

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

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

DISTRICT III
P.O. Box 1930, Hobbs, NM 88240

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

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

AP. NO. (assigned by OCD on New Wells)
30-015-27789

5. Indicate Type of Lease
STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:
OR. WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator
YATES PETROLEUM CORPORATION ✓

3. Address of Operator
105 South Fourth Street, Artesia, New Mexico 88210

4. Well Location
Unit Letter K : 1980 Feet From The South Line and 1980 Feet From The West Line.
Section 34 Township 18 South Range 24 East NMPM Eddy County

7. Lease Name or Unit Agreement Name
Rio Penasco "RT"

8. Well No. 2

9. Pool name or Wildcat
Penasco Wolfcamp

10. Proposed Depth
6200'

11. Formation
Wolfcamp

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3495' GR

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Undesignated

16. Approx. Date Work will start
ASAP

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# - J55	480'	400	Circulate
12 1/4"	8 5/8"	24# - J55	1200'	600	Circulate
7 7/8"	5 1/2"	15.5# & 17# J55	TD	1200	Circulate

Yates Petroleum Corporation proposes to drill and test the Wolfcamp formations. Approximately 480' of surface casing will be set and cement circulated. An intermediate casing string will be set at approximately 1200' (at least 100' below Artesian water sands). If commercial production casing string will be set to TD and cement circulated perforated and stimulated as needed for production.

MUD PROGRAM: FW Gel/LCM to 1200'; cut Brine to 5200'; SW Gel, Starch to TD.

BOPE PROGRAM: BOPE will be installed on the 8 5/8" casing and tested, pipe rams daily for operational, yellow jacket prior to drilling Wolfcamp (5400' ±).

IO-1
1-11-94
V-982

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTION ZONE AND PROPOSED NEW PRODUCTION 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 Clifton R. May TITLE PERMIT AGENT DATE 1/11/94

TYPE OR PRINT NAME CLIFTON R. MAY

TELEPHONE NO. 748-1471

THIS FORM IS FOR STATE USE.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 7-13-94

OFFICIAL

NOTIFY N.M.O.C.D. IN SUFFICIENT TIME TO WITNESS CEMENTING THE CASING

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Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088

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

Santa Fe, New Mexico 87504-2088

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

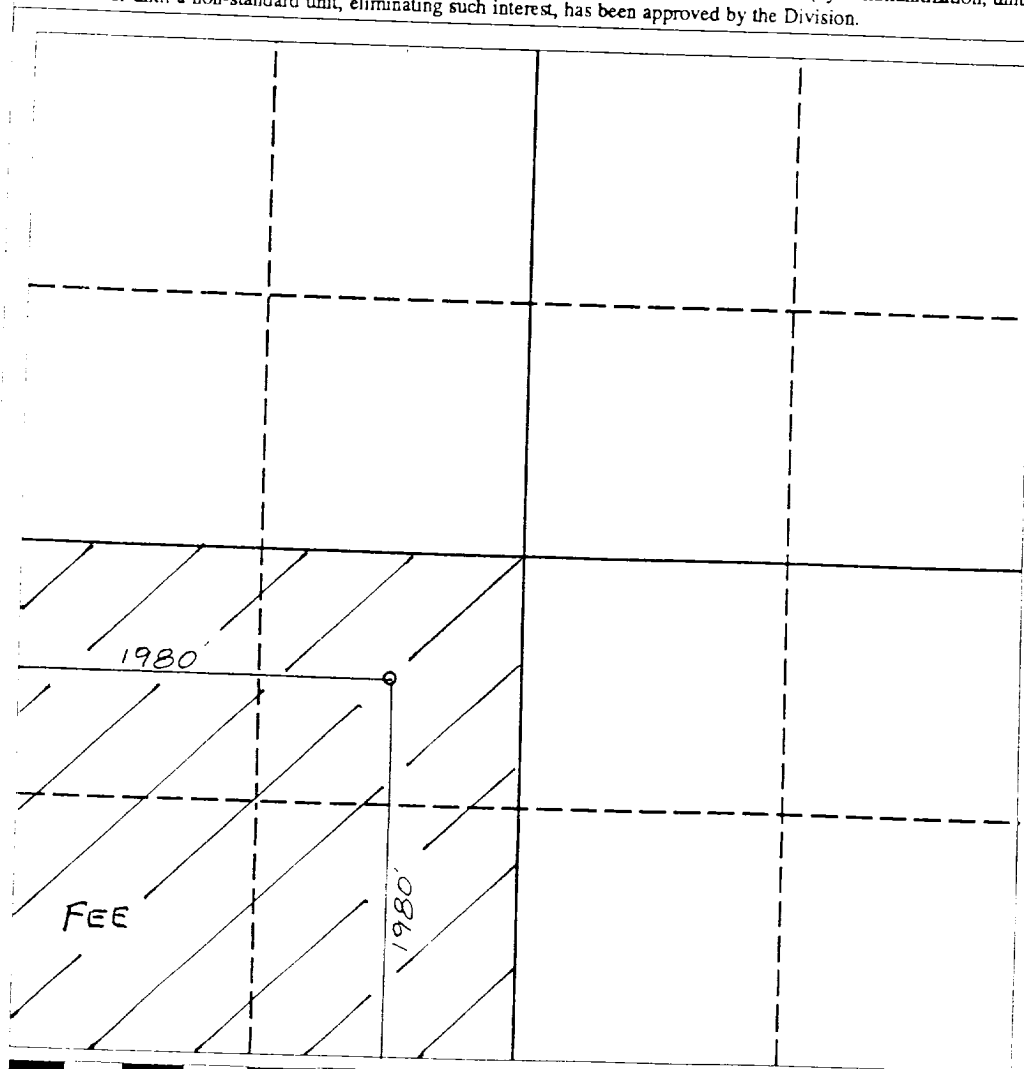
All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease RIO PENASCO RT		Well No. 2
Unit Letter K	Section 34	Township 18 SOUTH	Range 25 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the WEST line					
Ground level Elev. 3495		Producing Formation WOLF CAMP	Pool PENASCO WOLF CAMP	Dedicated Acreage: 160 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 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: Clifton R. May
Printed Name: CLIFTON R. MAY
Position: PERMIT AGENT
Company: YATES PETROLEUM CORPORATION
Date: 1/11/94

