N.M.O.C.D. COPY

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-23591

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM - 13621

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

1a. TYPE OF WORK: DRILL ☐ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL: OIL WELL ☐ GAS WELL ☒ OTHER Reentry SINGLE ZONE ☐ MULTIPLE ZONE ☐

8. FARM OR LEASE NAME: Amoco "QT" Fed

2. NAME OF OPERATOR: Yates Petroleum Corporation

9. WELL NO.: #1

3. ADDRESS OF OPERATOR: 207 S. 4th Street, Artesia, NM 88210

10. FIELD AND POOL, OR WILDCAT: Siegrest Draw

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 1980' FNL & 1980' FWL
At proposed prod. zone:

APR 03 1981
O. C. D.
ARTESIA, OFFICE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: 29-19-24

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 15 SW of Artesia, NM

12. COUNTY OR PARISH: Eddy

13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1980'

16. NO. OF ACRES IN LEASE: 640

17. NO. OF ACRES ASSIGNED TO THIS WELL: 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.:

19. PROPOSED DEPTH: 8850'

20. ROTARY OR CABLE TOOLS: Reverse Unit

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3818.5' GL

22. APPROX. DATE WORK WILL START*: April 1, 1981

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48# K-55	406'	525 sx. (in place)
12 1/4"	9 5/8"	36# K-55	2025'	2523 sx. (in place)
7 7/8"	4 1/2"	11#	TD	300 sx.

We intend to drill out all six plugs and clean out hole to original TD. Production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production. This well was spudded as the "Federal BW #1" by Amoco Production Company on 12-31-81, and P & A on 2-18-81.

MUD PROGRAM: Native mud to 7500'; Gel Starch KCL w/5-6% oil to TD.

BOP PROGRAM: BOP and hydril will be installed at the start on the 9 5/8" casing and tested, pipe rams tested daily, blind rams on trips. Will Yellow Jacket at approx. 4800'.

GAS NOT DEDICATED:

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 Glenda Rodgers TITLE Geographer DATE 3-30-81

(This space for Federal or State office use)

APPROVED
(Orig. Sgd.) GEORGE H. STEWART

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY APR 1 1981 TITLE _____ DATE APR - 1 1981

CONDITIONS OF APPROVAL, IF ANY:

JAMES A. GILLHAM
DISTRICT SUPERVISOR

OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

Operator	Lease	Well No.
YATES PETROLEUM CORPORATION	AMOCO "QT" FEDERAL	1

Unit Letter	Section	Township	Range	County
F	29	19 SOUTH	24 EAST	EDDY

Actual Footage Location of Well:
1980 feet from the NORTH line and 1980 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3818.5	MORROW	WILDCAT SEIGREST DRAW MORROW	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

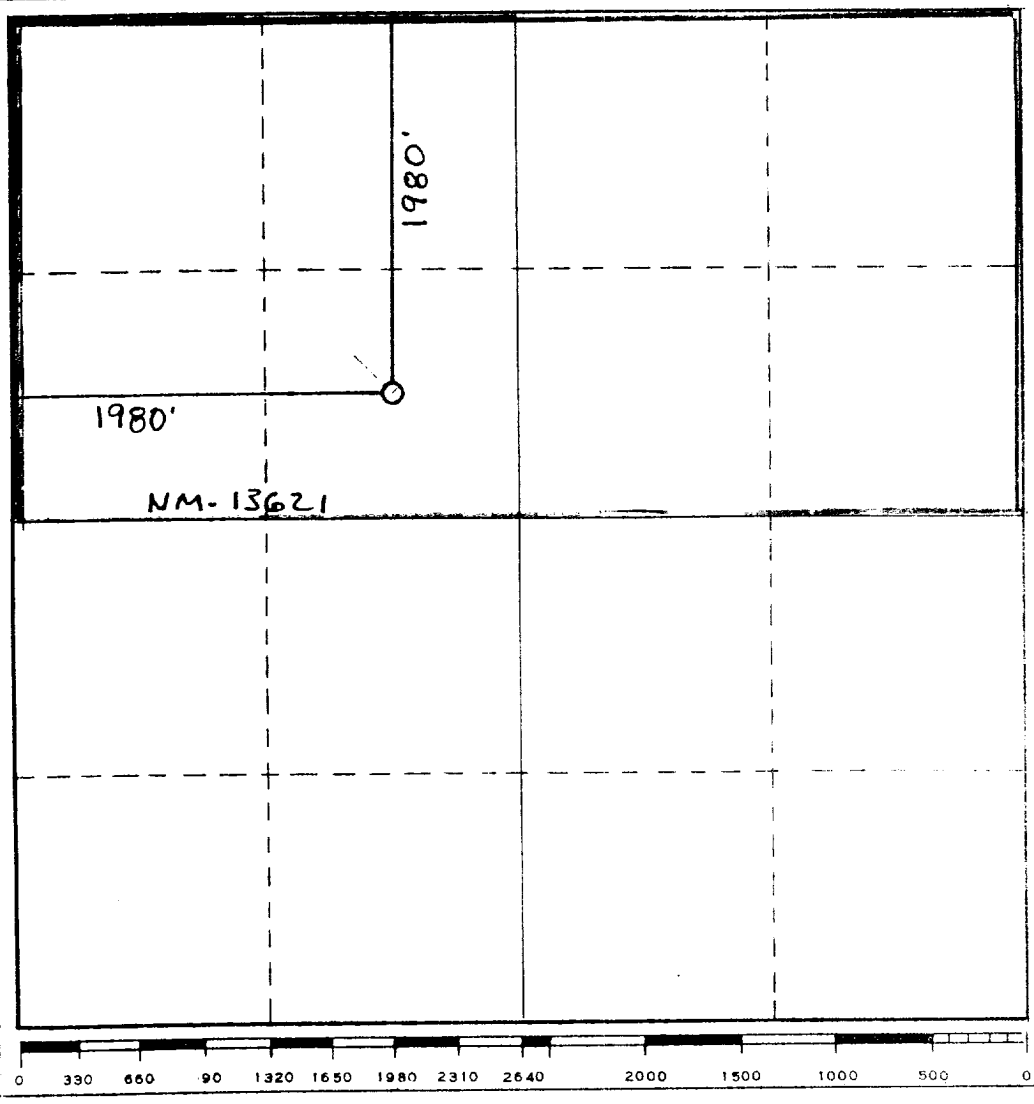
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 _____

