

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 13 1991

API NO. (assigned by OCD on New Wells)

30-015-26879

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

LG-9810

7. Lease Name or Unit Agreement Name

Candlelilla AKD State Com

8. Well No.

1

9. Pool name or Wildcat

N. Dagger Draw Upper Penn

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 ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter

0

: 660

Feet From The

South

Line and

1650

Feet From The

East

Line

Section

2

Township

20 South

Range

24 East

NMPM

Eddy

County

10. Proposed Depth

8100'

11. Formation

Cisco Canyon

12. Rotary or C.T.

Rotary

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

3619'

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Not determined

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	1100'	1100 sacks	Circulated
8 3/4"	7"	23# & 26#	TD	As warranted	As warranted

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1100' 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/LCM to 1100'; FW to 5000'; cut Brine to 7200'; SW Gel/Starch to TD.

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

Per ID-1

11-15-91

New box & API

APPROVAL VALID FOR 180 DAYS

PERMIT EXPIRES 5/13/92

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

TITLE Landman

DATE 11-11-91

TYPE OR PRINT NAME

Ken Beardemph

TELEPHONE NO. 748-1471

(This space for State Use)

ORIGINAL SIGNED BY

MIKE WILLIAMS

SUPERVISOR, DISTRICT II

APPROVED BY

TITLE

DATE

NOV 14 1991

CONDITIONS OF APPROVAL, IF ANY:

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

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Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

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Santa Fe, New Mexico 87504-2088

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P.O. Drawer DD, Artesia, NM 88210

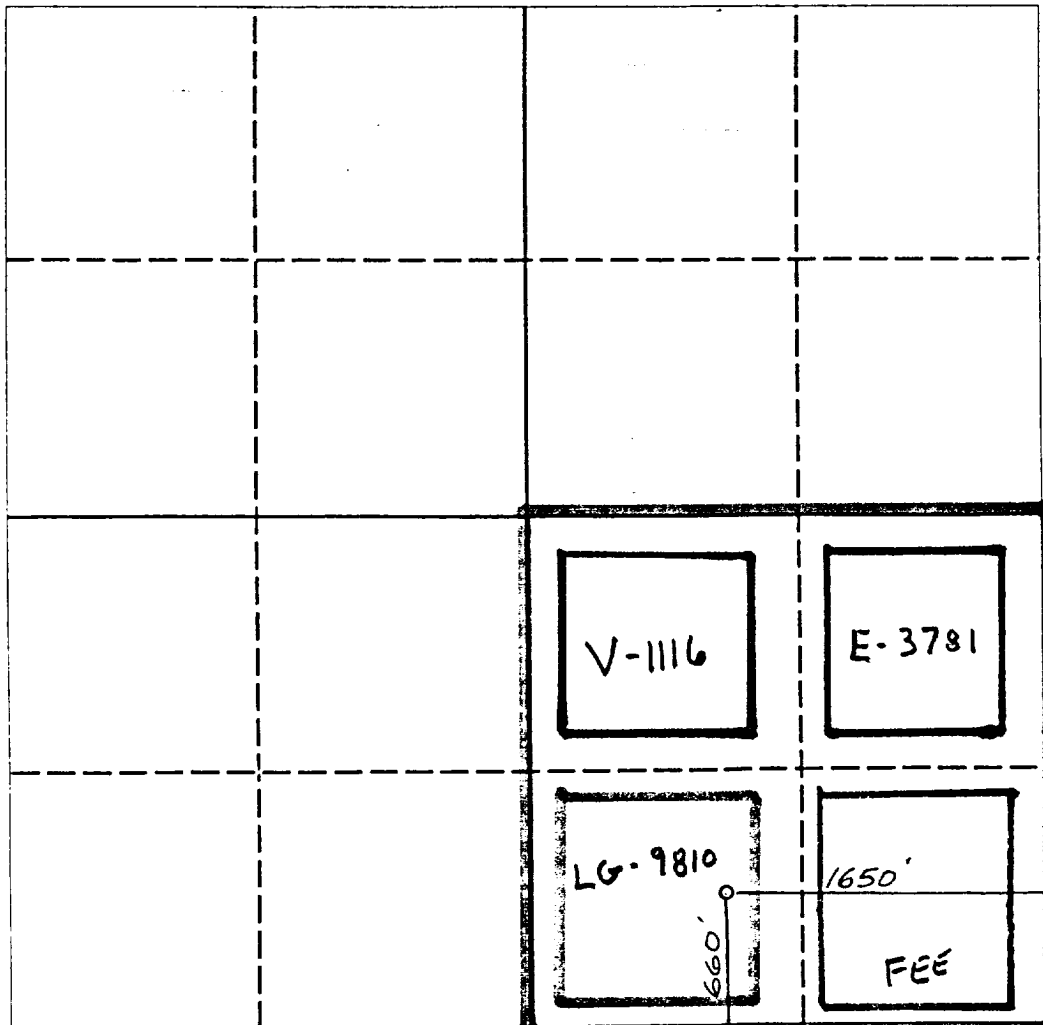
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease CANDLELILLA AKD STATE COM		Well No. 1
Unit Letter 0	Section 2	Township 20 SOUTH	Range 24 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 660 feet from the SOUTH line and 1650 feet from the EAST line					
Ground level Elev. 3619.	Producing Formation Canyon		Pool N. Dagger Draw Upper Penn	Dedicated Acreage: 160 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

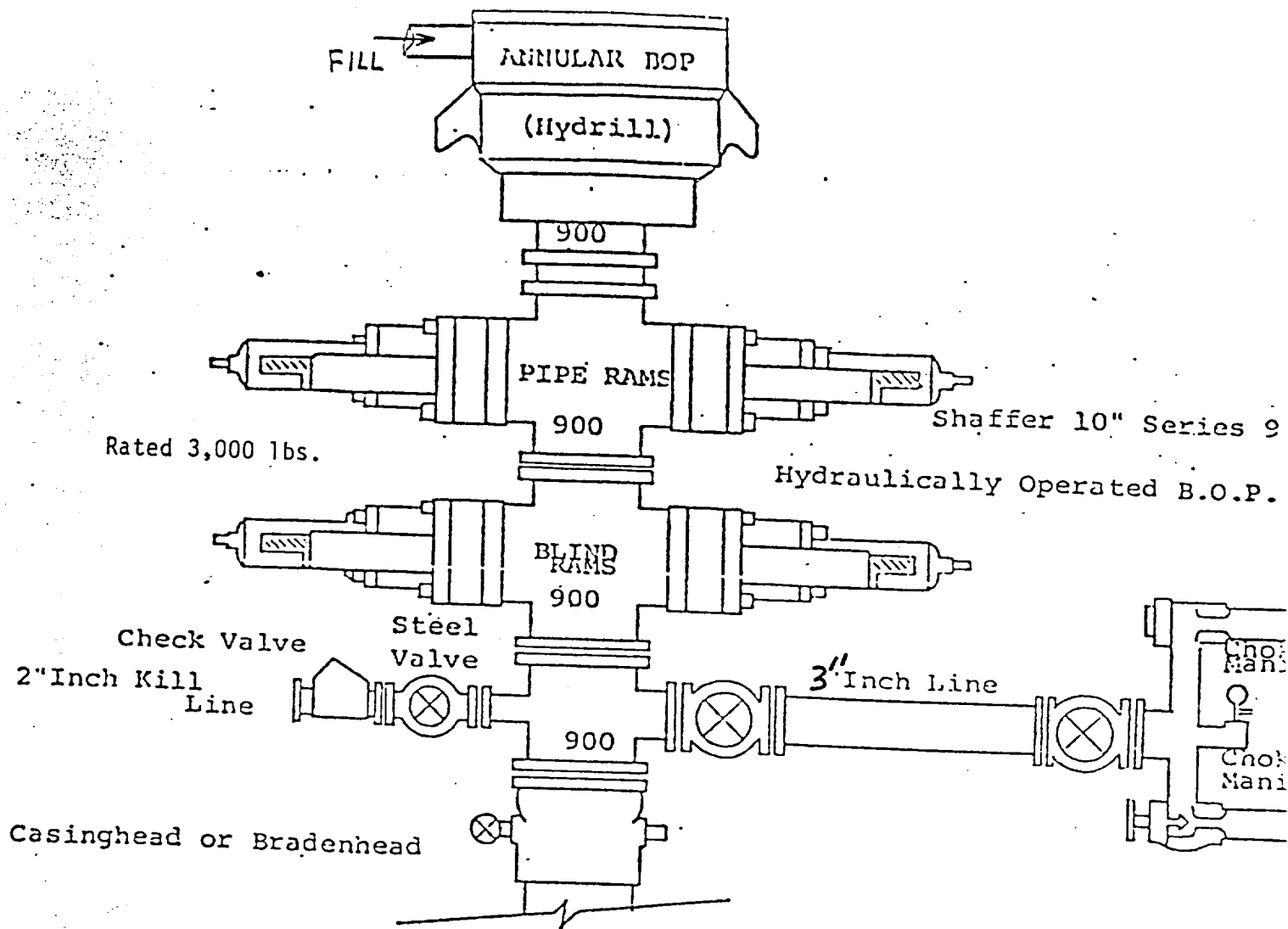
Signature
Ken Beardempfl
Printed Name
KEN BEARDEMPFL
Position
LANDMAN
Company
Yatu Pet. Corp.
Date
11-11-91

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
NOVEMBER 6, 1991

Signature & Seal of Professional Surveyor
Ken Beardempfl
Certificate No. **5112**
NEW MEXICO
NM PESPS NO. **5412**
PROFESSIONAL SURVEYOR



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 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