

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 checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-26864
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> 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 Roden "GD" Federal Com.
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL & 1980' FWL At proposed prod. zone Same			9. WELL NO. 3
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 26 miles Southwest of Artesia, NM			10. FIELD AND POOL OR WELDCAT Morrow
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 24-T19S-R24E
16. NO. OF ACRES IN LEASE 1040			12. COUNTY OR PARISH Eddy
17. NO. OF ACRES ASSIGNED TO THIS WELL 320			13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 9400			20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3601 GL			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
14 3/4"	9 5/8"	36#	1200'	600 sacks
8 3/4"	7"	23# & 26# N-80	TD	450 sacks
		23# J-55		

We propose to drill and test the Morrow formation. Approximately 1200' 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: FW gel to 1200', fresh water to 7500', cut brine, SW gel and starch to TD.

BOP PROGRAM: BOP's and hydril will be installed on 9 5/8" casing and tested daily.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

POST ID-1
N & API
4-14-89



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present production 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 [Signature] TITLE Landman DATE 3-20-89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE CARLOS D. MEDRANO DATE 4-11-89

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**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.

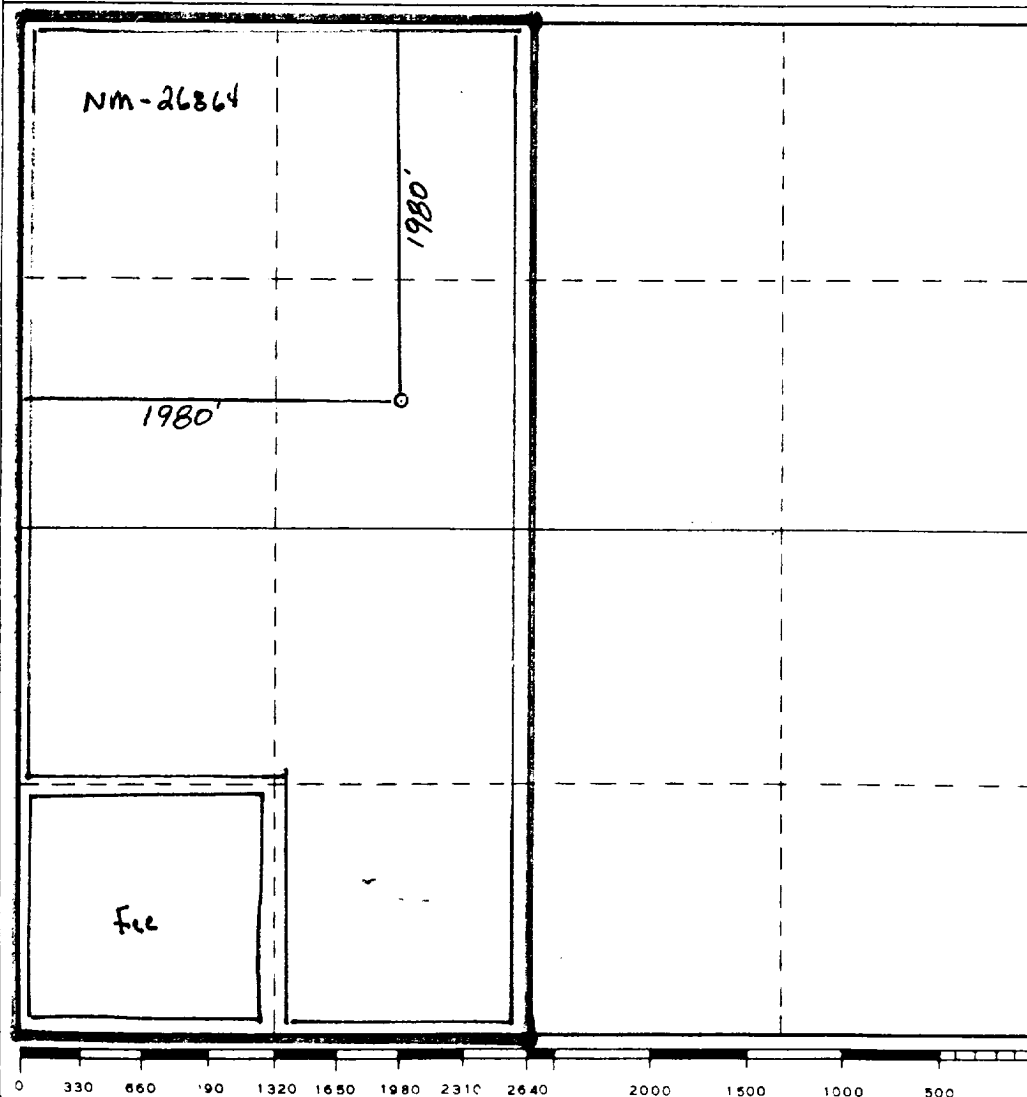
Operator YATES PETROLEUM CORPORATION			Lease Roden GD Federal Com.		Well No. 3
Unit Letter F	Section 24	Township 19 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 1980 feet from the North line and 1980 feet from the West line </div>					
Ground Level Elev. 3601.	Producing Formation Morrow	Pool UND HOAG TANK MORROW	Dedicated Acreage: 320 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

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

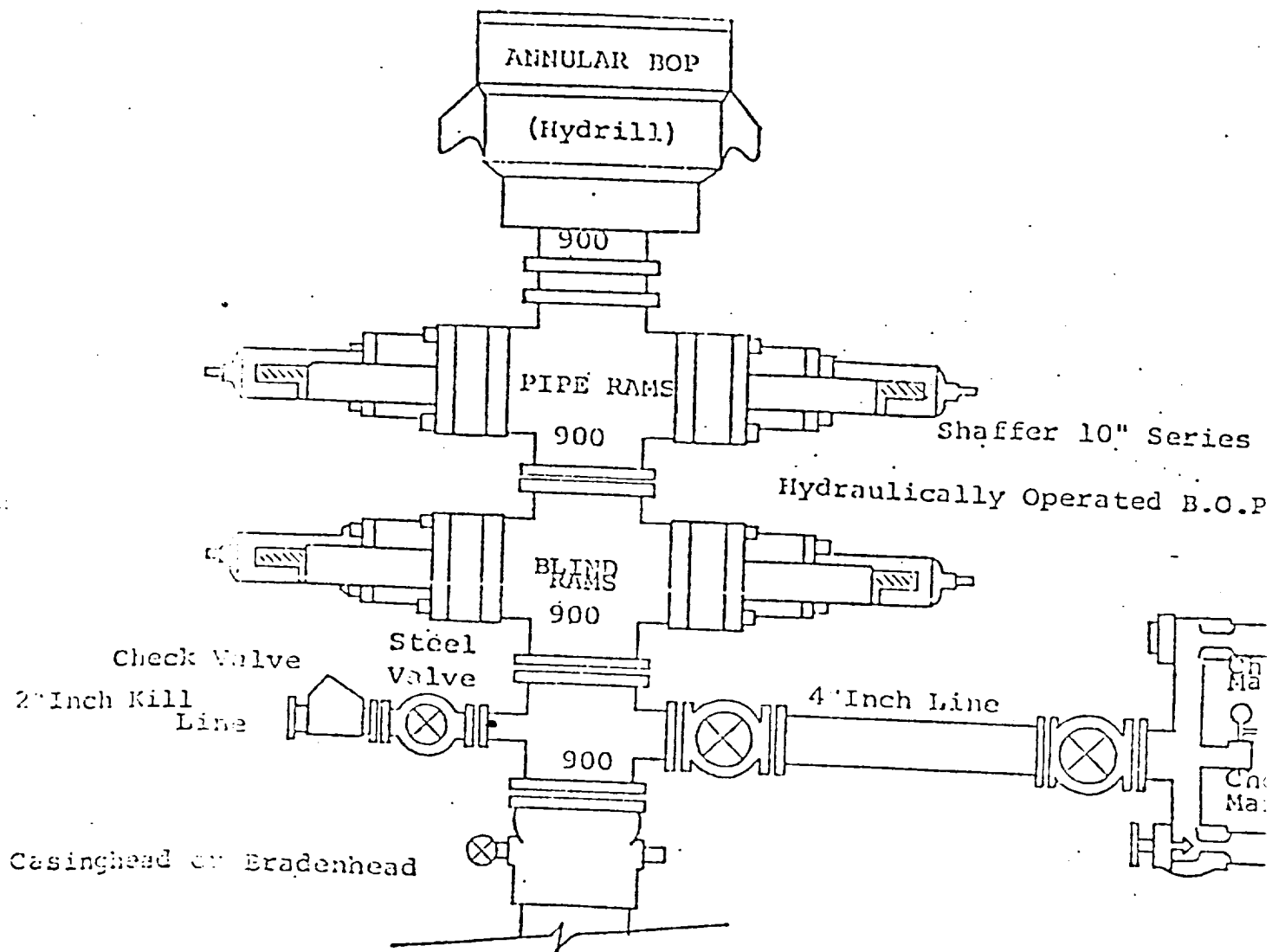
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<div style="display: flex; align-items: center;"> </div>	
Name	LAND MAN
Position	Yates Petroleum Corp.
Company	3-20-89
Date	
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 are true and correct to the best of my knowledge and belief.	
Date Surveyed	March 2, 1989
Registered Professional Engineer and/or Land Surveyor	
<div style="display: flex; align-items: center;"> </div>	
Certificate No.	NM PE&LS NO. 5412