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.



CERTIFICATION

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

Name: GLISERIO RODRIGUEZ

Position: GEOGRAPHER

Company: YATES PETROLEUM CORP.

Date: 3-30-81

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.

REFER TO ORIGINAL PLAT

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

REENTRY

Yates Petroleum Corporation
Amoco "QT" Federal #1
1980' FNL & 1980' FWL
Section 29-T19s-R24e
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is alluvium.

2. The estimate tops of geologic markers are as follows:

San Andres	211'	Strawn	7606'
Glorieta	1788'	Atoka	8342'
Wolfcamp	5098'	Morrow Clastics	8710'
Lower Canyon	7080'	TD	8850'

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

   Water: Approximately 170' (behind casing)

   Gas Possibilities:

Wolfcamp	-	5100'
Canyon	-	7100'
Strawn	-	approx. 7620'
Atoka	-	approx. 8350'
Morrow	-	approx. 8730'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

DST's:	none
Logging:	as warranted
Coring:	none

9. No abnormal pressures or temperatures are indicated.

10. Anticipated starting date: ASAP.

MULTI-POINT SURFACE USE AND OEPRATIONS PLAN

Yates Petroleum Corporation
Amoco "QT" Federal #1
1980' FNL & 1980' FWL
Section 29-T19s-R24e
(Reentry Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location, the construction activities and operations plan, the surface disturbance involved, and the rehabilitation of the surface after completion of the well so that an appraisal can be made of the environment effected by this well.

1. EXISTING ROADS.

Exhibit A is a protion of a USGS topographic map showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately miles SW of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go for approximately 16 miles south of Artesia on U.S. 285, turn west on a country road go for 12 miles then turn north and go for 2 miles follow road west for one mile and turn north into location.

2. PLANNED ACCESS ROAD.

A. None required.

3. LOCATION OF EXISITING WELLS.

A. There is drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. There are no production facilities on this lease at the present time. See Exhibit A.

B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY

A. Whatever water needed will be trucked in.

6. SOURCE OF CONSTRUCTION MATERIALS.

A. None required.

7. METHODS OF HANDLING WASTE DISPOSAL.

   A. Drill cuttings will be disposed of in a small reserve pit.

   B. Drilling fluids will be allowed to evaporate in the reserve pit until the pits are dry.

   C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for appropriate approval.

   D. Oil produced during operation will be stored in tanks until sold.

   E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

   F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches dirt. All waste material will be contained of prevent scattering by the wind.

   G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

   A. None required.

9. WELLSITE LAYOUT.

   A. Location is in place.

10. PLANS FOR RESTORATION OF THE SURFACE.

   A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.

   B. Unguarded pit, if any, containing fluids will be fenced until they have dryed.

   C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements made with Amoco will be complied with and will be accomplished as expeditiously as possible. All pits will be filled leveled within 90 days after abandonment.

