Form 3160-3 (July 1992)

SUPMIT IN TRIPLICATE.

(Other instructions on reverse side)

UNITED STATES DEPARTMENT OF THE INTERIOR

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

BUREAL	5. LEASE DESIGNATION AND SERIAL NO. NM-78214							
APPLICATION FO		6. IF INDIAN, ALLOTTER OR TRIBE NAME						
1a. TYPE OF WORK			DEE! EN		7 UNIT ACCUMENT			
DRILL X b. TYPE OF WELL	DEEPEN L				7. UNIT AGREEMEN	T NAME		
OIL X GAS WELL OTH	ER	SINGLE ZONE	MULTII	\sqcup	8. FARM OR LEASE NAM			
2. NAME OF OPERATOR	1	Anemone 'ANE' Federal #3						
YATES PETROLEUM CORPORA	TION			I .	9. API WELL NO.	2012/		
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street	Artesia New	Mexico 8	RECEIVED		30 - 0/5	V (0 / 2)		
4. LOCATION OF WELL (Report location clear					ildcat Cany			
At 810 FEL and 1930' FEL		SEP 21.'94			11. SEC., T., R., M., OR BLE. AND SURVEY OR AREA			
At proposed prod. zone Same		UT.B			Sec. 9-T22S-R24E			
14. DISTANCE IN MILES AND DIRECTION FROM			ARTESIA, O	FFICE	12. COUNTY OR PAR			
Approx. 31 miles, NW of	Carlsbad, New				Eddy	New Mexic		
LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		720	RES IN LEASE	17. NO. OF	17. NO. OF ACEES ASSIGNED TO THIS WELL 320			
 DISTANCE FROM PROPOSED LOCATION® TO NEAREST WELL, DRILLING, COMPLETED 	·,	19. PROPOSED	DEPTH	20. ROTARI	20. ROTARY OR CABLE TOOLS			
OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, e	etc.)	8600			Rotary			
GR	•	Carleb ad Co	introlled Wat	er Basin	ASAP	WORK WILL BIRK!		
23.	PROPOSED CASI	ING AND CEME	NTING PROGRA	M				
SIZE OF HOLE GRADE SIZE OF CASH	NG WEIGHT PER F	OOT SE	TTING DEPTH		QUANTITY OF CEMENT			
17 1/2 13 3/8	54.5#		350		0 sx circulated			
12 1/4 9 5/8 8 3/4 7	36# 23 & 26#		600 600	$1050 \\ 1600$	0 sx circulated			
PRODUCTION CASING WILL FOR PRODUCTION. MUD PROGRAM: FW SPUD TO BOP PROGRAM: BOP'S WILL FOR PRODUCTION.	350'; FW TO 74	00'; CUT	BRINE TO 7	600', SA				
Control lications	ents and	Yes 2	ac & A	$ ho_{\mathcal{L}}$				
દ્રિલ્લાંતો ઉદ્યા વાં તા						•		
ANDENE SPACE DESCRIBE PROPOSED PROGR	AM: If proposal is to deepen.	give data on pres	ent productive zone	and proposed r	new productive zone.	-If proposal is to drill o		
deepen directionally, give pertinent data on subsurface								
SIGNED Sandy	LANDMAN LANDMAN			8/25/94				
(This space for Federal or State office u	se)				· · · · · · · · · · · · · · · · · · ·			
PERMIT NO.		APPROV	AL DATE					
Application approval does not warrant or certify that CONDITIONS OF APPROVACIF ANY:	at the applicant holds legal or ea	quitable title to thos	1					
APPROVED BY SUFE FOR	COOL TITLE	ictions On Pr	1/	MANAG	ER SEP 14	1994		

District I
PO Box 1980, Hobbs, NM 8828-1980
District II
PO Drawer DD, Artesia, NM 88281-0719
District III
1000 Rio Brazos Rd., Azzec, NM 87410
District IV

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

PO Box 2088, Saz	la Fe, NM	\$250-4 -2088								AME	NDED REPORT	
	API Numbe		LL LO	CATIO			EAGE DEDI	3 Paul No				
30-01		96036 WILDON, CANTON										
' Property				perty	Name			' Well Number				
OGRID No.			NE 'AN	E "ANE" FEDERAL 'Operator Name							3, * Elevation	
			PETRO	PETROLEUM CORPORATION							4171.	
¹⁰ Surface Location												
UL or lot no.	Section	Township	Range	Lot Idn	Feet from t	he	North/South line	Feet from the	East/West	line	County	
В	9	228	24E	77	810	7	NORTH	1930	EAS'	Т	EDDY	
	C. ation	7		tom Ho	Feet from t		f Different Fro	Feet from the	East/West	line	County	
UL or lot no.	Section	Township	Range	200 100	144 11011		, tores south and	1				
12 Dedicated Act			Consolidation		Order No.		· · · · · · · · · · · · · · · · · · ·		·			
NO ALLO	WABLE						ON UNTIL ALL EEN APPROVED			N CO	NSOLIDATED	
16			NW.			7	1930. 3214	17 OPERATOR CERTIFICATION I hereby certify that the information contained heren is true and complete to the best of my knowledge and occup Signature Printed Name KEN BEARDEMPHL				
			· - · · · · · · · · · · · · · · · · · ·						25/94	CED	ΠΓΙΓΙΟΝ	
								I hereby cern was plotted j me or under	ify that the w From field note	ell locations of actual on, and the	on shown on this plat al surveys made by hat the same is true	
								AUGU Date of Sur			Surveyer:	

YATES DETROLEUM CORPORATION

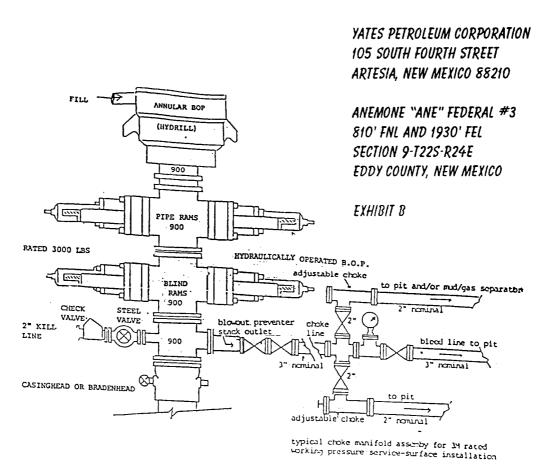


EXHIBIT B

THE FOLLOWING CONSTITUES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

- 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.
- 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.
- Operating controls to be located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing.