

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUBMIT IN TRIPLICATE
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐

DEEPEN ☒

b. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface 660' FSL & 660' FWL (Unit M, SWSW)

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 31 miles southwest of Artesia, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH

9800'

17. NO. OF ACRES ASSIGNED TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3605' GR

22. APPROX. DATE WORK WILL START*

ASAP after approval

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14-3/4"	9-5/8"	36#	1215'	1525 sx - In place
8-3/4"	7"	26# & 23#	8260'	1975 sx - In place
6-1/8"	4-1/2"	11.6# N-80	8260-9800'	200 sx

Yates Petroleum Corporation proposes to set a cement retainer at 7650'± and squeeze perforations 7698-7803' (Canyon) with approximately 500 sacks Class H cement to abandon perforations. Will move in rotary tools and drill out retainer, pressure test casing and deepen well to approximately 9800' to test the Morrow formation. If commercial, will run a 4-1/2" liner from 8260-9800'. NOTE: Liner hanger will be set at approximately 7900' to overlap 7" casing. Will cement will adequate cover. Perforate and stimulate Morrow as needed for production.

NSL-11091

CASING DESIGN FACTORS: Burst 1.0, Tensile 1.8, Collapse 1.125

MUD PROGRAM: 8260-9800' - salt gel/starch/2% KCL - MW 9.6-9.8, Vis 32-34, WL 10 or less, Chlorides 80,000-180,000

BOP EQUIPMENT: 3000 psi preventor to be nipped up on 7" casing

CONTINUED ON NEXT PAGE:

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

Kustly Allen

TITLE

Operations Technician

DATE Dec. 1, 1998

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

(ORIG. SGD.) ALEXIS C. SWOBODA

TITLE

PETROLEUM ENGINEER

DATE

DEC 03 1998

*See Instructions On Reverse Side

RECEIVED

SEP 02 '98

BLM

ROSENTHAL

YATES PETROLEUM CORPORATION
Hill View AHE Federal Com #7
Section 13-T20S-R24E
Eddy County, New Mexico

APPLICATION FOR PERMIT TO DRILL OR DEEPEN CONTINUED:

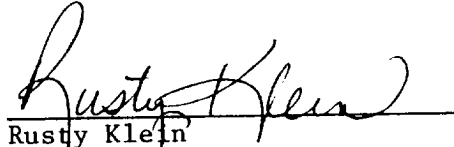
MAXIMUM ANTICIPATED BHP: 8260-9800' - 4900 psi

MAXIMUM SURFACE SHUT IN PRESSURE: 8260-9800' - 3000 psi

ANTICIPATED TOPS:

Strawn	8250'
Atoka	8850'
Morrow	9250'
Chester	9600'
TD	9800'

NOTE: This well is non-standard for a Morrow well. OCD approval of non-standard location - Order No.: R-11091


Rusty Klein
Operations Technician
December 1, 1998

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

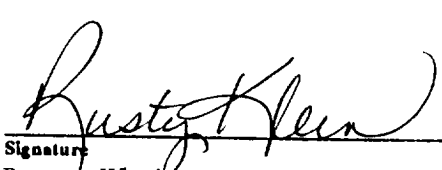
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-26610		Pool Code 74640	Pool Name Cemetery Morrow, Gas
Property Code 12368	Property Name Hill View AHE Federal Com		Well Number 7
OGRID No. 025575	Operator Name Yates Petroleum Corporation		Elevation 3605' GR

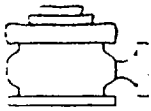
10 Surface Location									
UL or lot no. M	Section 13	Township 20S	Range 24E	Lot Idn	Feet from the 660	North/South line South	Feet from the 660	East/West line West	County Eddy

11 Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres 320		13 Joint or Infill		14 Consolidation Code		15 Order No. NSL Order No.: R-11091			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Rusty Klein Printed Name Operations Technician Title December 1, 1998 Date
					18 SURVEYOR CERTIFICATION <i>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 belief.</i> REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyer: Certificate Number

