

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

MAR 31 1995

☐ AMENDED REPORT

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

¹ Operator Name and Address. YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30-015-28424
⁴ Property Code 11996	⁵ Property Name Amole AMM State Com.	⁶ Well No. 2

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
K	16	19S	25E		1780	South	1980	West	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
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 S	¹⁵ Ground Level Elevation 3484
¹⁶ Multiple No	¹⁷ Proposed Depth 8300'	¹⁸ Formation Canyon	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

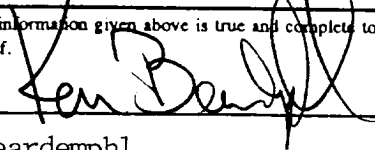
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	9 5/8"	36# J-55	1150	1100 sx	Circulated
8 3/4"	7"	23#, 26#	TD	1350 sx	CIRC
		J-55, N-80			Post ID-1
					4-7-95
					New Loc & API

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 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 hydrill will be installed on the 9 5/8 casing and tested daily.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: 		OIL CONSERVATION DIVISION	
Printed name: Ken Beardemphl		Approved by: ORIGINAL SIGNED BY TIM W. GUM	
Title: Landman		Title: DISTRICT II SUPERVISOR	
Date: 3-30-95		Approval Date: APR 3 1995	Expiration Date: 10-3-95
Phone: 505-748-1471		Conditions of Approval: Attached <input type="checkbox"/> Notify N.M.O.C.C. in sufficient time to witness cementing	

C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

- | | | | |
|----------|--|----|--|
| 1 | Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office. | 18 | Geologic formation at TD |
| 2 | Operator's name and address | 19 | Name of the intended drilling company if known. |
| 3 | API number of this well. If this is a new drill the OCD will assign the number and fill this in. | 20 | Anticipated spud date. |
| 4 | Property code. If this is a new property the OCD will assign the number and fill it in. | 21 | Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement |
| 5 | Property name that used to be called 'well name' | 22 | Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary. |
| 6 | The number of this well on the property. | 23 | The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report. |
| 7 | The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter. | | |
| 8 | The proposed bottom hole location of this well at TD | | |
| 9 and 10 | The proposed pool(s) to which this well is being drilled. | | |
| 11 | Work type code from the following table:
N New well
E Re-entry
D Drill deeper
P Plugback
A Add a zone | | |
| 12 | Well type code from the following table:
O Single oil completion
G Single gas completion
M Multiple completion
I Injection well
S SWD well
W Water supply well
C Carbon dioxide well | | |
| 13 | Cable or rotary drilling code
C Propose to cable tool drill
R Propose to rotary drill | | |
| 14 | Lease type code from the following table:
F Federal
S State
P Private
N Navajo
J Jicarilla
U Ute
I Other Indian tribe | | |
| 15 | Ground level elevation above sea level | | |
| 16 | Intend to multiple complete? Yes or No | | |
| 17 | Proposed total depth of this well | | |

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-28424		Pool Code 15472	Pool Name Dassev Draw upper kny, North
Property Code	Property Name AMOLE AMM STATE COM		Well Number 2
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3484.

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
K	16	19S	25E		1780	SOUTH	1980	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: <i>Ken Beardemphl</i></p> <p>Printed Name: Ken Beardemphl</p> <p>Title: Landman</p> <p>Date: 3-30-95</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 29, 1995</p> <p>Date of Survey: <i>AN R. REDD</i></p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>AN R. REDD</i></p> <p>REGISTERED LAND SURVEYOR</p> <p>Certificate Number: NM 88425 NO. 5412</p>	

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

YATES PETROLEUM CORPORATION

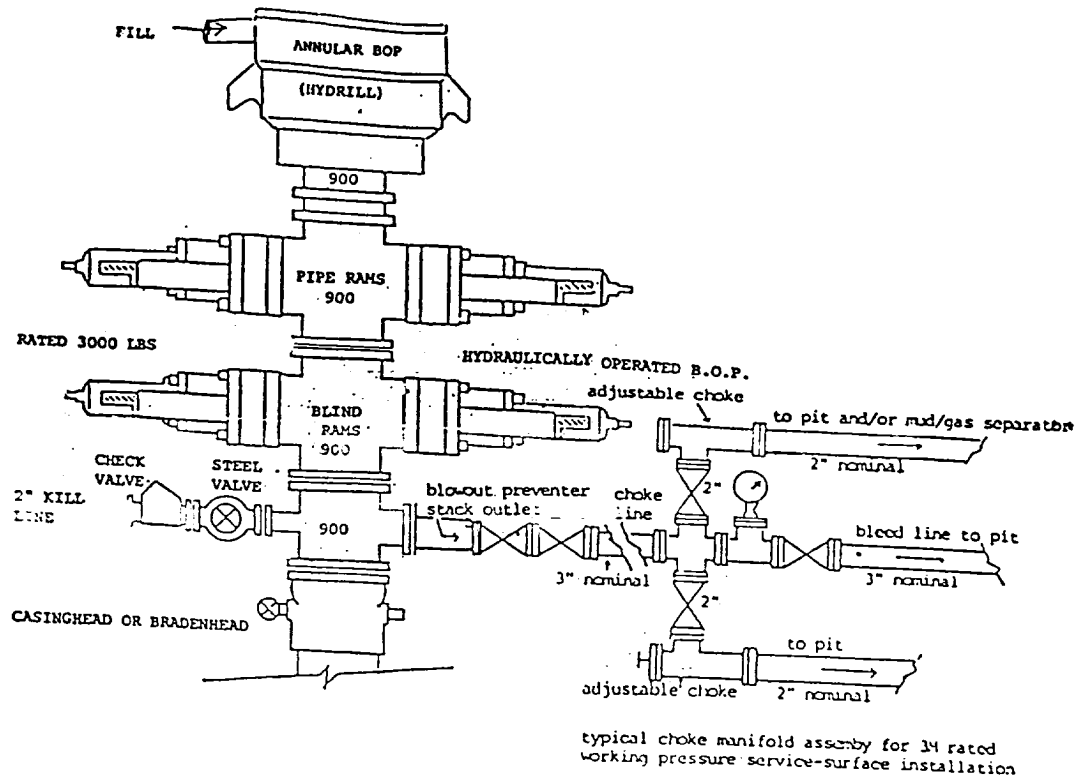


EXHIBIT B

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.