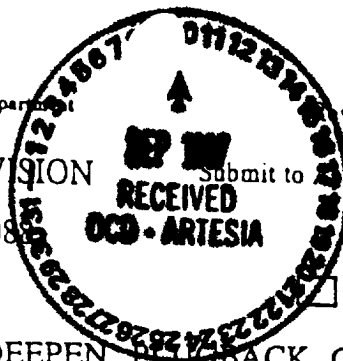


District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

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



Form C-101  
Revised February 10, 1994  
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

Operator Name and Address: YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575
Property Code 21597	Property Name Lakewood AQE State	API Number 30-015-22233
		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
F	30	19S	26E		1980'	North	1980'	West	Eddy

8 Proposed Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Willard Canyon					Proposed Pool 2				

Work Type Code E	Well Type Code O	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3436'
Multiple No	Proposed Depth 9627'	Formation Canyon	Contractor Not determined	Spud Date ASAP

21 Proposed Casing and Cement Program

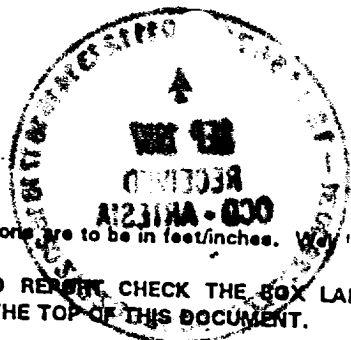
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	500'	600 sx	In place
12 1/4"	9 5/8"	36#	1400'	800 sx	In place
8 3/4"	7"	23 & 26#	TD	1500 sx	Circulate

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

Yates Petroleum Corporation proposes to re-enter this well that was originally drilled by Monsanto Company. This well was P/A'd in September 1977. We are planning to drill out plugs to a TD of 9627'. Will run casing, cement and complete in the Canyon interval at 7970' to 8030'.

Part ID-1  
9-22-97  
Re-entering

I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Ken Beardemphl</i>		OIL CONSERVATION DIVISION	
Printed name: Ken Beardemphl		Approved by: <i>ORIGINAL SIGNED BY TIM W. GUM</i>	
Title: Landman		Title: DISTRICT II SUPERVISOR	
Date: September 9, 1997		Approval Date: SEP 15 1997 Expiration Date: 9-15-98	
Phone: (505) 748-1471		Conditions of Approval: Attached <input type="checkbox"/>	



C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

- 1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.
- 2 Operator's name and address
- 3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.
- 4 Property code. If this is a new property the OCD will assign the number and fill it in.
- 5 Property name that used to be called 'well name'
- 6 The number of this well on the property.
- 7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.
- 8 The proposed bottom hole location of this well at TD
- 9 and 10 The proposed pool(s) to which this well is being drilled.
- 11 Work type code from the following table:

N	New well
E	Re-entry
D	Drill deeper
P	Plugback
A	Add a zone
- 12 Well type code from the following table:

O	Single oil completion
G	Single gas completion
M	Multiple completion
I	Injection well
S	SWD well
W	Water supply well
C	Carbon dioxide well
- 13 Cable or rotary drilling code

C	Propose to cable tool drill
R	Propose to rotary drill
- 14 Lease type code from the following table:

F	Federal
S	State
P	Private
N	Navajo
J	Jicarilla
U	Ute
I	Other Indian tribe
- 15 Ground level elevation above sea level
- 16 Intend to multiple complete? Yes or No
- 17 Proposed total depth of this well
- 18 Geologic formation at TD
- 19 Name of the intended drilling company if known.
- 20 Anticipated spud date.
- 21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement
- 22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.
- 23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

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Energy, Minerals & Natural Resources Department

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Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name Canyon
<sup>4</sup> Property Code	<sup>5</sup> Property Name Lakewood AGE State		<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575	<sup>8</sup> Operator Name YATES PETROLEUM CORPORATION		<sup>9</sup> Elevation 3436'

<sup>10</sup> Surface Location

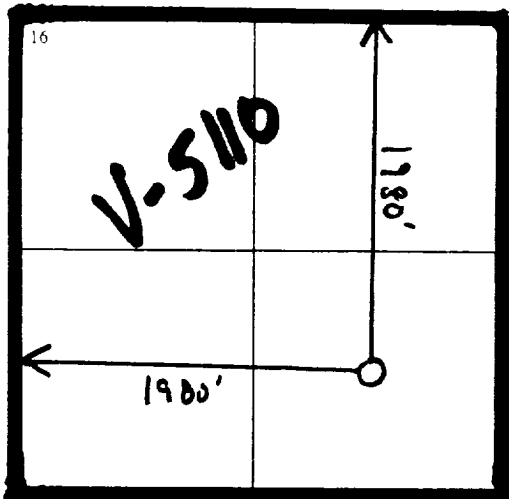
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	30	19S	26E		1980'	North	1980'	West	Eddy

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



<sup>17</sup> OPERATOR CERTIFICATION

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

Signature  
*Ken Beardemphl*  
Printed Name  
Ken Beardemphl

Title  
Landman

Date  
September 9, 1997

<sup>18</sup> 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 belief.

Date of Survey

Signature and Seal of Professional Surveyer:

REFER TO ORIGINAL PLAT.

Certificate Number

4-2110

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

Operator <b>MONSANTO COMPANY</b>			Lease <b>Lakewood State COM.</b>		Well No. <b>1</b>
Unit Letter <b>F</b>	Section <b>30</b>	Township <b>19-S</b>	Range <b>26-E</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3419</b>	Producing Formation <b>Morrow</b>		Pool <b>Wildcat</b>		Dedicated Acreage: <b>320</b> Acres

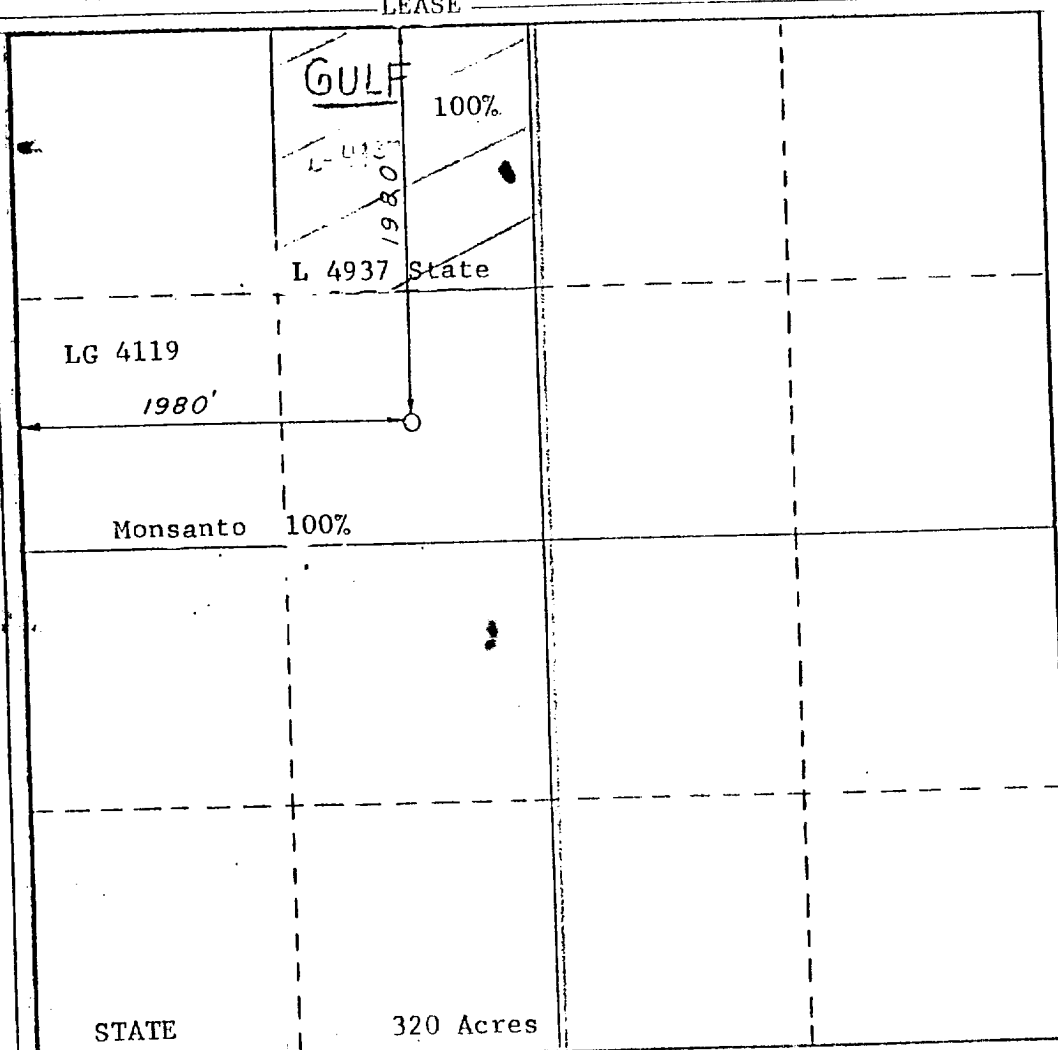
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Communitization