11. OTHER INFORMATION.

   A. Topography: The land surface in the vicinity of the wellsite is rolling hills. The immediate area of the wellsite is discussed above in paragraph 9A.

   B. Flora and Fauna: The vegetation cover consists of prairie grass, prairie flowers, greasewood and miscellaneous desert growth. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.

   C. There are no ponds, lakes or rivers in the area.

D. There are no inhabited dwellings in the vicinity of the proposed well.

E. Surface Ownership: The wellsite is on private surface. Belonging to Frank Runyan, Hope, NM.

F. There is no evidence of archaeological, historical or cultural sites in the area. See Archaeological Report submitted by Amoco.

12. OPERATOR'S REPRESENTATIVE.

A. The field representative responsible for assuring compliance with the approved surface use plan are:

Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

13. CERTIFICATION.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3-31-81
Date

Gliserio Rodriguez, Geographer

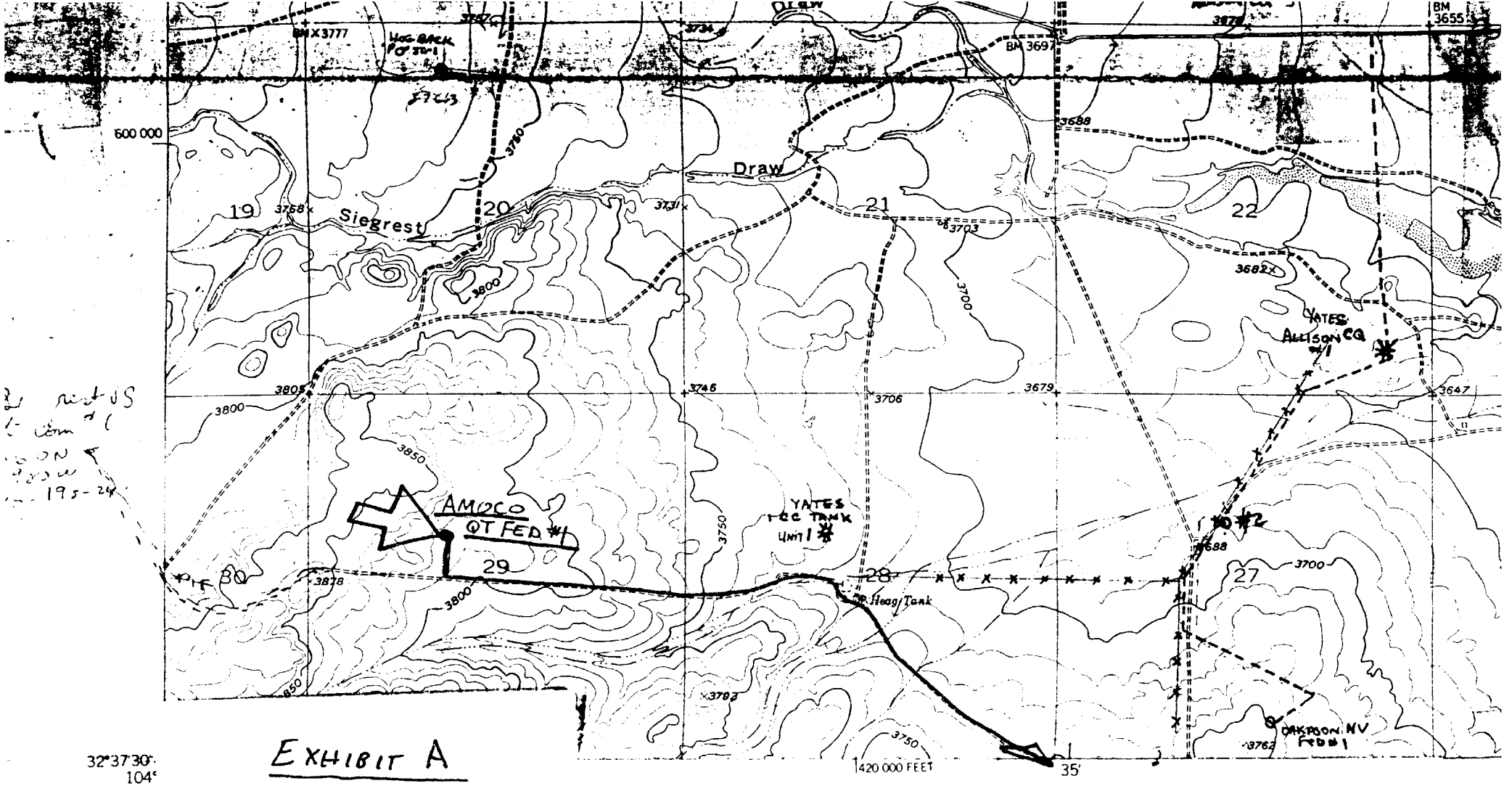


EXHIBIT A

YATES PETROLEUM CORP.