EXHIBIT B



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control 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 the 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.
10. D. P. float must be installed and used below zone of first gas intrusion.

YATES PETROLEUM CORPORATION
Roden "GD" Federal Com. #3
1980' FNL & 1980' FWL of
Section 24-T19S-R24E
Eddy County, New Mexico

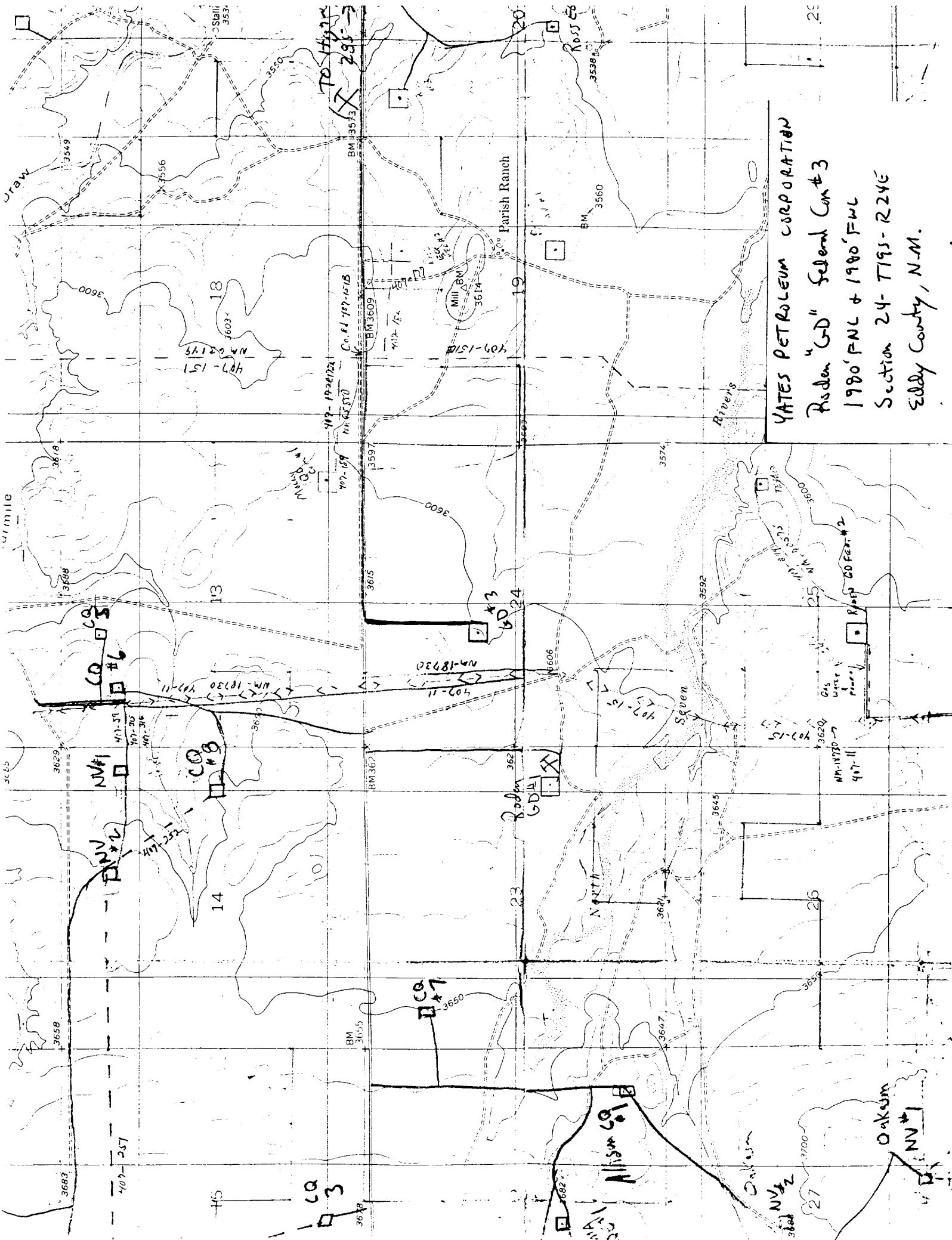
In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	- 475	Lower Canyon Dolomite	- 7642	Austin Cycle	- 8982
Glorieta	- 1853	Base Dolomite	- 7752	Chester Lime	- 9115
Abo	- 4058	Strawn	- 8171	TD	- 9400
		ATOKA	- 8578		
Wolfcamp Lime	- 5298	Morrow Clastics	- 8877		
Lower Canyon Lime	- 7473				
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

