

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input checked="" type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-58143	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input checked="" type="checkbox"/> SWD Re-Entry SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME -	
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION		7. UNIT AGREEMENT NAME -	
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Bate Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL & 660' FEL, Unit I At proposed prod. zone Same		9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 26 miles Southwest of Artesia, New Mexico		10. FIELD AND POOL, OR WILDCAT Wildcat Abo	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 3-20S-24E	
16. NO. OF ACRES IN LEASE 479.72		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL SWD		13. STATE New Mexico	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 100'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3691 GR		22. APPROX. DATE WORK WILL START* ASAP	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
7 7/8"	8 5/8"-in place	24# S-55	950'	Cement circulated to surface
	5 1/2"	15.5# K-55	TD	Cement back to surface

Yates Petroleum Corporation proposes to re-enter and convert the well to a disposal well. This well was originally drilled by Standard of Texas in 1961 and plugged 2-21-61. Yates will drill out cement plugs at the surface, 300', 1780', 2430' and 4025' cleaning hole out to original TD of 4220'. Yates then will deepen the hole to a proposed depth of 4800' and run 5 1/2" casing to TD and circulate to surface. Perforate an interval from 4500'-4750' and acidize with 10,000 gallons of 15% HCL acid. Set packer at 4160' and inject produced water into the perforations. A C-108 has been filed with the State.

Mud Program: Cut Brine to TD

BOP Program: Will be installed at offset and tested daily as to operational.

Submitted to  
L. B. [unclear]  
by [unclear]

POST ID-1  
NL 7-21-89

FORMERLY: [unclear]  
[unclear]  
[unclear]

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Clifton R. May TITLE PERMIT AGENT DATE 6-12-89  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
APPROVED BY Samuel R. [unclear] TITLE \_\_\_\_\_ DATE 7-12-89

CONDITIONS OF APPROVAL, IF ANY:  
[unclear]  
GENERAL REQUIREMENTS AND  
SPECIAL stipulations

ATTACHED

\*See Instructions On Reverse Side

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
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

Santa Fe, New Mexico 87504-2088

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

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

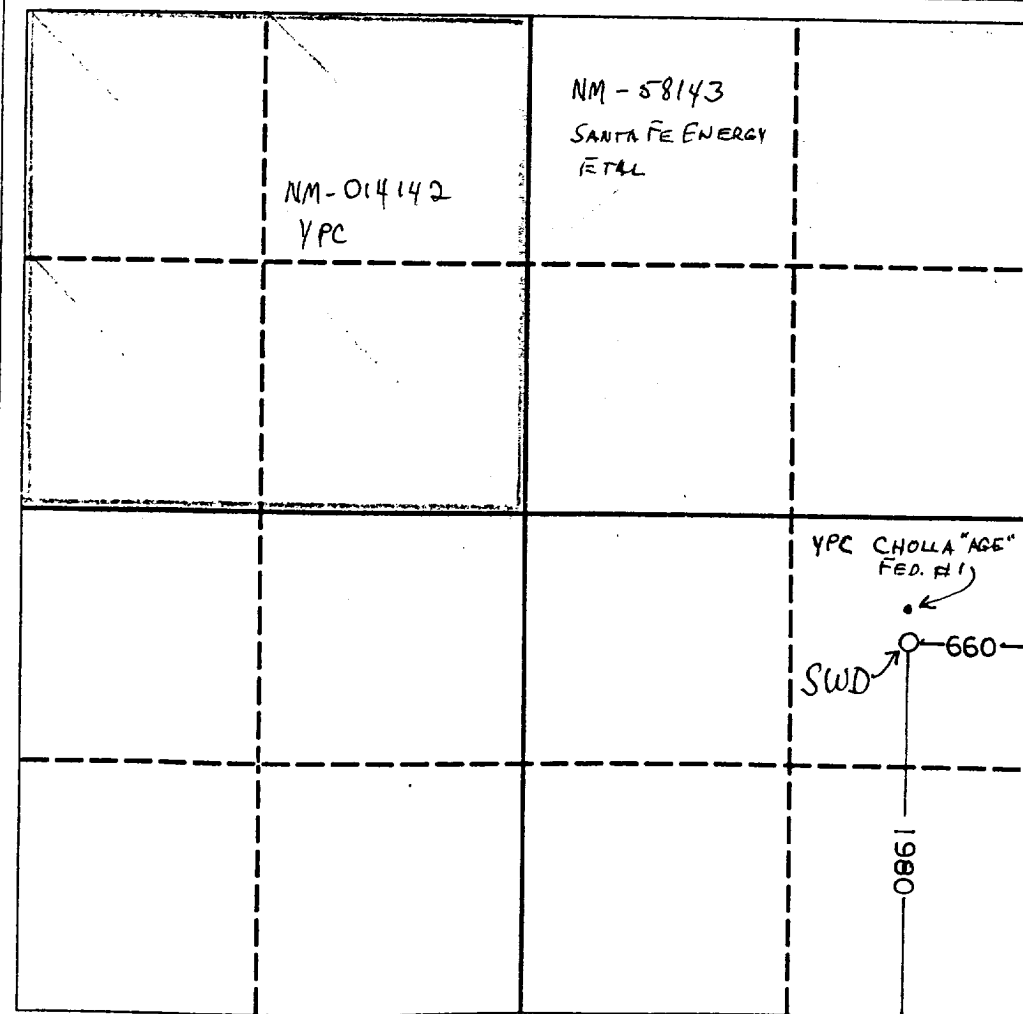
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>BATE FEDERAL</b>		Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>3</b>	Township <b>20S</b>	Range <b>24E</b>	County <b>EDDY</b>

Actual Footage Location of Well: <b>1980</b> feet from the <b>SOUTH</b> line and <b>1980</b> feet from the <b>EAST</b> line				
Ground level Elev. <b>3691</b>	Producing Formation <b>ABO</b>	Pool <b>WILDCAT ABO</b>	Dedicated Acreage: <b>SWD</b> 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.