AMOCO "QT" FEDERAL #1

SEC. 29 - T19S - R24E

1980' FNL & 1980' FWL

EDDY COUNTY, N.M.

REENTRY

TRUE NORTH
12°
MAGNETIC NORTH
APPROXIMATE MEAN
DECLINATION, 1956

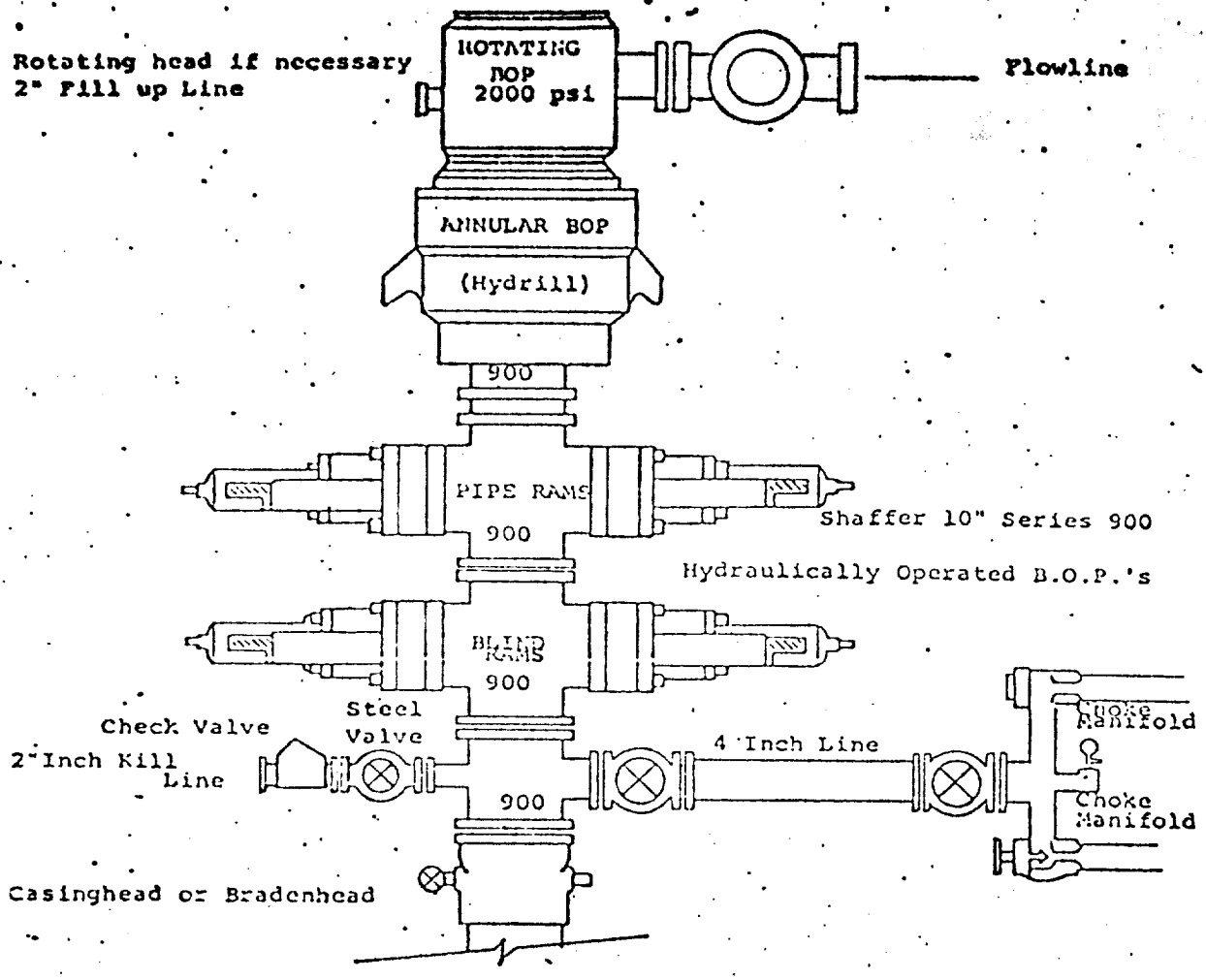
SCALE

1000 0 1000 2000

CONTOUR IN
DATUM IS

THIS MAP COMPLIES WITH N
FOR SALE BY U.S. GEOLOGICAL SURVEY, D
A FOLDER DESCRIBING TOPOGRAPHIC M

EXHIBIT B



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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 4" 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 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 located a safe distance from the rig floor
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.