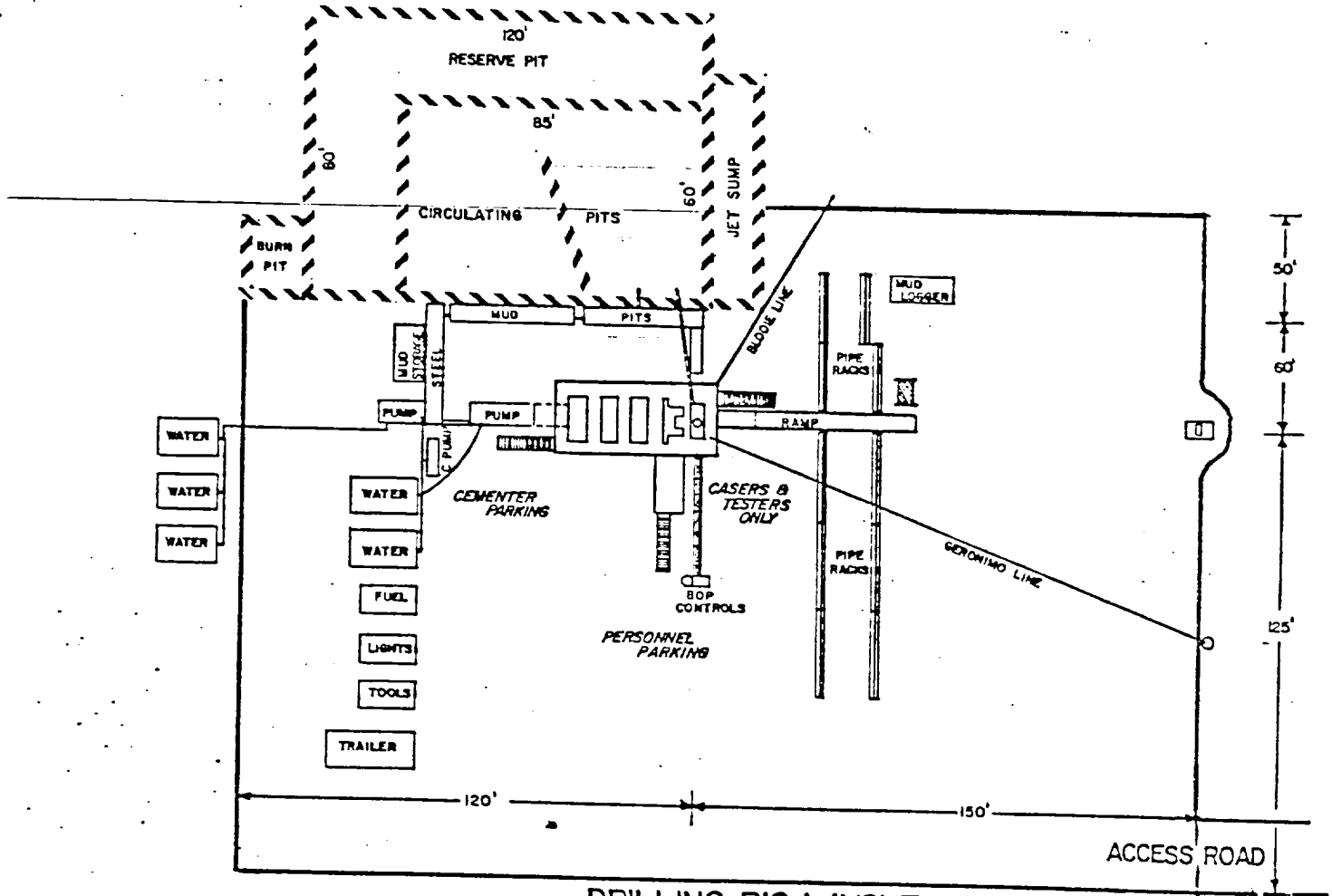
Water: Approximately 275
Oil or Gas: **Strawn, Atoka, Morrow**
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; with full opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

DST's: As warranted
Logging: CNL/FDC from TD to casing with GR-CNL on to surface; DLL to casing with RXO over selected intervals.
Samples: 10 ft. samples out from under surface casing to TD
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.



