District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719

State of New Mexico
Energy, Minerals & Natural Resources Department

Revised February 10, 1990 Instructions on back Submit to Appropriate District Office

District III 1000 Rio Brazos Rd., Aztec, NM 87410 OIL CONSERVATION DIVISION PO Box 2088

State Lease - 6 Copies

District IV	CC, INM 674	10	Sant	a Fe, NN	M 87	7504-2088	3			Fee	Lease - 5 Cop	
PO Box 2088, Santa Fe, N						•• .		•			NDED REPOR	
APPLICATION	1 FOR	PERMIT T	O DRI	LL, RE-	EN	TER, DE	EPE	v, peugb	ACK.	OR A	DD A ZON	
,		· c	perator Na	me and Addr	ress.	· K	11-	succession in		777	GRID Number	
YATES PETROLEUM CORPO						RATION				025575		
	105 Sout	th Fourth Stree , New Mexico			et		100 0 0 1095		3 API Number			
<sup>4</sup> Property Cod		Ar ces ia,	MEM IN	EXICO		88210	<del>, n n</del>	····			15-28738	
1206		Boyd :	X State			operty Name	7 i de	40 M. 2087 s	DIY	/ <sub>0</sub>	• Well No.	
UL or lot no. Section						Location						
H 16	19	S 25E	Lot Ida	Feet from 1780		North North		Feet from the 660 '	Ea:	Vest tine St	County Eddy	
	8	Proposed 1	3ottom	Hole Lo	catio	on If Diff	eren	From Sur	face		<del></del>	
UL or lot no. Section	n Townsi	hip Range	Lot Idn	Feet from	the	North/South	line	Feet from the		Vest line	County	
		oposed Pool 1		<u>.                                    </u>	$\neg \uparrow$			14 Propos	ed Pool 2	2	1,	
Dagger D	raw; Up	oper Penn,	North	1547	2		<u>:</u>					
" Work Type Cod	c	12 Well Type (	Code	13 C	Cable/F	Rotary		14 Lease Type Co	de	<sup>14</sup> Grou	nd Level Elevation	
N		0	Rotary		S		ļ	3469				
" Multiple		17 Proposed D	18	18 Formation			" Contractor		24 Spud Date			
No		8300	Cany				Not Determined		ASAP			
Hole Size	1 6	21	Propose	d Casing	gan	d Cement		gram				
14 3/4"	<del></del>	5/8"	Casing weight/foot			Setting Depth		Sacks of Cement		Estimated TOC		
8 3/4"		7"	36# J-55 23# & 26#			1150		1100 sx		Circulated		
<u> </u>	<del></del>					TD		1350	) sx		<u>rculated</u>	
	<del> </del>		0-35,	N-80							FID-1	
	<b></b>					<del> </del>		<del> </del>		7   7	2-8-95	
Describe the proposed zone. Describe the blow	program. I	If this application	is to DEEP	EN or PLUG	BACI	K give the data	on the	present productiv	4/	and have	c + API	
Yates Petrol formations. to shut off cemented, wi	eum Co Appro gravel 11 per FW Ge	orporation eximately and cavi forate an	wishe 1150' ngs. d stim	s to dr of surfa If commo ulate as	ill ace erci s ne	and test casing w ial, prod	t the vill lucti	e Canyon a be set an on casing duction.	nd in d cem will	itermed ent ci be ru	liate rculated In and	
	Juic	ii to ib.										
BOP PROGRAM:	nformation o	s and hyd	ril wi	ll be in	nsta	lled on	the	9 5/8" c	asing	and t	ested daily	
of my knowledge and believe Signature:	f. ()	) )	una comple	ze to the best	A = -			NSERVAT				
Printed name: Ken R	eardem <sub>i</sub>	nh1			Title:	oved by:	ORI DIS	Ginal <del>Sig</del> n T <del>rict II Su</del> i	ED BY	TIM W	. Gum BX	
Tiue: Landm		hui ,				oval Date:	, , ,	<del></del>	upination l	Date		
12-05-95		Phone: 505-	-748-14	171		itions of Approv	<u>د / ﴿</u>	time to W	icc.	in Mil	106 m/ 96	
					<del></del>			the	1 24	OBSILA		

