

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

State of New Mexico
Geology, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

API NO. (assigned by OCD on New Wells)

30-011-27463

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

V-3070

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL

WELL ☒

GAS

WELL ☐

OTHER ☐

SINGLE

ZONE ☐

MULTIPLE

ZONE ☐

7. Lease Name or Unit Agreement Name

Wagon Unit

8. Well No.

1

9. Pool name or Wildcat

Undes. Morrow

4. Well Location

Unit Letter G : 1980 Feet From The North Line and 1980 Feet From The East Line

Section 32 Township 22S Range 23E NMPM Eddy County

10. Proposed Depth
9950'

11. Formation
Morrow

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
4283

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#	350'	400 sx	Circulated
12 1/4	9 5/8"	36#	2700'	200 sx	Circulated
8 3/4	7"	23#	TD	1000 sx	as warranted

Yates Petroleum Corporation proposes to drill and test the Morrow and intermediate formation. Approximately 350' of surface casing will be set and cement circulated to shut-off gravel and cavings. We will run intermediate casing and if commercial production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW Spud to 350'; FW to 2700'; Cut brine to 8900'; Salt/Gel/St to TD.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

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

Landman

6/8/93

TYPE OR PRINT NAME

Ken Beardemphl

748-1471
TELEPHONE NO.

(This space for State Use)

APPROVED BY

GEOLOGIST

DATE

6-15-93

CONDITIONS OF APPROVAL, IF ANY:

NO TRAINING IN SUFFICIENT
INFORMATION FOR DETERMINING THE
1372
LOADING

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 12-15-93
UNLESS DRILLING UNDERWAY

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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WELL LOCATION AND ACREAGE DEDICATION PLAT

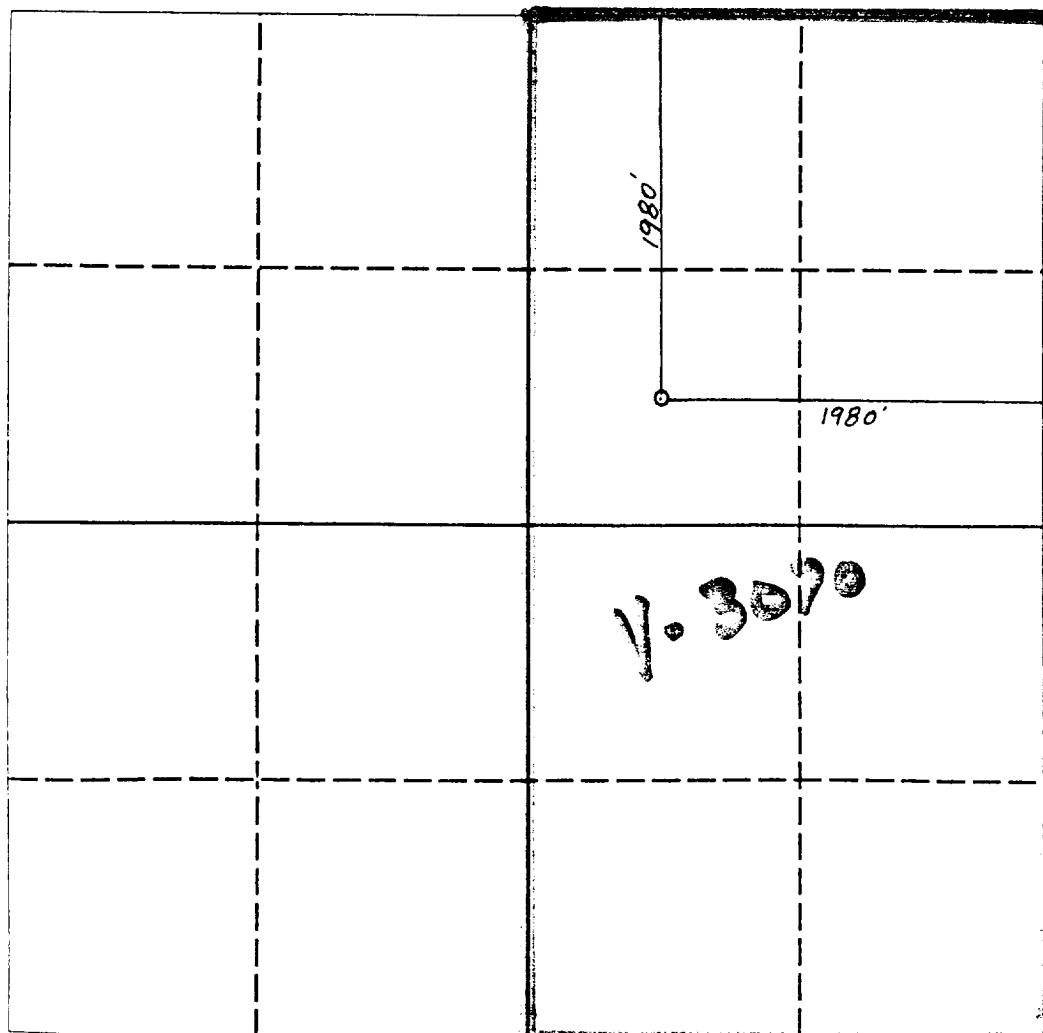
All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease WAGON UNIT		Well No. 1
Unit Letter G	Section 32	Township 22 SOUTH	Range 23 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 1980 feet from the NORTH line and 1980 feet from the EAST line					
Ground level Elev. 4283.	Producing Formation Morrow		Pool Under. Morrow	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communization, unitization, force-pooling, etc.?
☐ Yes ☒ No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

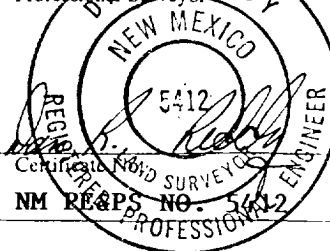
Signature *Ken Beardum*
Printed Name **Ken Beardum**
Position **Landman**
Company **Yates Pet. Corp.**
Date **6-7-93**

SURVEYOR CERTIFICATION

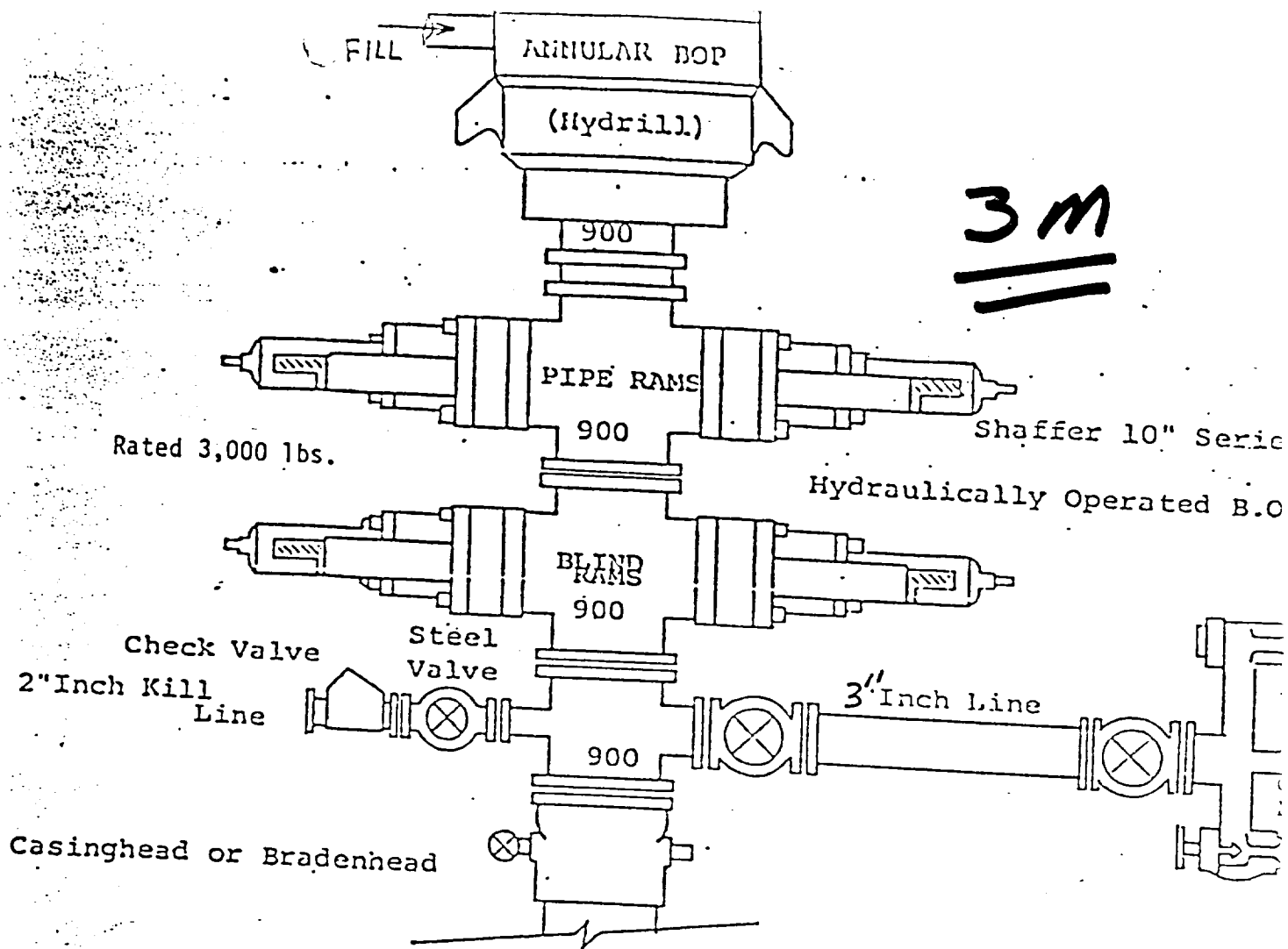
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
JUNE 4, 1993

Signature & Seal of EDDY
Professional Surveyor



0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual c 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 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all st hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of t required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equ to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT
B