

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-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

|   |                                |                            |
|---|--------------------------------|----------------------------|
| Operator Name and Address.<br>YATES PETROLEUM CORPORATION<br>105 South Fourth Street<br>Artesia, New Mexico 88210 |                                | OGRID Number<br>025575     |
|   |                                | API Number<br>30-015-28372 |
| Property Code<br>15918  | Property Name<br>Tackitt "AOT" | Well No.<br>#3             |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0             | 28      | 19S      | 25E   |         | 660'          | South            | 1980'         | East           | Eddy   |

8 Proposed 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 |
|---|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|
| Proposed Pool 1<br>Dagger Draw; Upper Penn, North |         |          |       |         | Proposed Pool 2 |                  |               |                |        |

|                     |                         |                        |                              |                                |
|---------------------|-------------------------|------------------------|------------------------------|--------------------------------|
| Work Type Code<br>N | Well Type Code<br>0     | Cable/Rotary<br>Rotary | Lease Type Code<br>P         | Ground Level Elevation<br>3481 |
| Multiple<br>No      | Proposed Depth<br>8200' | Formation<br>Canyon    | Contractor<br>Not Determined | Spud Date<br>ASAP              |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 14 3/4"   | 9 5/8"      | 36# J-55           | 1150          | 1100 sx         | Circulated    |
| 8 3/4"    | 7"          | 23#, 26#           | TD            | 1350 sx         | Circ.         |
|           |             | J-55, N-80         |               |                 |               |
|           |             |                    |               |                 |               |
|           |             |                    |               |                 |               |

21 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Yates Petroleum Corporation wishes 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, will perforate and stimulate as needed for production.

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

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

21 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name:

Ken Beardemphl

Title:

Landman

Date:

3-8-95

Phone:

505-748-1471

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Title:

Approval Date:

MAR

9

1995

Expiration Date:

9-9-95

Conditions of Approval:

Attached ☐

Notify N.M.O.C.C. in sufficient  
time to witness cementing

on 9 5/8" casing

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                              |  |  |  |   |                      |
|------------------------------|--|--|--|---|----------------------|
| 1 API Number<br>30-015-28372 |  | 2 Pool Code<br>15472                           |  | 3 Pool Name<br>Dagger Draw, Upper Penn, North |                      |
| 4 Property Code              |  | 5 Property Name<br>TACKITT AOT                 |  |   | 6 Well Number<br>3   |
| 7 OGRID No.<br>025575        |  | 8 Operator Name<br>YATES PETROLEUM CORPORATION |  |   | 9 Elevation<br>3481. |

10 Surface Location

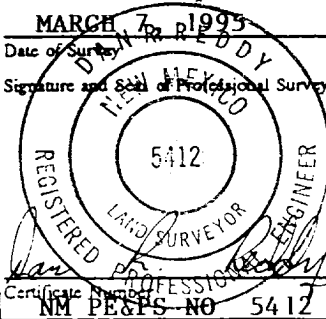
| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| 0             | 28      | 19S      | 25E   |         | 660           | SOUTH            | 1980          | 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<br>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<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><br>Signature: <u>Ken Beardemphl</u><br>Printed Name: <u>Landman</u><br>Title: <u>3-8-95</u><br>Date: <u>3-8-95</u>   |
|    |  |  |  |   |
|    |  |  |  |   |
|    |  |  |  | 18 SURVEYOR CERTIFICATION<br>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.<br><br>MARCH 7, 1995<br>Date of Survey<br>Signature and Seal of Professional Surveyor:<br><br>Certificate No. <u>5412</u> |
|    |  |  |  |   |

# YATES PETROLEUM CORPORATION

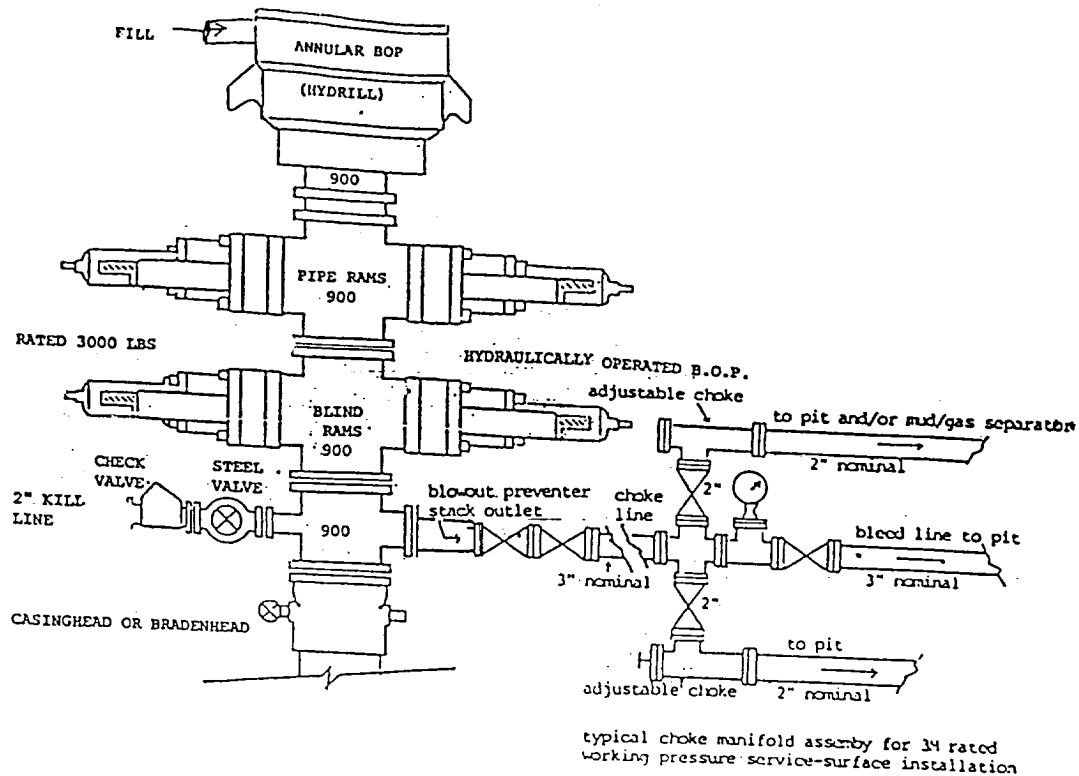


EXHIBIT B

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.