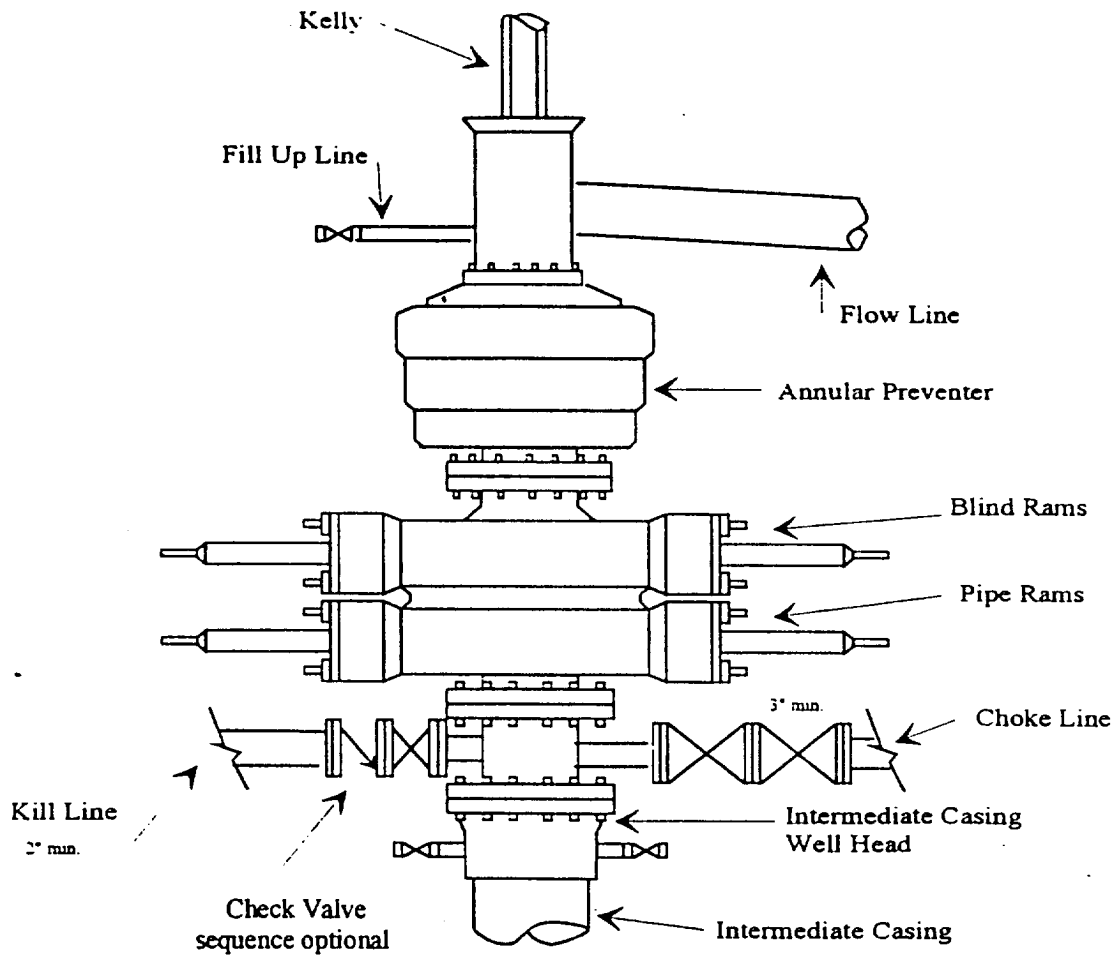
660'



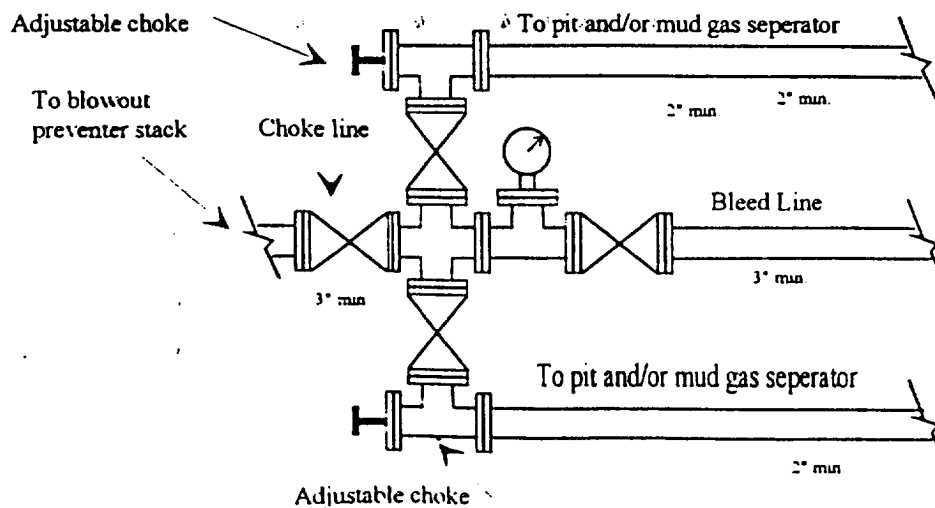
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



