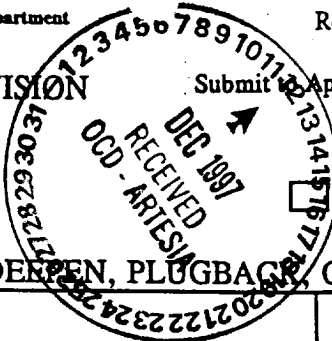


District I
PO Box 1980 Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

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, PLUG BACK, 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 30-015-29968
⁴ Property Code 22219	⁵ Property Name ROSS IZ	⁶ Well No. 2

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
E	28	19S	25E		1980'	North	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					¹⁰ Proposed Pool 2 15472				

¹¹ Work Type Code N	¹² Well Type Code O	¹³ Cable/Rotary R	¹⁴ Lease Type Code P	¹⁵ Ground Level Elevation 3495'
¹⁶ Multiple No	¹⁷ Proposed Depth 8,400'	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"	23# & 26# J-55 & N-80	TD	1350 sx	Circulate

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 of gravel and cavings. If commercial, production casing will run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: 0-1150' FW Gel/LCM; 1150'-5200' FW; 5200' Cut Brine; 7200'-TD; Cut Brine Starch.

BOPE PROGRAM: BOP'S and Hydrill will be installed on 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:

Printed name:

KEN BEARDEMPHIL

Title:

LANDMAN

Date:

December 12, 1997

Phone:

505-748-4348

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date:

DEC 15 1997

Expiration Date:

12-15-98

Conditions of Approval:

Attached ☐

Posted ID-1
HLCMP
12-29-97

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-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

API Number 30-015-29968		Pool Code 15472	Pool Name Dagger Draw Upper Penn, North
Property Code 025575	Property Name ROSS IZ		Well Number 2
OGRID No.	Operator Name YATES PETROLEUM CORPORATION		Elevation 3495.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
E	28	19-S	25-E		1980	NORTH	660	WEST	EDDY

¹¹ 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

¹² Dedicated Acres 160	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

	<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: December 12, 1997</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>DECEMBER 10, 1997</p> <p>Date of Survey: <i>DAN R. REDDY</i></p> <p>Signature and Seal of Professional Surveyor:</p> <p><i>DAN R. REDDY</i></p> <p>REGISTERED LAND SURVEYOR ENGINEER</p> <p>Certificate Number: 5412</p> <p>NM PREPS NO. 23412</p>	

YATES PETROLEUM CORPORATION

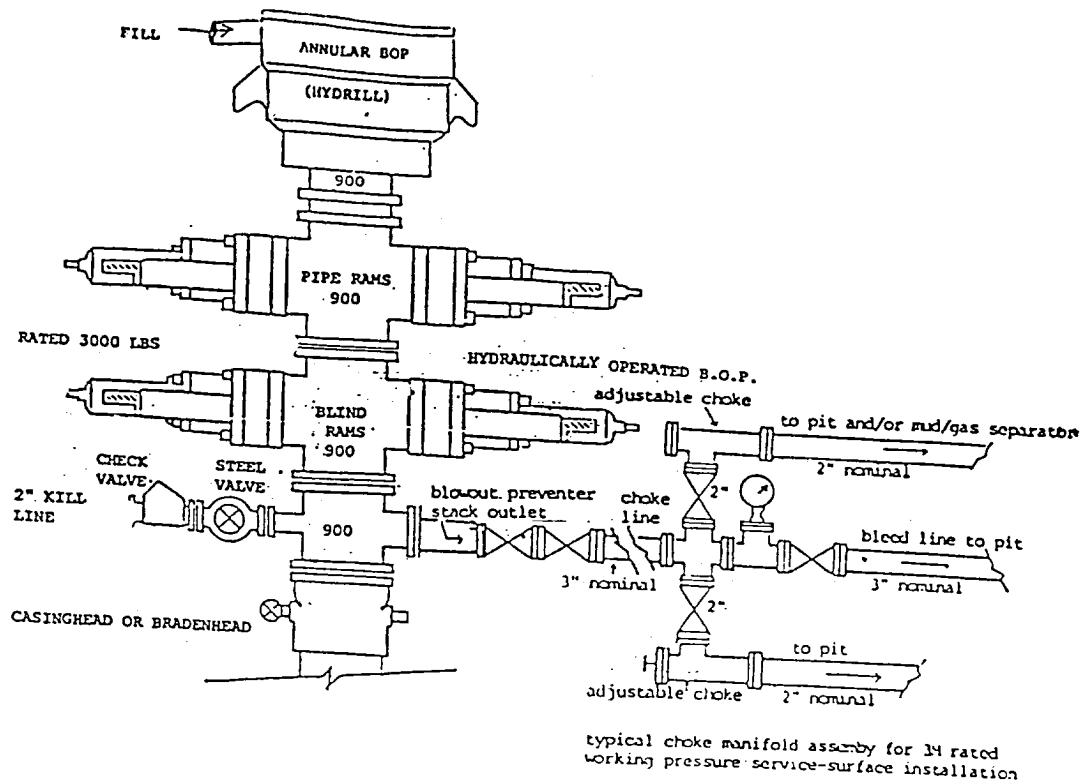


EXHIBIT B

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.