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.

LEASE



## CERTIFICATION

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

Name  
**E. M. Scholl**

Position  
**Regional Production Mgr.**

Company  
**Monsanto Company**

Date  
**July 25, 1977**

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.

**July 15, 1977**

Date Surveyed  
**Richard B. Duniven**  
Registered Professional Engineer  
and/or Land Surveyor

Certificate No.

**4882**

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

# YATES PETROLEUM CORPORATION

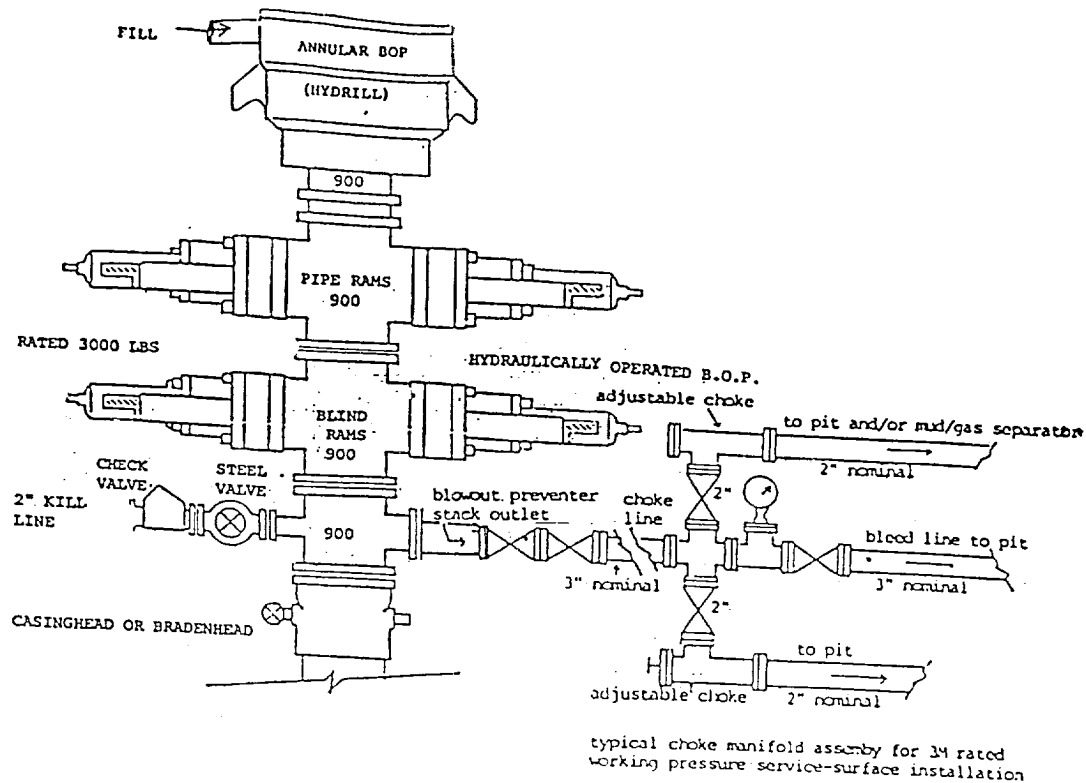


EXHIBIT B

THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER  
REQUIREMENTS FOR 3000 PSI WP SYSTEMS

1. All preventers to be hydraulically operated with secondary manual controls 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 3" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that 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 to be located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.