District I PO Box 1980, Hobbs, NM 88241-1980 District II PO Drawer DD, Artesia, NM 88211-0719 District III 1000 Rio R

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-101 Revised February 10, 1994

OIL CONSERVATION DIVISION DIVISION FOR Box 2088

State Lease - 6 Copies

District IV	Kd., Aziec,	NM 87410		Sant	a Fe, NM 8	37504-2088	3	non 1.		Fee	Lease - 5 Cop	
PO Box 2088, Sa	nu Fe, NM	87504-2088						920 1	. אלים בלילו	] ]amen	DED REPORT	
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I hereby certify	that the inf	ormation give	a above is a	we and comp	lete to the best	OII	CO	NCCDY		~		
of my knowledge and relief.  Signature:						OIL CONSERVATION DIVISION  Approved by: OPIGINAL CLOSED BY TEA MI CLES						
Printed name: Ken Beardemph1						ORIGINAL SIGNED BY TIM W. GUM  Title: DISTRICT II SUPERVISOR						
Title:		<del></del>				named Date						
Date:	<u>andman</u>		Phone:	<del></del>		onditions of Appro		- 75	expiration (	<u></u> 6	ruiticiani	
12-11-95				748-14	71 II	Attached	~ T = 4 .				nontine	

District I PO Box 1980, Hobbs, NM 88241-1980 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

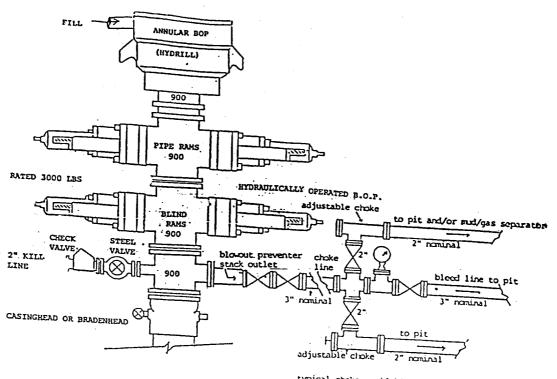
Form C-102 Revised February 10, 1994 Instructions on back

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

3G-O15 - 28748   S472   Dagger Draw, Upper Penn, North  'Property Code   'Property Name   'Well Number   2   Elevation   3535.  'OGRID No. O25575   YATES PETROLEUM CORPORATION   'Surface Location    'UL or lot no. Section   Township   Range   Lot Idn   Feet from the   North/South line   Feet from the   East/West line   County    E 9 19-S 25-E   1980   NORTH   660   WEST   EDDY  'I 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    'Dedicated Acres   'I Joint or Infill   '' Consolidation Code   'I 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   I' OPERATOR CERTIFICATIO   I hereby certify that the information contained herein in true and complete to the best of my involvedge and being the complete to the complete to the complete to the complete to th	r		WI	ELL LO	CATIO	N AND A	CREAGE DED	ICATION P	LAT			
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## YATES DETROLEUM 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.
- 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.