

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

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

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

APR 12 '90

API NO. (assigned by OCD on New Wells)

30-015-26342

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:

ARTESIA, OFFICE

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

Ceniza "AGZ" Com.

2. Name of Operator

Yates Petroleum Corporation

8. Well No.

1

3. Address of Operator

105 South Fourth Street, Artesia, New Mexico 88210

9. Pool name or Wildcat

Und. North Dagger Draw Upper

4. Well Location

Unit Letter P : 660 Feet From The South Line and 660 Feet From The East Line

Section 2

Township 20 South Range 24 East

NMPM

Eddy

County

10. Proposed Depth

8,100'

11. Formation

Cisco Canyon

12. Rotary or C.T.

Rotary

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

3608

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Undesignated

16. Approx. Date Work will start

ASAP

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. 1300'	950 sx	Circulated
8-3/4"	7"	20 & 23#	TD	400 sx	
		S-95 & N-80			

We propose to drill and test the Cisco Canyon and intermediate formations. Approximately 1300' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be ran and cemented with adequate cover, perforated and stimulated as needed for production. If lost circulation above 350', will ream out and run another string of casing.

Post ID-1  
4-28-90  
New loc &  
API

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

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

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 4-12-90

TYPE OR PRINT NAME

Ken Beardemphl

(505)

TELEPHONE NO. 748-1471

(This space for State Use)

ORIGINAL SIGNED BY

MIKE WILLIAMS

APPROVED BY

SUPERVISOR, DISTRICT II

TITLE

DATE

APR 19 1990

CONDITIONS OF APPROVAL, IF ANY:

NOTHING IN THIS DOCUMENT IS SUFFICIENT  
TO BE CONSIDERED AS A GUARANTEE OF THE  
95/8

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 10/19/90  
UNLESS DRILLING UNDERWAY

**NEW MEXICO OIL CONSERVATION COMMISSION ON  
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

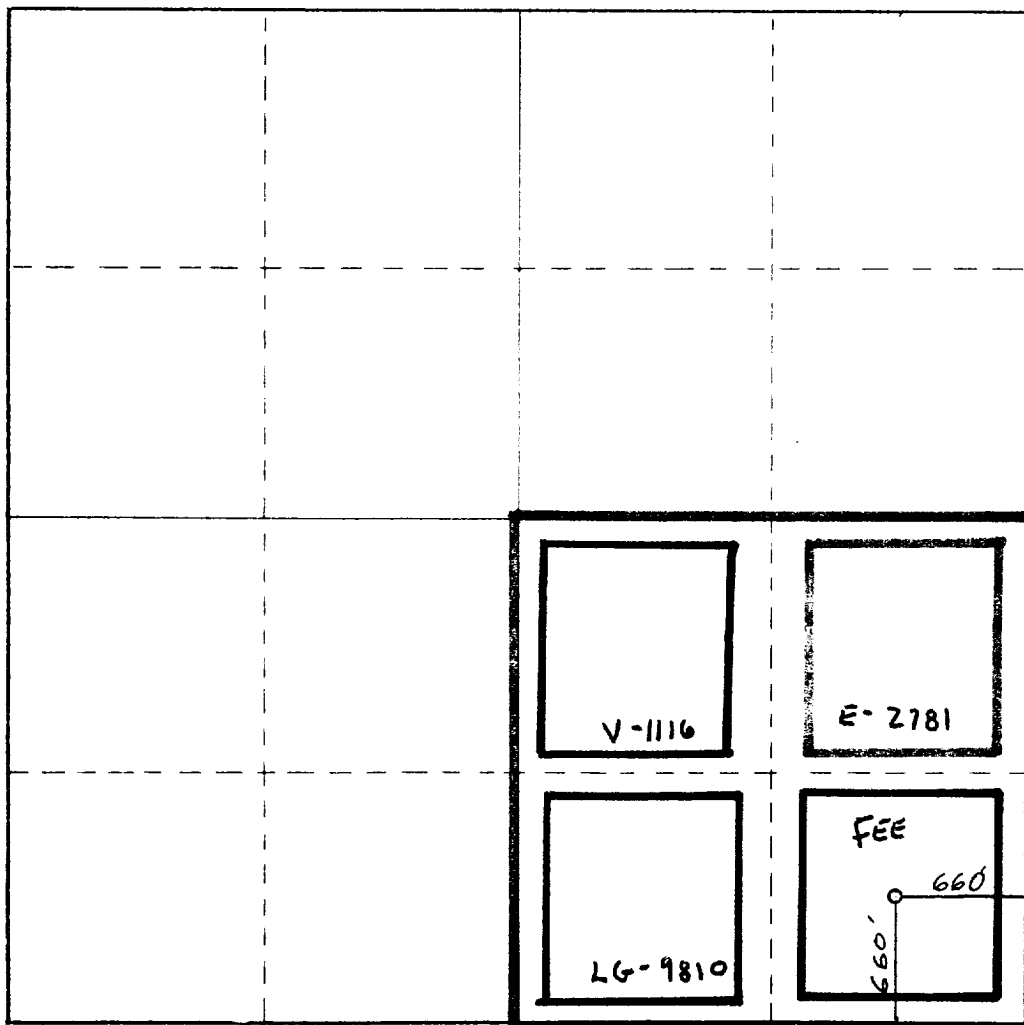
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Ceniza AGZ Com</b>		Well No. <b>1</b>
Unit Letter <b>P</b>	Section <b>2</b>	Township <b>20 South</b>	Range <b>24 East</b>	County <b>Eddy County, N.M.</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3608.</b>	Producing Formation <b>Cisco Canyon</b>		Pool <b>Und. N. Dagger Draw Upper Penn</b>		Dedicated Acreage: <b>160</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.



