

NM OIL CONS. COMMISSION

DRAWER DL

ARTESIA, NM 88210

SUBMIT IN **PLICATE***
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-0557142	
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION ✓		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME, WELL NO. Ross 'EG' Federal #13 <i>com</i>	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements) At surface 1980' FSL and 660' FEL; Unit I At proposed prod. zone Same		9. API WELL NO. 30-015-28128	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 20 miles SW of Artesia, New Mexico		10. FIELD AND POOL, OR WILDCAT N. Dagger Draw Upper Penn	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 20-T19S-R25E	
16. NO. OF ACRES IN LEASE 600		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3511' GR		22. APPROX. DATE WORK WILL START* ASAP	

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# J-55	1150'	1100 sx circulated
8 3/4"	7"	23#, 26# J-55, N-80	TD	As warranted

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

MUD PROGRAM: FW Gel/LCM to 1150'; FW to 5200'; Cut Brine to 7200'; Cut Brine/KCL/Starch to TD.

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

Port ID-1
9-30-94
New Loc & API

Approved Subject to
General Requirements and
Special Stipulations
Attached

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 *[Signature]* TITLE LANDMAN DATE 8/2/94
(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:

(ORIG. SGD.) RICHARD L. MANUS **AREA MANAGER**
APPROVED BY _____ TITLE _____ DATE SEP 21 1994

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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

¹ API Number 30-015-28128	² Pool Code 15472	³ Pool Name DANGER DRAW, UPPER PENNY, NORTH
⁴ Property Code	⁵ Property Name ROSS EG FEDERAL COM	⁶ Well Number 13
⁷ OGRID No.	⁸ Operator Name YATES PETROLEUM CORPORATION	⁹ Elevation 3511.

¹⁰ Surface Location

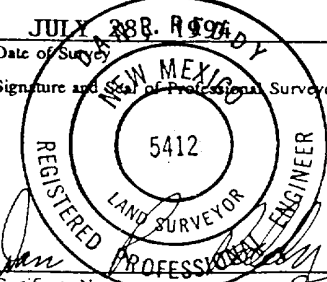
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	20	19S	25E		1980	SOUTH	660	EAST	EDDY

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 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
--------------------------------------	-------------------------------	----------------------------------	-------------------------

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Ken Beardemphl</u> Printed Name: Ken Beardemphl Title: Landman Date: August 2, 1994
				¹⁸ 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 belief. JULY 28 1994 Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number: NM PE&PS NO. 5412

YATES PETROLEUM CORPORATION

YATES PETROLEUM CORPORATION
105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210

ROSS "EG" FEDERAL #13
1980' FSL AND 660' FEL
SECTION 20-T19S-R25E
EDDY COUNTY, NEW MEXICO

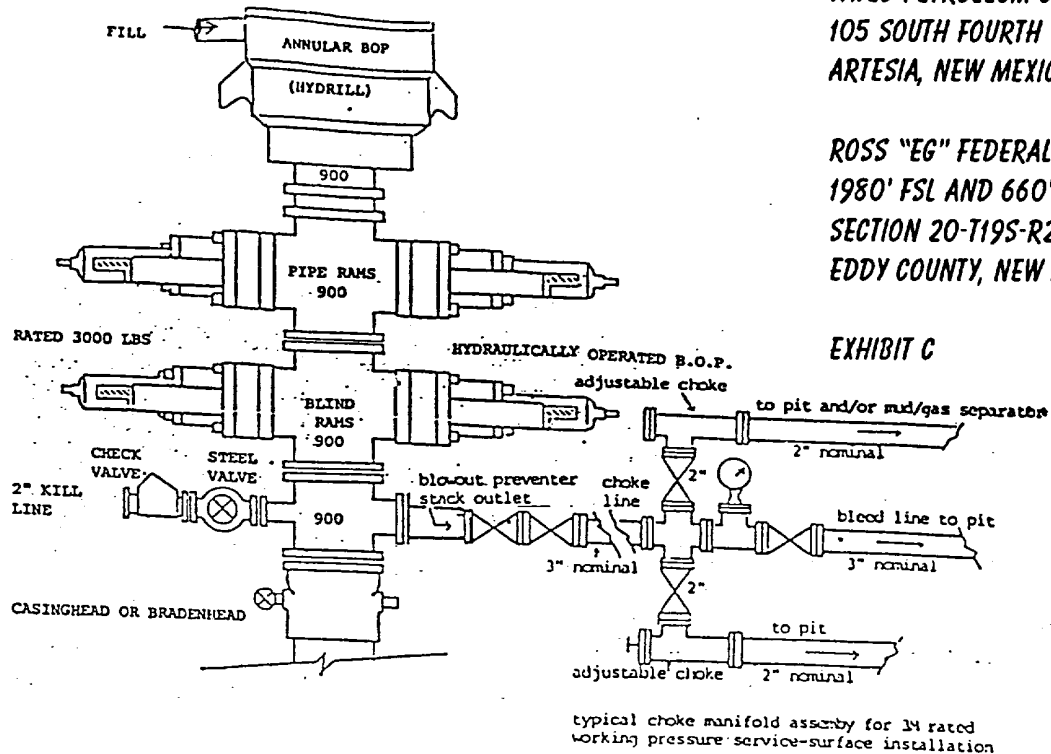


EXHIBIT B

THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

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 3" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be 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 to be located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.