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

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

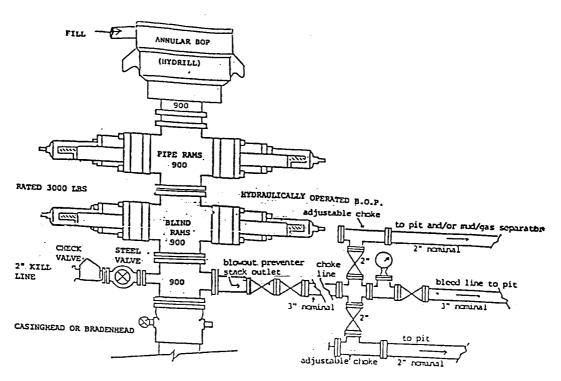
OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088

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

MENDED PEPOPT

CL or lot no. Section Town H 16 19  UL or lot no. Section Town UL or lot no. Section Town  12 Dedicated Acres 12 Joint or Infil 160  NO ALLOWABLE WILL	OYD X STATI  ATES PETROI  Waship Range 9-S 25-E  11 Bot  Waship Range  It Consolidation  L BE ASSIGNE	Lot Ida  Lot Ida  Lot Ida  Lot Ida  Dan Code 13 O	Proper ' Operate RPORATION  10 Surface Feet from the 1780 e Location Feet from the Order No.	e Location  North/South line NORTH  If Different Fro	Feet from the 660 Om Surface Feet from the INTERESTS H BY THE DIVI	East/West line EAST  East/West line  EAST  East/West line  EAST	* Well Number 12 * Elevation 3469.  County EDDY  COUNTY  CONSOLIDATED  RTIFICATION tion contained herein is
To Property Code  Property Code  BO  OGRID No.  025575  VA  UL or lot no. Section Town H 16 19  UL or lot no. Section Town 12 Dedicated Acres 12 Joint or Infil 160  NO ALLOWABLE WILL	ATES PETROI  Waship Range 9-S 25-E  11 Bot  Waship Range  Consolidation  L BE ASSIGNE	E COM  Lot Idn  Lot Idn  Lot Ida  Dan Code 13 O	Proper ' Operate RPORATION  10 Surface Feet from the 1780 e Location Feet from the Order No.	e Location  North/South line NORTH  If Different From North/South line  North/South line	Feet from the 660 om Surface Feet from the INTERESTS H BY THE DIVI	East/West line EAST  East/West line  IAVE BEEN CONTRATOR CE	* Well Number 12 * Elevation 3469.  County EDDY  COUNTY  CONSOLIDATED  RTIFICATION tion contained herein is
'Property Code  BO 'OGRID No.  025575  VA  UL or lot no. Section Town H 16 19  UL or lot no. Section Town 12 Dedicated Acres 12 Joint or Infil 160  NO ALLOWABLE WILL	ATES PETROI  Waship Range 9-S 25-E  11 Bot  Waship Range  Consolidation  L BE ASSIGNE	Lot Ida  Lot Ida  Lot Ida  Dan Code 15 O	Proper ' Operate RPORATION  10 Surface Feet from the 1780  E Location Feet from the Order No.	e Location  North/South line NORTH  If Different From North/South line  North/South line	Feet from the 660  Om Surface Feet from the  INTERESTS H BY THE DIVI	East/West line EAST  East/West line  IAVE BEEN CISION  RATOR CE	* Well Number 12 * Elevation 3469.  County EDDY  COUNTY  CONSOLIDATED  RTIFICATION tion contained herein is
OGRID No.  O25575  VA  UL or lot no. Section Town H 16 19  UL or lot no. Section Town 12 Dedicated Acres 13 Joint or Infil 160  NO ALLOWABLE WILL	Waship Range 9-S 25-E  11 Bot Waship Range Consolidation L BE ASSIGNE	Lot Ida  ttom Hole Lot Ida  on Code   15 O	Poperation  10 Surface Feet from the 1780  e Location Feet from the  Order No.	e Location North/South line NORTH If Different From North/South line	660  om Surface  Feet from the  INTERESTS H BY THE DIVI	EAST  East/West line  IAVE BEEN CISION  RATOR CE	County EDDY County CONSOLIDATED RTIFICATION
O25575  VA  UL or lot no. Section Town H 16 19  UL or lot no. Section Town 12 Dedicated Acres 12 Joint or Infil 160  NO ALLOWABLE WILL	Waship Range 9-S 25-E  11 Bot Waship Range Consolidation L BE ASSIGNE	Lot Ida  ttom Hole Lot Ida  on Code   15 O	Feet from the 1780  E Location  Feet from the	e Location  North/South line NORTH  If Different From North/South line  TION UNTIL ALL	660  om Surface  Feet from the  INTERESTS H BY THE DIVI	EAST  East/West line  IAVE BEEN CISION  RATOR CE	County EDDY  County EDDY  CONSOLIDATED  RTIFICATION  tion contained herein is
UL or lot no. Section Town H 16 19  UL or lot no. Section Town  12 Dedicated Acres 13 Joint or Infil 160  NO ALLOWABLE WILL	9-S 25-E  11 Bot  waship Range  Consolidation  L BE ASSIGNE	Lot Idn  ttom Hole Lot Idn  on Code   15 O	Feet from the 1780 e Location Feet from the  Order No.	North/South line NORTH  If Different From North/South line	660  om Surface  Feet from the  INTERESTS H BY THE DIVI	EAST  East/West line  IAVE BEEN CISION  RATOR CE	County EDDY  County  CONSOLIDATED  RTIFICATION  tion contained herein is
H 16 19  UL or lot no. Section Town Dedicated Acres 13 Joint or Infil 160  NO ALLOWABLE WILL	9-S 25-E  11 Bot  Naship Range  fill Consolidation  L BE ASSIGNE	Lot Idn  Lot Idn  on Code   15 O	Feet from the 1780 e Location Feet from the Order No.	North/South line NORTH  If Different From North/South line	660  om Surface  Feet from the  INTERESTS H BY THE DIVI	EAST  East/West line  IAVE BEEN CISION  RATOR CE	County EDDY  County  CONSOLIDATED  RTIFICATION  tion contained herein is
H 16 19  UL or lot no. Section Town Dedicated Acres 13 Joint or Infil 160  NO ALLOWABLE WILL	9-S 25-E  11 Bot  Naship Range  fill Consolidation  L BE ASSIGNE	Lot Idn  Lot Idn  on Code   15 O	e Location Feet from the Order No.	NORTH  If Different From North/South line	660  om Surface  Feet from the  INTERESTS H BY THE DIVI	EAST  East/West line  IAVE BEEN CISION  RATOR CE	CONSOLIDATED  RTIFICATION  tion contained herein is
UL or lot no. Section Town 12 Dedicated Acres 13 Joint or Infil 160 NO ALLOWABLE WILL	II Bot Range  Fill Consolidation  L BE ASSIGNE	Lot Ida	Feet from the	If Different Free North/South line	Feet from the  INTERESTS H BY THE DIVI	East/West line  IAVE BEEN C ISION  RATOR CE  Ify that the information	COUBTY  CONSOLIDATED  RTIFICATION  tion contained herein is
"Dedicated Acres "Joint or Infil 160  NO ALLOWABLE WILL C	Mange  Fill Consolidation  L BE ASSIGNE	Lot Ida on Code 15 O	Feet from the Drder No.	North/South line	INTERESTS H BY THE DIVI	IAVE BEEN CISION RATOR CE	CONSOLIDATED  RTIFICATION  tion contained herein is
"Dedicated Acres "Joint or Infil 160  NO ALLOWABLE WILL C	fill ' Consolidation  L BE ASSIGNE	on Code 13 O	Order No.	TION UNTIL ALL	INTERESTS H BY THE DIVI	IAVE BEEN CISION RATOR CE	CONSOLIDATED  RTIFICATION  tion contained herein is
160 NO ALLOWABLE WILL C	L BE ASSIGNE	D TO THI	IS COMPLET	TION UNTIL ALL BEEN APPROVED	BY THE DIVI	ISION RATOR CE ify that the informa	RTIFICATION
			1877	660	Printed Name Ken B Title Landm Date  18 SURV I hereby certified was plotted from and correct to DECEMB	eeardemphl nan  12-05-95 EYOR CER fy that the well loca om supervision, and the best of my belo ER 4, 199	5

## YATES PETROLEUM CORPORATION



typical choke manifold assemby for 14 rated working pressure service-surface installation

## EXHIBIT B

## THE FOLLOWING CONSTITUES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

- 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.
- Operating controls to be located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing.