

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

API NO. (assigned by OCD on New Wells)

30-015-26605

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

Pincushion "AHN"

2. Name of Operator

Yates Petroleum Corporation

8. Well No.

2.

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

9. Pool name or Wildcat

North Dagger Draw Upper Penn

4. Well Location

Unit Letter 0 : 660 Feet From The South Line and 1980 Feet From The East Line

Section 25 Township 19S Range 24E NMPM Eddy County

10. Proposed Depth

8,000'

11. Formation

Cisco-Canyon

12. Rotary or C.T.

Rotary

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

3590'

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        | 1150          | 1100 sacks      | Circulated |
| 8 3/4"       | 7"             | 23# & 26#       | TD            | As warranted    |            |
|              |                | N-80 & J-55     |               |                 |            |

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

Post ID-1  
1-18-91

Amoroso & APJ

MUD PROGRAM: FW Gel/LCM to 1150'; FW to 5000'; cut Brine to 7300'; 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 7/11/91

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 Beardemph*

TITLE

Landman

DATE

1-8-91

TYPE OR PRINT NAME

Ken Beardemph

TELEPHONE NO.

748-1471

(This space for State Use) ORIGINAL SIGNED BY

MIKE WILLIAMS

APPROVED BY

SUPERVISOR, DISTRICT II

TITLE

DATE

JAN 11 1991

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT  
TIME TO WITNESS CEMENTING THE  
9 5/8 CASING

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.

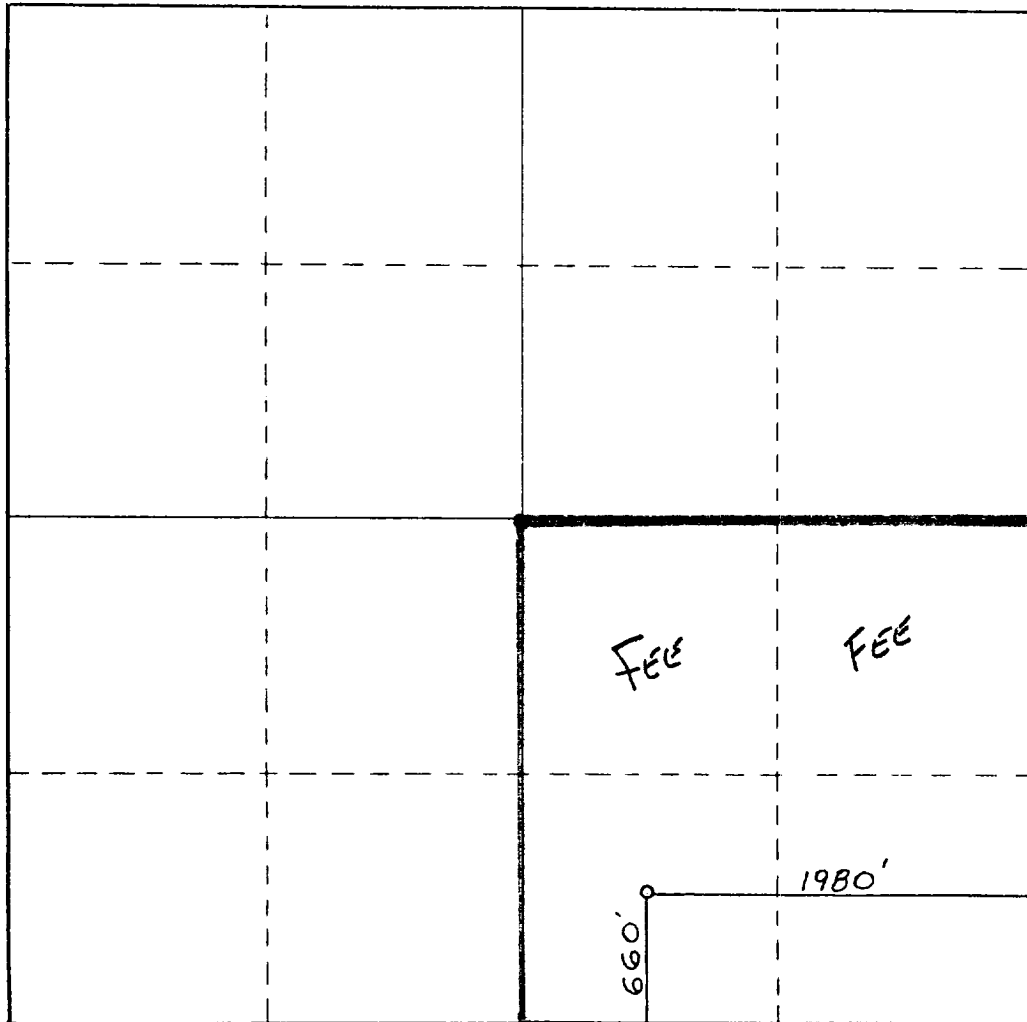
|   |                                       |                      |                                   |                |                                 |
|---|---------------------------------------|----------------------|-----------------------------------|----------------|---------------------------------|
| Operator<br>YATES PETROLEUM CORPORATION   |                                       |                      | Lease<br>Pincushion AHN           |                | Well No.<br>2                   |
| Unit Letter<br>O  | Section<br>25                         | Township<br>19 South | Range<br>24 East                  | County<br>Eddy |                                 |
| Actual Footage Location of Well:<br>660 feet from the South line and 1980 feet from the East line |                                       |                      |                                   |                |                                 |
| Ground Level Elev.<br>3590  | Producing Formation<br>Cisco - Canyon |                      | Pool<br>N. Dagger Draw Upper Penn |                | Dedicated Acreage:<br>160 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 \_\_\_\_\_

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 Boardman*

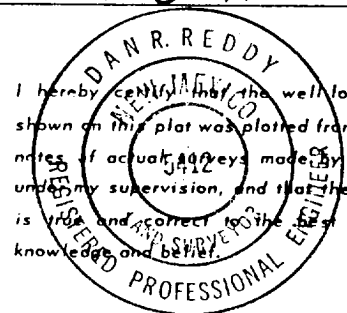
Name  
KEN BOARDMAN

Position  
LANDMAN

Company  
Yates Pet. Corp.

Date  
1-8-91

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.

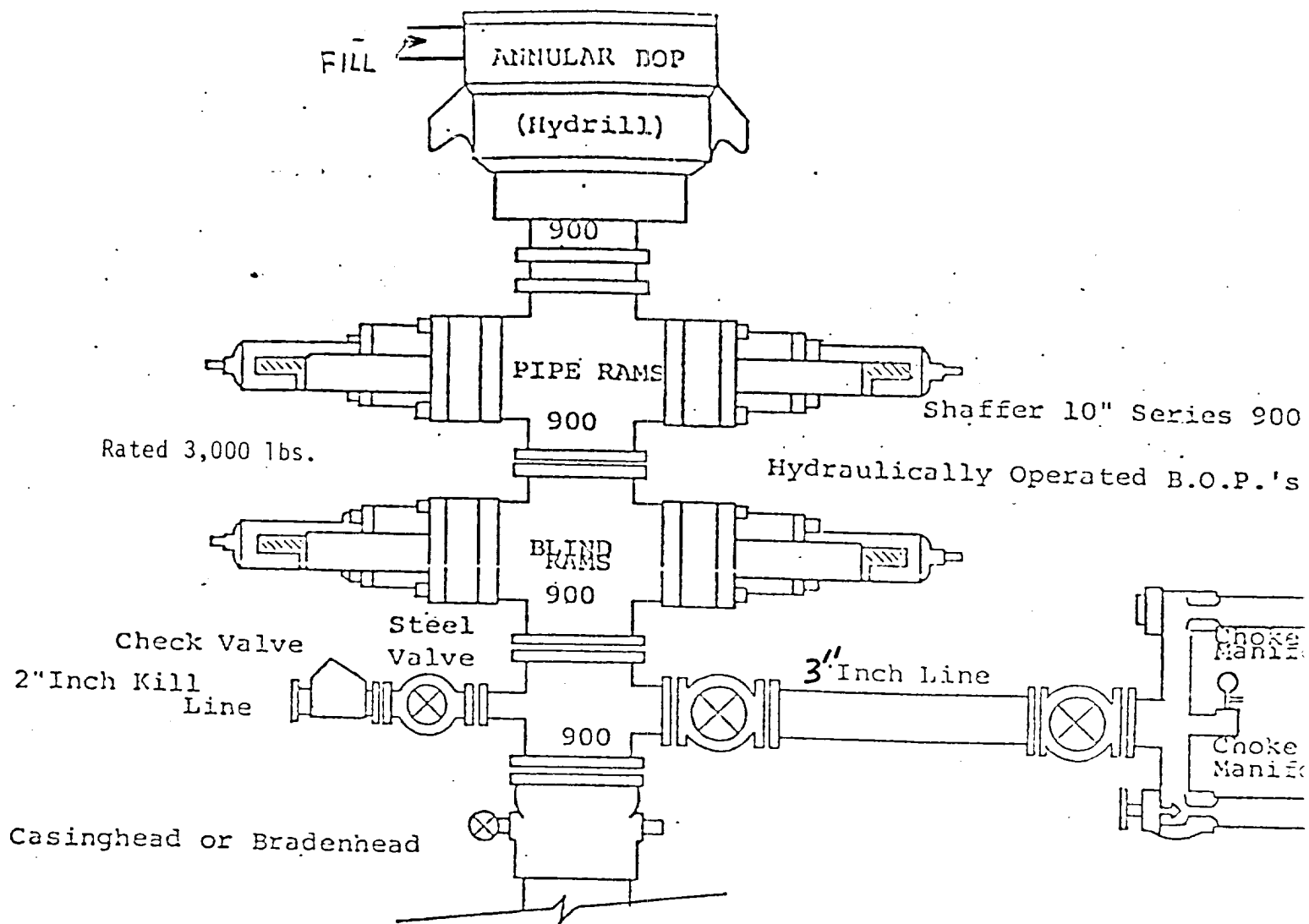


Date Surveyed  
Jan. 5, 1991

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.

NM PE&PS NO. 5412



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 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 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.

EXHIBIT  
B