

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

JUN 2 1991

O. C. D.
ARTESIA, OFFICE

API NO. (assigned by OCD on New Wells)
30-015-26794

5. Indicate Type of Lease
STATE ☒ FEE ☐

6. State Oil & Gas Lease No.
V-1673

7. Lease Name or Unit Agreement Name
Lost Tank "AIS" State

8. Well No.
8

9. Pool name or Wildcat
☒ Wildcat Delaware

10. Proposed Depth
8500'

11. Formation
Delaware

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3591' GR

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Undesignated

16. Approx. Date Work will start
ASAP

17. PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|--------------|
| 17 1/2" | 13 3/8" | 54.5# | 850' | 850 | Circulate |
| 11" | 8 5/8" | 32.0# | 4500' | 2500 | Circulate |
| 7 7/8" | 5 1/2" | 17 & 20# | TD | As warranted | As warranted |

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Approximately 4500' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 850'; Brine to 4500'; cut Brine to TD.

BOP PROGRAM: BOP will be installed at the offset and tested daily for operational..

Letter has been sent to N.M. Potash Corporation.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 1/24/92
UNLESS DRILLING UNDERWAY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Clifton R. May TITLE Permit Agent DATE 6-24-91
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use) ORIGINAL SIGNED BY
MIKE WILLIAMS
SUPERVISOR, DISTRICT II

APPROVED BY _____ TITLE _____ DATE JUL 24 1991

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT
TIME TO WITNESS CEMENTING THE
13 3/8" + 8 5/8" CASING