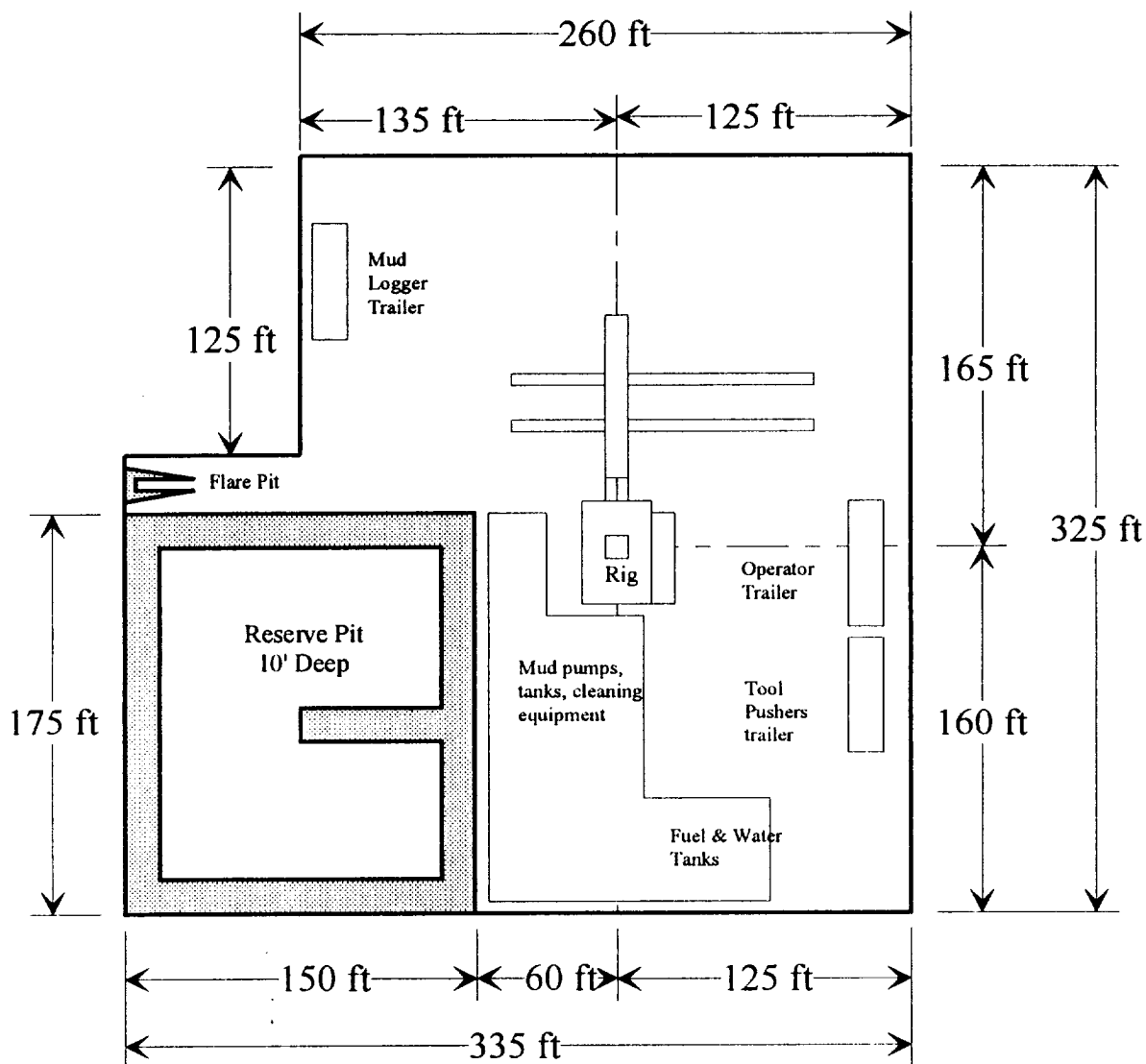
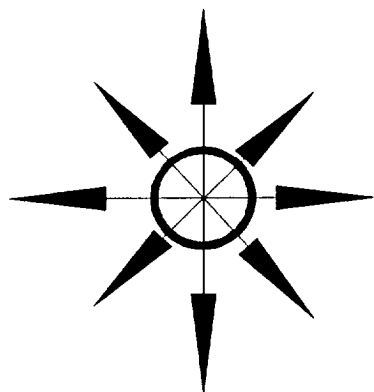
Typical 3,000 psi choke manifold assembly with at least these minimum features



Yates Petroleum Corporation

Location Layout for Permian Basin

Up to 12,000'



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum