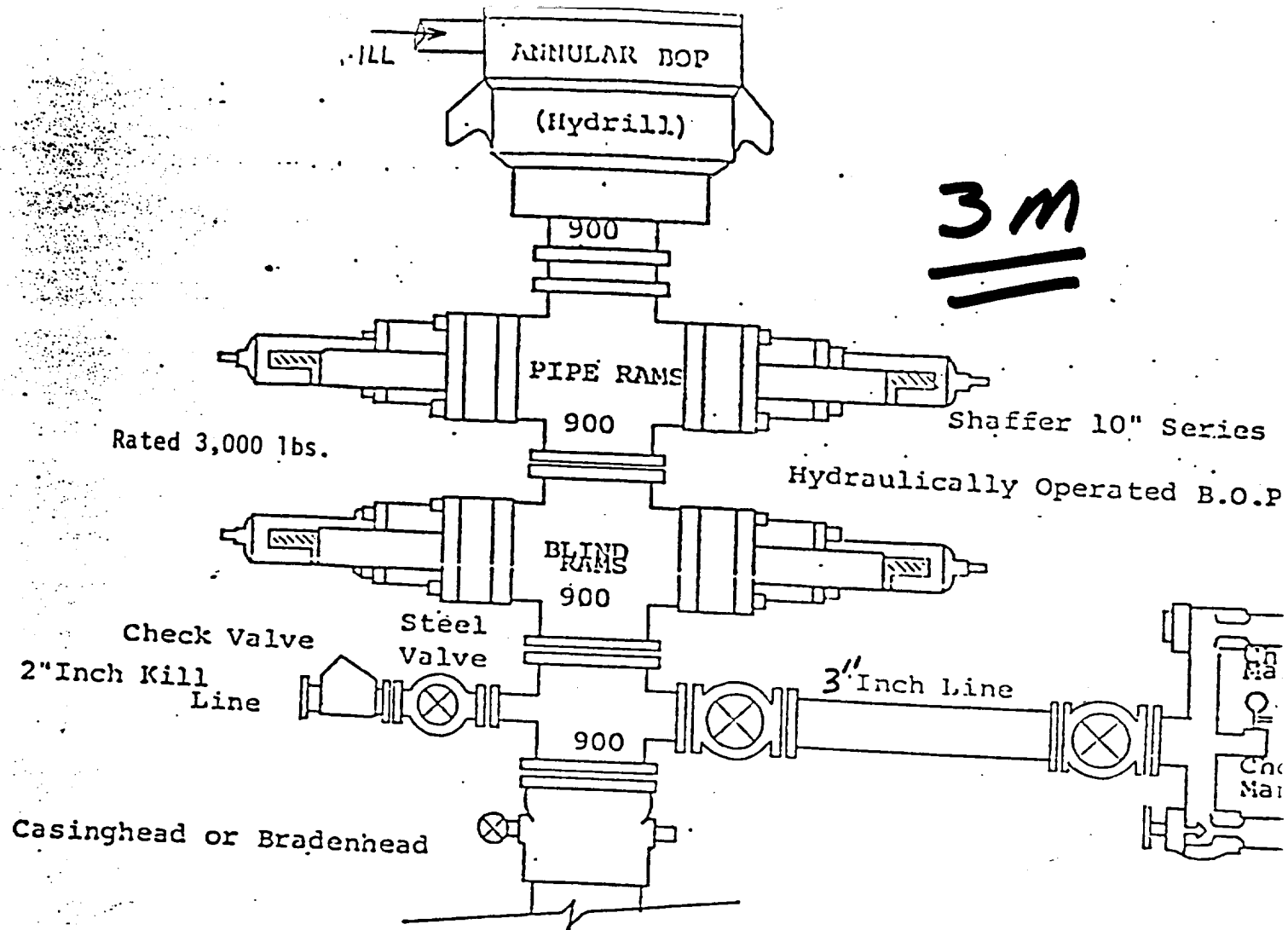
SURVEYOR CERTIFICATION

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
JANUARY 15, 1993
Signature & Seal of Professional Surveyor

Certificate No.
5412
NM PE&S NO. 5412





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of the required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT
B

