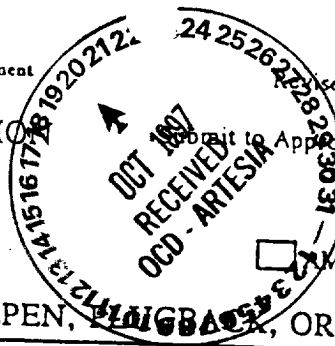


District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088



Form C-101
Issued February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
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APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

Operator Name and Address: YATES PETROLEUM CORPORATION 105 South Fourth Street Artesia, New Mexico 88210		OGRID Number 025575
Property Code 24729		API Number 30-015-27728
Property Name Indian Hills ARG State		Well No. 1

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
M	36	21S	24E		660'	South	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
Proposed Pool 1 Wildcat Morrow					Proposed Pool 2				

Work Type Code E	Well Type Code G	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 3814'
Multiple N	Proposed Depth 10,700'	Formation Morrow	Contractor Not determined	Spud Date ASAP

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	54.5#	349'	In place	Circulate
12 1/4"	8 5/8"	24.0#	1650'	In place	Circulate
7 7/8"	5 1/2"	15.5#&17.0#	10700'	1400 sx	As warranted

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 re-enter and deepen this well which was P/A'd by Mitchell Energy Corporation in January, 1984. We plan to clean out to 8000' then deepen well to 10700'. Will run 5 1/2" casing to 10700' and test and complete well for all potential zones. Cut Brine Salt/Gel Starch 0-8000'; Cut Brine Salt/Gel Starch 8000' to TD.

NSU-3925 AMV-11-19-97

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

Signature: *Ken Beardemphl*
Printed name: Ken Beardemphl
Title: Landman

Date: October 20, 1997
Phone: (505) 748-1471

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY TIM W. GUM
Title: DISTRICT II SUPERVISOR

Approval Date: DEC 2 1997
Expiration Date: 12-2-97

Conditions of Approval:
Attached ☐