Form 3160-3 (July 1992)	DEPARTMEN	N. ITED STATES IT OF THE INTE F LAND MANAGEME		OMB NO. 1004-0136 Expires: February 28, 1995 5. LEASE DESIGNATION AND SEBIAL NO. NM-045276				
	ICATION FOR	PERMIT TO DRI	LL OR DEEPEN	6. IF INDIAN, ALLOTTEB OR TRIBE NAME				
1a. TYPE OF WORK D. TYPE OF WELL	NLL 🖾	7. UNIT AGREEMENT NAME						
WELL AA V	VELL OTHER	B. FARM OR LEASE NAME, WELL NO.						
2. NAME OF OPERATOR YATES PETROLI	EUM CORPORATION	Preston Federal #19						
3. ADDRESS AND TELEPHONE NO.		25575	<u>. 1997 - Anna Anna Anna Anna Anna Anna Anna An</u>	31-115-29817				
105 South For	urth Street, Ar	tesia, New Mexi ad in accordance with any	co 88210 (505)74					
At surface 1980' FSL and At proposed prod. zor Same	1 1980' FWL ne	ut. K		South Dagger Draw, Upper Penn 11. SBC, T. B., M., OB BLK AND SUBVEY OR AREA Section 35, T20S-R24E				
		AREST TOWN OR POST OFFI		12. COUNTY OR PARISH   13. STATE				
15. DISTANCE FROM PROP LOCATION TO NEARES PROPERTY OR LEASE	USED <sup>*</sup> T Line, FT.	thwest of Artes	12, New Mexico No. of Acres in Lease	Eddy County New Mexico 17. No. OF ACRES ASSIGNED TO THIS WELL				
(Also to nearest dr. 18. DISTANCE FROM PROJ TO NEAREST WELL, I			PROPOSED DEPTH	320 20. ROTART OR CABLE TOOLS				
OR APPLIED FOR, ON TH 21. ELEVATIONS (Show wh	IIS LEASE, FT.		8200'	Rotary				
3670' GR	etter Dr, RI, GR, etc.)			22. APPROX. DATE WORK WILL START*				
23.		PROPOSED CASING AN	ND CEMENTING PROGRA	l M				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT				
14 3/4"	9 5/8"	36 #	1150'	1100 sx Circulated Withest				
8_3/4"	7"	<u>23# &amp; 26#</u>	8200'	1350 sx Circulated withun				
formations. shut of grav	Approximately red and cavings te and stimula 0-1150' FW G	1150' of surface. If commerciate as needed for	ce casing will b al, production c production. 5200' FW; 5200	e Canyon and intermediate be set and cement circulated to casing will be run and cemented, ' to 7200' Cut Brine/KCL;				
BOPE PROGRAM	: BOPE will b	e installed on s	5/8" casing an ECT TO	d tested daily.				
				Land Land Land Land Land Land Land Land				
ABOVE SPACE DESCRIB teppen directionally, give perti-	E PROPOSED PROGRAM: nent data on subsurface locali	f proposal is to deepen, give dat ons and measured and true verti	ta on present productive zone cal depths. Give blowout preve	and proposed new productive zone. If proposal is to drill or nter program, if any.				
SIGNED	n Bealey	TITLE I	andman	DATE July 1, 1997				
(This space for Feder	ral or State office use)							
PERMIT NO.	<u> </u>		APPROVAL DATE					
Application approval does r CONDITIONS OF APPROVAL		pplicant holds legal or equitable (	title to those rights in the subject i	lease which would entitle the applicant to conduct operations thereon.				
APPROVED BY	SGD.) ARMANDO A. I	OPEZ TITLE AC	tin, ADM. MINER	RALS				

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\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false flatitions or fraudulent statements or representations as to any matter within its unisdiction.

District I PO Box 1980, Hobbs, NM \$5241-1980 District II PO Drawer DD, Artesia, NM \$5211-0719 District III 1000 Rio Brazos Rd., Aztec, NM \$7410 District IV PO Box 2088, Santa Fe, NM \$7504-2085

### 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

AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

Property Code     'Property Name     'Well Network       OGRID No.     'Operator Name     'Environ       025575     YATES PETROLEUM CORPORATION     3670.       1* Surface Location     'Bournair Name     'Environ       Ut or lot as.     Section     Tormship     Range     Lat (as       1980     SOUTH     1980     WEST     EDDY       1* Bottom Hole Location If Different From Surface     Ut is in the Section     County       1* Dottom Hole Location If Different From Surface     County       1* Dottom Hole Location If Different From Surface     County       1* Dottom Hole Location If Different From Surface     County       1* Dottom Hole Location UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION       10     OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION       16     1* OPERATOR CERTIFICATION       16     1* OPERATOR CERTIFICATION       1980     NM       1980	API Number			1	<sup>1</sup> Pool Code			_	Pool N				
PRESTON FEDERAL     19       OCRUD Nr.     'Operator Name     'Erration       025575     YATES PETROLEUM CORPORATION     3670.       ''Surface Location     ''Surface Location     ''Surface Service       Ut or tox se.     Service     Torenthip     Range     Let tda     Fee free two     NerkuSterki Lee     Fee free two     MEST     Covery       ''Dodicated Arem     ''Joint or Infill     ''Surface Cocation if Different From Surface     ExauVes for     Covery       ''Dodicated Arem     ''Joint or Infill     ''Consolidation Code     ''Orter No.     ''Orter No.       ''Dodicated Arem     ''Joint or Infill     ''Consolidation Code     ''Orter No.     ''Orter No.       ''Dodicated Arem     ''Joint or Infill     ''Consolidation Code     ''Orter No.     ''Orter No.       ''Dodicated Arem     ''Joint or Infill     ''Consolidation Code     ''Orter No.       ''Dodicate Arem     ''Joint or Infill     ''Orter No.     ''Orter No.       ''Dod     ''Joint or Infill     ''Orter No.     ''Orter No.       ''Dod     ''Joint or Infill     ''Solidator Infill     ''Orter No.       ''Dod     ''Joint or Infill     ''Solidator Infill     ''Solidator Infill       ''Dod     ''Joint or Infill     ''Solidator Infill     ''Solidator Infill       ''Dodicate Arem<	South Dagger Draw, Upper Penn												
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# **YATES PETROLEUM CORPORATION**

# Yates Petroleum Corporation 105 SOUTH 4th STREET ARTESIA, NEW MEXICO 88210



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 1. controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 3" diameter. 2.
- Kill line to be of all steel construction of 3" minimum diameter. 3.
- All connections from operating manifolds to preventers to be all 4. steel. Hole or tube to be a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of 5.
- that required with sufficient volume to operate the B.O.P.'s. All connections to and from preventer to have a pressure 6.
- 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
- 9. Hole must be kept filled on trips below intermediate casing.