State Lease - 6 copies	State of New Mex	sources Departmen		Form C-101 Chr Revised 1-1-89 Bor
DISTRICT I P.O. Box 1980, Hobbe, NM 88240 DISTRICT II	DIL CONSERVATIO P.O. Box 208 Santa Fe, New Mexico		API NO. ( assigned by OCI 30-015-2	20 New Wells)
P.O. Drawer DD, Artesia, NM 88210 DISTRICT III	•	O. C. D.	5. Indicate Type of Lease ST 6. State Oil & Gas Lease	TATE FEE X
1000 Rio Brazos Rd., Azzer, NM 87410 APPLICATION FOR PEI 1a. Type of Work:	RMIT TO DRILL, DEEPEN, O	R PLUG BACK	7. Lease Name or Unit Aj	Virement Name
DRILL X RE b. Type of Well: OL OAS WELL WELL OTHER	-ENTER DEEPEN SINCLE		Voight "AJD"	-
2 Name of Operator Yates Petroleum Corpo	ration		8. Well No. 2	· · · ·
3. Address of Operator 105 South Fourth Stre	et, Artesia, New Mexic	co 88210	9. Pool name or Wildcat 0 N. Dagger Dra	aw Upper Penn
Well Location Unit Letter E: 1980	_ Feet From TheNorth	Line and660	Feet From The	West Line
Section 29	Township 19 South Ran	25 East	Eddy	County
	10. Proposed Depth 8100	)'	Cisco-Canyon	12 Roary or C.T. Rotary
13. Elevations (Show whether DF. RT. GR. elc. 3539 GR	.) 14. Kind & Status Plug. Bood - Blanket	15. Drilling Contractor Not Designat	ed 16 Approx	Date Work will start
17.	PROPOSED CASING AN	D CEMENT PROGR	IAM	
SIZE OF HOLE SIZE OF CA		SETTING DEPTH	SACKS OF CEMENT	EST. TOP
<u>14 3/4" 9 5/8</u> 8 3/4" 7"	<u>36# J-55</u> 23-26#	1100'	1100 sacks	Circulated
0 3/4 /	J-55 & N-80	TD	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 hydrill will be installed on the 9 5/8" casing and tested daily.

Post ID-1 8-38-92 Newbox + API

APPROVAL VALID FOR 180 DAYS PERMIT EXPIRES 2/19 93 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 PROPOSED NE

I hereby certify that the information above is true	and complete to the best of my ke	sowiedge and belief.	
SKONATURE _ Fen Dean	mpl	Landman	8-21-92
туте ок рязыт наме Кеп Веа	rdemph1		TELET KOME NO.748-1471
(Thus space for Stute Use) ORIGINAL SI			•
MIKE WILLIA SUPERVISOF	MS , DISTRICT I	TTT P	AUG 2 0 1992
			DATE
CONDITIONS OF ATTROVAL, IP ANY:	NOTIFY N.M.O	D.C.D. IN SUFFICIENT NESS CEMENTING THE CASING	,

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

0

330

660

**990** 

1320 1650

1980 2310 2640

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

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

DISTRICT III

## State of New Mexico Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION** 

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

ROFESSION

AUG 1 4 1992

O. C. Q. TERA CERCE

	All Distances must	be from the outer boundaries of	f the section	
Operator		Lease		Well No.
YATES PETROLEUM C	ORPORATION	VOIGHT "AJD"	COM	2
Init Letter Section	Township	Range	County	
<u>E</u> 29	19 SOUTH	25 EAST	NMPM ED	DY COUNTY, NM
Actual Footage Location of Well:				•
1980 feet from the	NORTH line an		feet from the WE	ST line
	g Formation	Pool	. ^	Dedicated Acreage:
3539. (	-anyon	N. Dagger Dra. pencil or hachure ntarks on the pla	w Upper Penn	160 Acres
1. Outline the acreage dedicate	d to the subject well by colored	pencil or hachure marks on the pla	t below.	
<ul> <li>3. If more than one lease of difunitization, force-pooling, et</li> <li>Yes</li> <li>If answer is 'no' list the owner this form if neccessary.</li> <li>No allowable will be assigned</li> </ul>	ferent ownership is dedicated to c.? ] No If answer is "yes" s and tract descriptions which ha	e been consolidated (by communiti	where been consolidated by consolidated and service and the service of the	Demmunitization, Ding, or otherwise) ATOR CERTIFICATION the information the information the information the information the information fer = 12 - 92 EYOR CERTIFICATION rtify that the well location show t was plotted from field notes of eys made by me or under m and that the same is true ar the best of my knowledge ar yed

1500

2000

1000

500

0

Form C-102 Revised 1-1-89

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## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual con 1. installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 3 " diameter. 2.
- 3.

.

- Kill line to be of all steel construction of 2" minimum diameter. All connections from operating manifolds to preventers to be all steel '4.
- hole or tube a minimum of one inch in diameter. The available closing pressure shall be at least 15% in excess of that 5.
- . required with sufficient volume to operate the B.O.P.'s. 6. All connections to and from preventer to have a pressure rating equiva
- 7. Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor Hole must be kept filled on trips below intermediate casing. 9.

EXHIBIT