**CERTIFICATION**

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

*Ken Beardemphal*

Name

**KEN BEARDEMPHAL**

Position

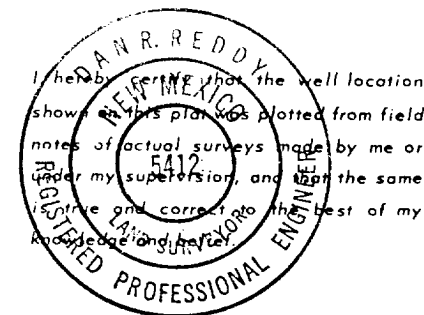
**LANDMAN**

Company

**Yates Pet. Corp.**

Date

**4-12-90**



Date Surveyed

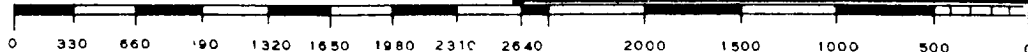
**April 5, 1990**

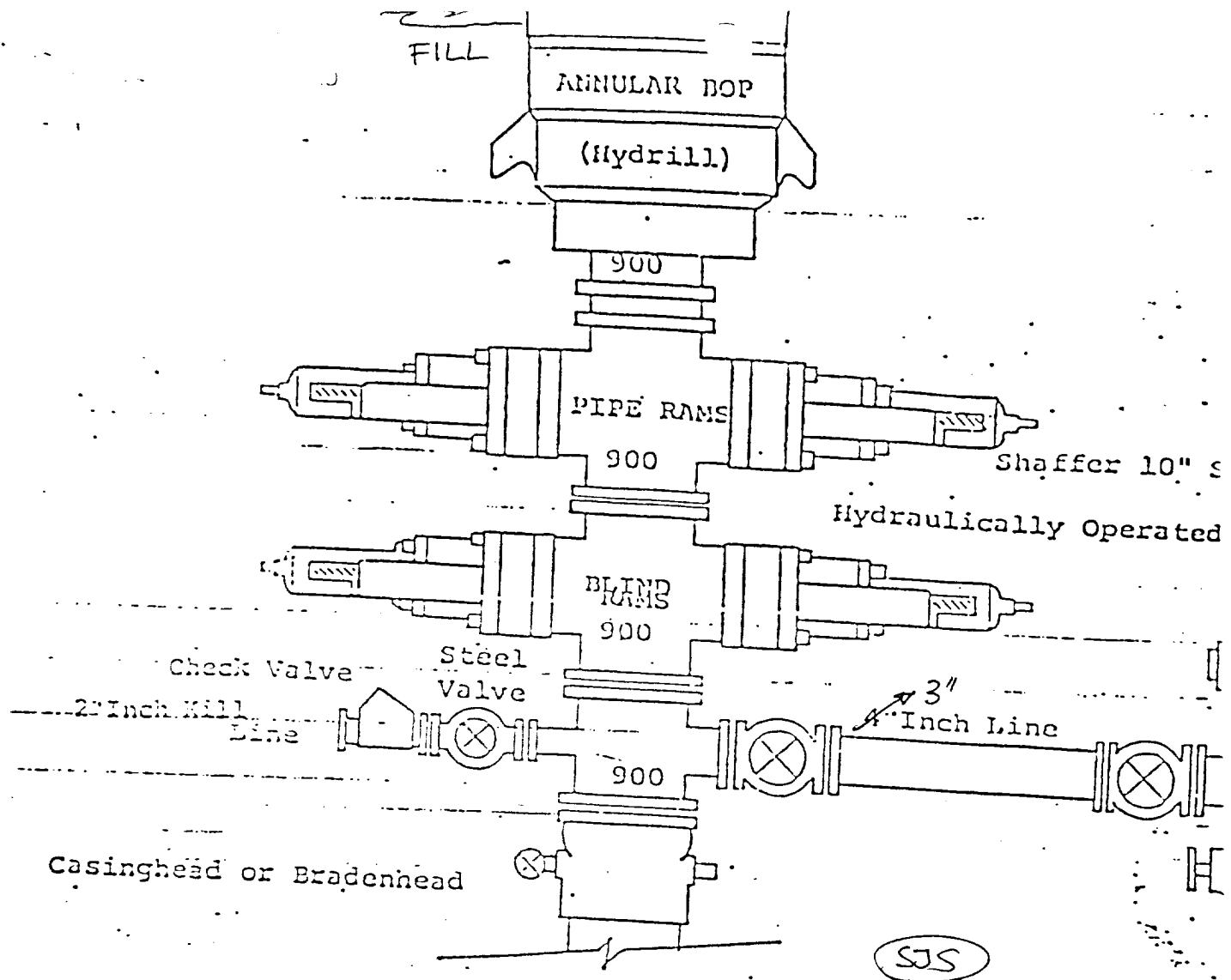
Registered Professional Engineer and/or Land Surveyor

*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 manual 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 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