

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

DISTRICT II
811 South First, Artesia, NM 88210

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

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87501

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
PO BOX 2088
Santa Fe, NM 87504-2088

CLSF
BAM
8th Ed
dp

Form C-101
Revised March 17, 1999
Instructions on back
Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

| | | |
|---|---|---|
| ¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 | | ² OGRID Number 025575 |
| | | ³ API Number 30- 015- 31905 |
| ⁴ Property Code 28506 | ⁵ Property Name Metropolis AZL State Com. | ⁶ Well No. 1 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South Line | Feet from the | East/West Line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K | 36 | 18S | 25E | | 1650' | South | 1650' | West | Eddy |

8 Proposed Bottom Hole Location If

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/Sou |
|---|---------|----------|-------|---------|---------------|-----------|
| ⁹ Proposed Pool 1 Wildcat Chester | | | | | | |

NOTIFY OCD SPUD & TIME TO WITNESS
CEMENTING OF SURFACE &
INTERMEDIATE

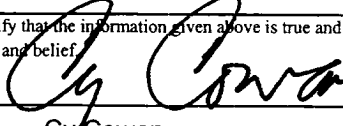
| | | | | |
|-----------------------------------|---------------------------------------|------------------------------------|--|---|
| ¹¹ Work Type Code N | ¹² Well Type Code G | ¹³ Cable/Rotary R | ¹⁴ Lease Type Code S | ¹⁵ Ground Level Elevation 3498' |
| ¹⁶ Multiple N | ¹⁷ Proposed Depth 9350' | ¹⁸ Formation Chester | ¹⁹ Contractor Not Determined | ²⁰ Spud Date ASAP |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/feet | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 17 1/2" | 13 3/8" | 48# | 400' | 450 sx | Surface |
| 12 1/4" | 8 5/8" | 24# | 1200' | 600 sx | Surface |
| 7 7/8" | 5 1/2" | 15.5# + 17# | 9350' | 650 sx | TOC 5300' |
| | | | | | |
| | | | | | |

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new production. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation proposes to drill and test the Chester 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 for production.
MUD PROGRAM: 0-400' FW/Spud Mud; 400-1200' FW; 1200-8200' Cut Brine; 8200'-9350' Salt Gel/Starch.
BOPE PROGRAM: A 3000# BOPE will be installed on the 8 5/8" casing and tested daily.

| | | | |
|--|-----------------------|---|-------------------------------------|
| ²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature:  | | OIL CONSERVATION DIVISION | |
| Printed name: Cy Cowan | | Approved by: ORIGINAL SIGNED BY TIM W. GUM | |
| Title: Regulatory Agent | | Title: DISTRICT II SUPERVISOR | |
| Date: 07/20/01 | Phone: (505) 748-1471 | Approval Date: JUL 23 2001 | Expiration Date: JUL 23 2002 |
| | | Conditions of Approval: Attached <input type="checkbox"/> | |