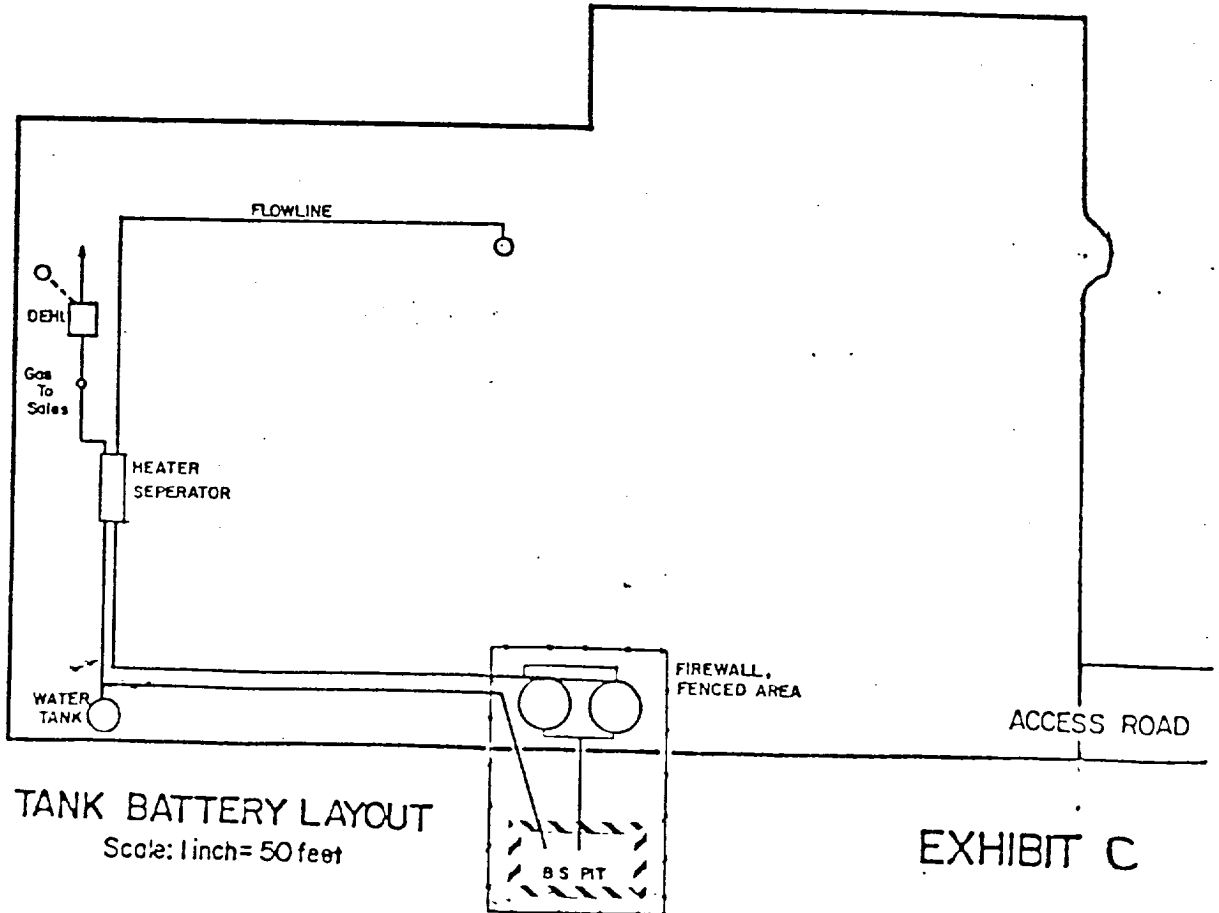
YATES PETROLEUM CORPORATION
Roden "GD" Federal Com #3
1980' FNL + 1980' FNL
Section 24-T195-R24E
Eddy County, N.M.

YATES PETROLEUM CORPORATION



DRILLING RIG LAYOUT

Scale: 1 inch = 50 feet



TANK BATTERY LAYOUT

Scale: 1 inch = 50 feet

EXHIBIT C