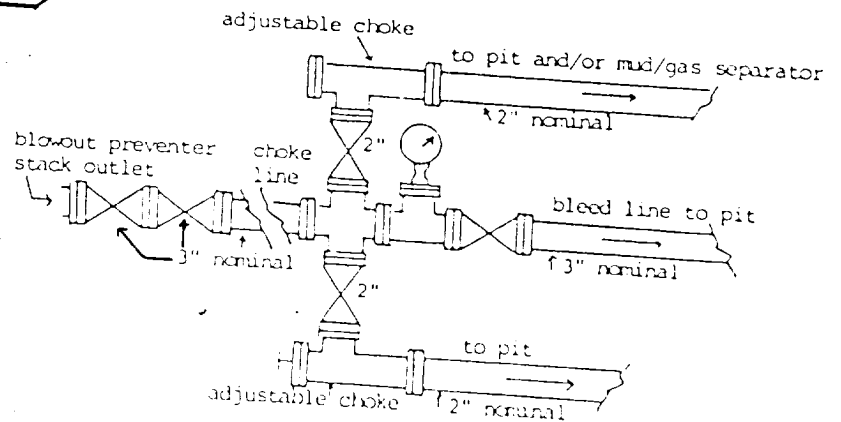
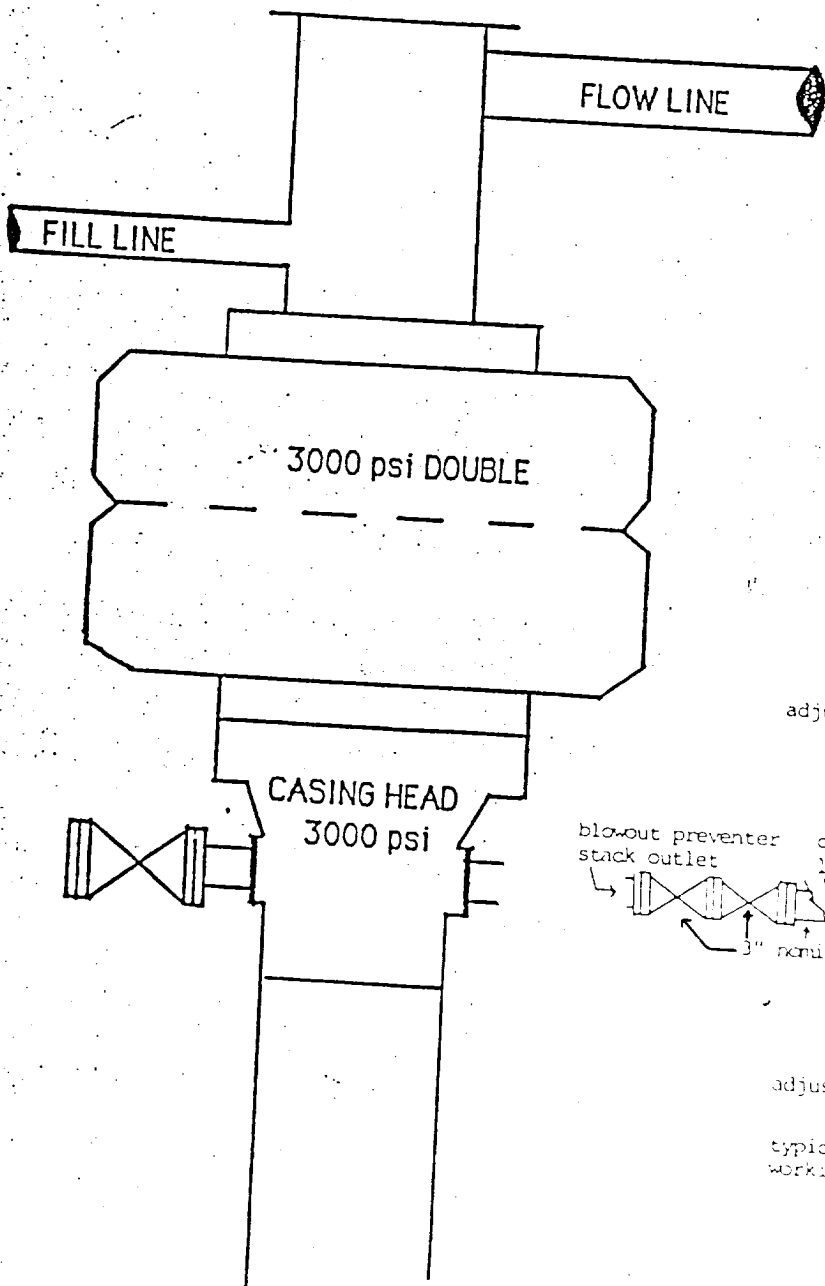
SURVEYOR CERTIFICATION

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 10, 1994
Signature of Professional Surveyor: [Signature]
Certificate No.: 9412
NM PE&PS NO. 5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500

YATES PETROLEUM CORPORATION



**BLOWOUT PREVENTER
3M SYSTEM**