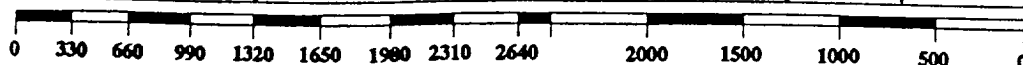
Signature  
**Clifton R. May**  
Printed Name  
**CLIFTON R. MAY**  
Position  
**PERMIT AGENT**  
Company  
**YATES PETROLEUM CORPORATION**  
Date  
**6-12-89**

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  
**REFER TO ORIGINAL PLAT**  
Signature & Seal of  
Professional Surveyor

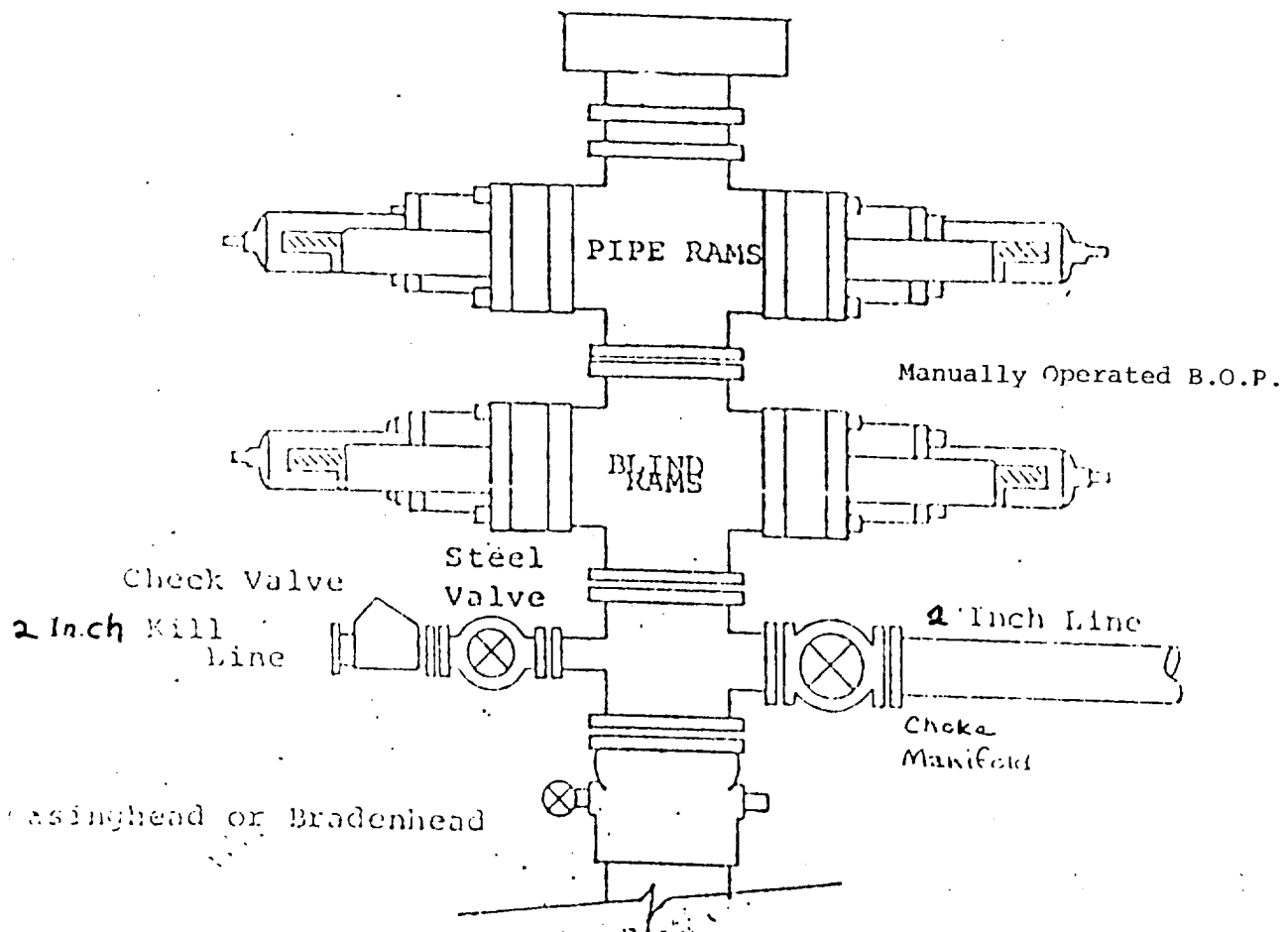
Certificate No.



# EXHIBIT B

## BDP DIAGRAM

RATED 2000<sup>#</sup>



TO BE USED AS A 2M SYSTEM REQUIREMENTS