

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

NOV 1 '90

API NO. (assigned by OCD on New Wells)
30-015-26297

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

7. Lease Name or Unit Agreement Name

Roy "AET"

2. Name of Operator

Yates Petroleum Corporation

8. Well No.

2

3. Address of Operator

105 South Fourth Street, Artesia, New Mexico 88210

9. Pool name or Wildcat

Und. N. Dagger Draw Upper Penn

4. Well Location

Unit Letter M : 710 Feet From The South Line and 710 Feet From The West Line

Section 8 Township 19 South Range 25 East NMPM Eddy County

10. Proposed Depth

8100

11. Formation

Canyon

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3582

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Undesignated

16. Approx. Date Work will start
As soon as possible

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4"	9 5/8"	36# J-55	Approx. 1150'	950 sacks	Circulate
8 3/8"	7"	20 & 23#	TD	400 sacks	
		S-95 & N-80			

We propose to drill and test the Cisco Canyon and intermediate formations. Approximately 1150' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1150'; cut brine to 7500'; starch/drispak to TD.

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

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 5/6/91
UNLESS DRILLING UNDERWAY

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

SIGNATURE Ken Beardemphl TITLE Landman DATE 11-01-90

TYPE OR PRINT NAME Ken Beardemphl TELEPHONE NO. 748-1471

(This space for State Use)

ORIGINAL SIGNED BY
MIKE WILLIAMS
SUPERVISOR, DISTRICT II

APPROVED BY _____ TITLE _____ DATE NOV 2 1990

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT
TIME TO WITNESS CEMENTING THE
CASING

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

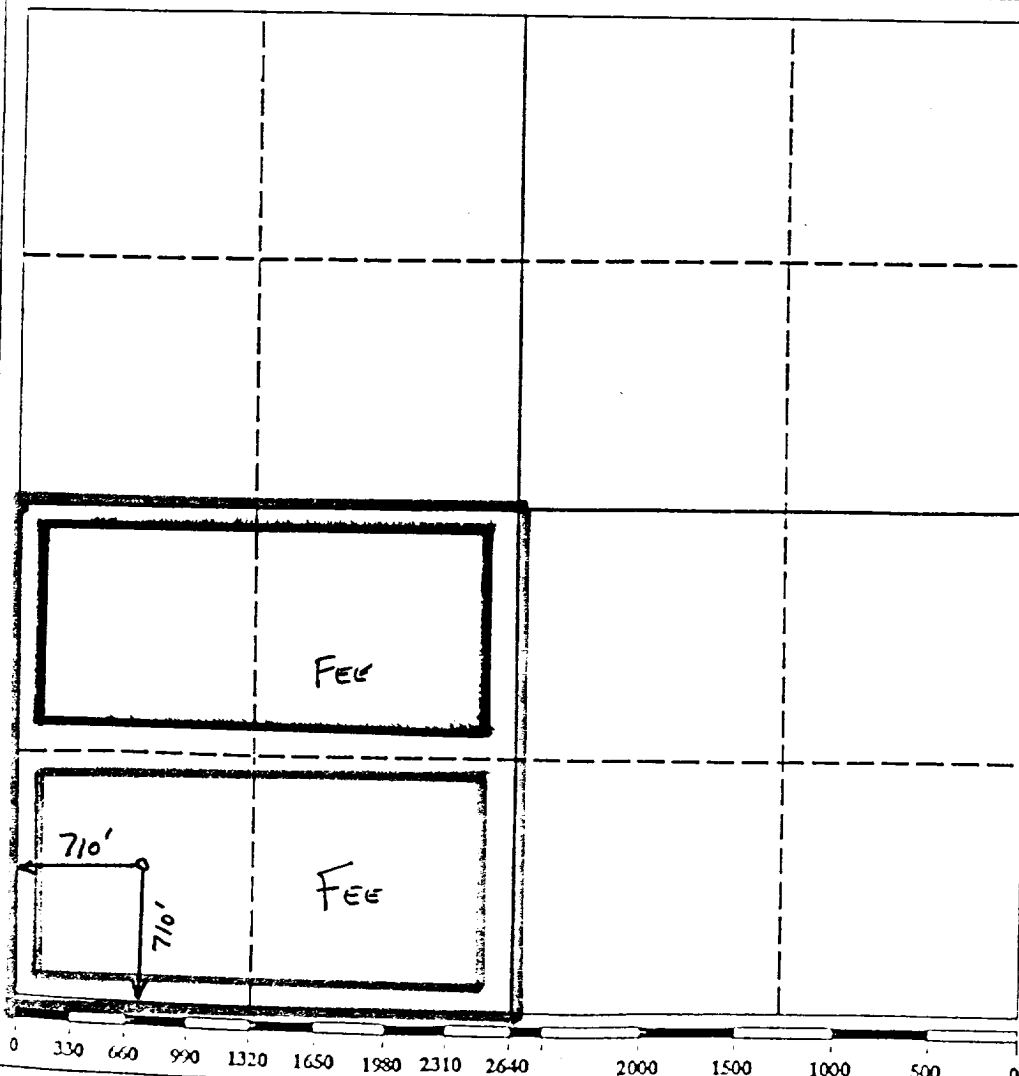
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Yates Petroleum Corporation			Lease Roy "AET"		Well No. 2
Unit Letter M	Section 8	Township 19 South	Range 25 East	County Eddy County, NM	
Actual Footage Location of Well: 710 feet from the South line and 710 feet from the West line					
Ground level Elev. 3582	Producing Formation Cisco Canyon		Pool Und. N. Dagger Draw Upper Penn	Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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

Printed Name

Ken Beardemphl

Position

Landman

Company

Yates Petroleum Corp.

Date

11-01-90

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

Signature & Seal of
Professional Surveyor

Refer to original plat
(attached)

Certificate No.

MEXICO OIL CONSERVATION CO.
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form No. 1
Revised 1-1-72
Copyright 1972

All distances must be from the outer boundaries of the Section

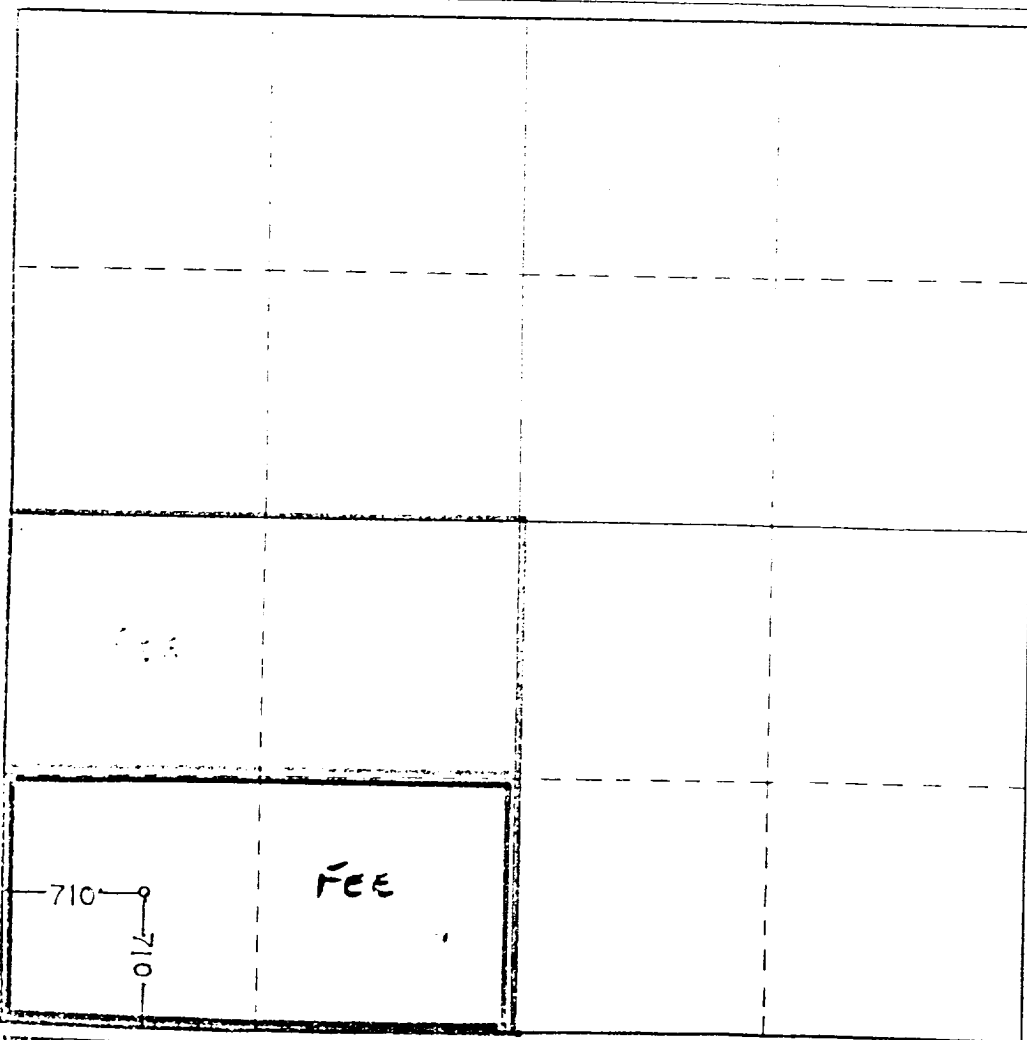
Operator YATES PETROLEUM CORPORATION			Lease Foy AET		Acres 2
Unit Letter M	Section 8	Township 19 South	Range 25 East	County Eddy County, N.M.	
Actual Footage Location of Well:					
710 feet from the South line and		710 feet from the West line			
Ground Level Elev. 3532.	Producing Formation CISCO CANYON	Pool UNDES. N. DAKOTA DEAN	Number of Wells 160		
		UPPER TERN			

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 _____

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.

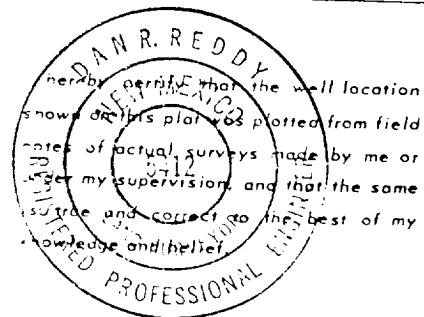
Clifton R. May

Clifton R. May

Permit Agent

Yates Petroleum Corporation

March 2, 1990



Date Surveyed

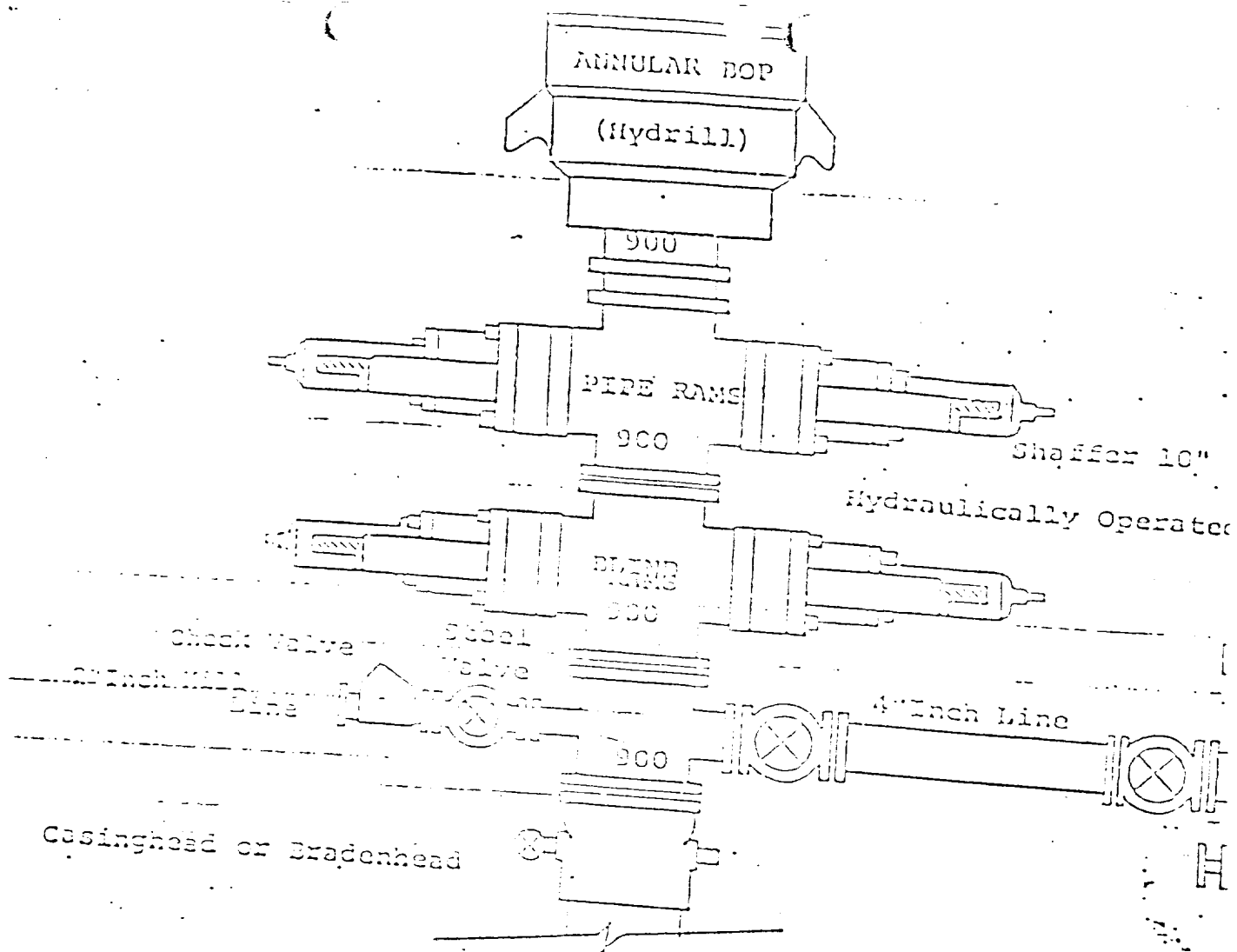
March 2, 1990

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&LS NO. 5412



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manifold installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" 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 hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating 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.

EXHIBIT B