

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-101
Revised October 18, 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

| | | |
|---|---|--|
| ¹ Operator Name and Address. Yates Petroleum Corporation 105 S. 4th Street Artesia, New Mexico 88210 | | ² OGRID Number 025575 |
| | | ³ API Number 30 - 0 15-28408 |
| ⁴ Property Code 15788 | ⁵ Property Name Patriot AIZ | ⁶ Well No. 9 |

⁷ Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 21 | 19S | 25E | | 1980' | South | 660' | West | Eddy |

⁸ Proposed Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---|---------|----------|-------|---------|---------------|-------------------------------|---------------|----------------|--------|
| ⁹ Proposed Pool 1 Dagger Draw Upper Penn, North | | | | | 15472 | ¹⁰ Proposed Pool 2 | | | |

| | | | | |
|-----------------------------------|---------------------------------------|--------------------------------------|--|---|
| ¹¹ Work Type Code N | ¹² Well Type Code O | ¹³ Cable/Rotary Rotary | ¹⁴ Lease Type Code P | ¹⁵ Ground Level Elevation 3498' |
| ¹⁶ Multiple No | ¹⁷ Proposed Depth 8300' | ¹⁸ Formation Canyon | ¹⁹ Contractor Not Determined | ²⁰ Spud Date 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 | Circulate |
| 8 3/4" | 7" | 26# & 26# | TD | 1350 sx | Circulate |
| | | J-55 & N-80 | | | |
| | | | | | |
| | | | | | |

²² 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 proposes 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: 0-1150' FW Gel/LCM; 1150'-5200' FW; 5200'-7200' Cut Brine/KCL; 7200'-TD Cut Brine/Starch.

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

²³ 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: March 6, 1998

Phone:

505-748-4348

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date:

MAR 12 1998

Expiration Date:

3-12-99

Conditions of Approval:

Attached ☐

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | | | | |
|-----------------|--|-----------------------------|--|--------------------------------|---------------|
| 1 API Number | | 2 Pool Code | | 3 Pool Name | |
| 30-015-78408. | | 15472 | | Dagger Draw, Upper Penn, North | |
| 4 Property Code | | 5 Property Name | | | 6 Well Number |
| PATRIOT "AIZ" | | | | | 9 |
| 7 OGRID No. | | 8 Operator Name | | | 9 Elevation |
| 025575 | | YATES PETROLEUM CORPORATION | | | 3498. |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| L | 21 | 19S | 25E | | 1980 | SOUTH | 660 | WEST | 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 | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ Order No. |
| 160 | | | |

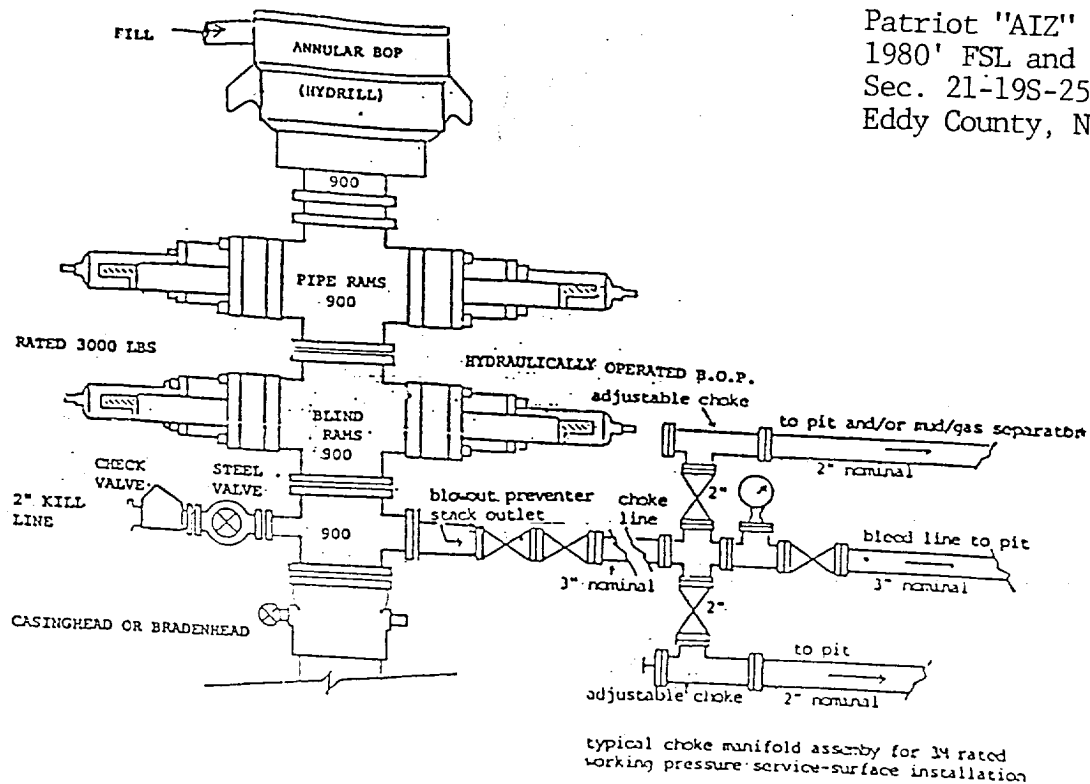
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

| | |
|--|--|
| <p>16</p> | <p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> |
| | <p>Signature <u>Ken Beardemphl</u></p> <p>Printed Name <u>Ken Beardemphl</u></p> <p>Title <u>Landman</u></p> <p>Date <u>March 22, 1995</u></p> |
| <p>660'</p> <p>1980'</p> <p>FEE</p> | <p>18 SURVEYOR CERTIFICATION</p> <p>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.</p> <p>MARCH 15, 1995</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor.</p> <p>AN R. REDD</p> <p>NEW MEXICO</p> <p>REGISTERED LAND SURVEYOR ENGINEER</p> <p>5412</p> <p>NM PLS 800-519-12</p> |

YATES PETROLEUM CORPORATION

Yates Petroleum Corporati

105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210



Patriot "AIZ" #9
1980' FSL and 660' FWL
Sec. 21-19S-25E
Eddy County, New Mexico

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.