

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	<input checked="" type="checkbox"/>
FILE	<input checked="" type="checkbox"/>
U.S.G.S.	<input checked="" type="checkbox"/>
LAND OFFICE	<input checked="" type="checkbox"/>
OPERATOR	<input checked="" type="checkbox"/>

RECEIVED BY 2088
SANTA FE, NEW MEXICO 87501
MAY 24 1985
O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. LG-2988
7. Unit Agreement Name
8. Farm or Lease Name Dark Canyon "ACQ" State
9. Well No. 1
10. Field and Pool, or Wildcat Wildcat - Penn
12. County Eddy

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work a. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Name of Operator Yates Petroleum Corporation Address of Operator 207 South Fourth Street - Artesia, NM 88210 Location of Well UNIT LETTER L LOCATED 2260 FEET FROM THE South LINE 760 FEET FROM THE West LINE OF SEC. 26 TWP. 24S RGE. 23E NMPM	2. Type of Work DRILL <input checked="" type="checkbox"/> RE-ENTRY <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> Name of Operator Yates Petroleum Corporation Address of Operator 207 South Fourth Street - Artesia, NM 88210 Location of Well UNIT LETTER L LOCATED 2260 FEET FROM THE South LINE 760 FEET FROM THE West LINE OF SEC. 26 TWP. 24S RGE. 23E NMPM	3. Unit Agreement Name 4. Farm or Lease Name Dark Canyon "ACQ" State 5. Well No. 1 6. Field and Pool, or Wildcat Wildcat - Penn 7. County Eddy 8. Proposed Depth 8100' 9. Formation Penn 10. Rotary or C.T. Reverse Unit 11. Elevations (Show whether DT, KI, etc.) 4606.0' GR 12. Kind & Status Plug. Bond Blanket 13. Drilling Contractor Undesignated 14. Approx. Date Work will start ASAP
--	--	--

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
24"	20"	CSA	50'	35 sx - circ	In place
17-1/2"	13-3/8"	54.5#	311'	250 sx - circ	In place
12-1/4"	9-5/8"	36#	2465'	800 sx - circ	In place
8-5/8"	5-1/2"	17#	TD	As necessary	

This well was originally drilled by Inexco Oil Company in May, 1974, as their Dark Canyon State #1 to a total depth of 10380'. This well was plugged and abandoned on June 3, 1974. It was plugged back to a depth of 10'. Yates Petroleum Corporation proposes to drill out plugs at 10', 2415', 4300', 7100' and 7708' and clean out the well to a total depth of 8100'. If commercial, we will then run 5-1/2" casing and cement it with adequate cover, perforate and stimulate as needed for production. We will test the Penn and intermediate formations.

APPROVAL VALID 180
PERMIT EXPIRES 12-22-85
UNLESS DRILLING UNDERWAY

Post FD-1
5-31-85
New loc + BK

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.

Signed Clifton May Title Regulatory Agent Date May 23, 1985

(This space for State Use)

ORIGINAL SIGNED

BY LARRY BROOKS

GEOLOGIST - NMOC

APPROVED BY _____ TITLE _____

DATE MAY 27 1985

CONDITIONS OF APPROVAL, IF ANY:

All distances must be from the outer boundaries of the Section.

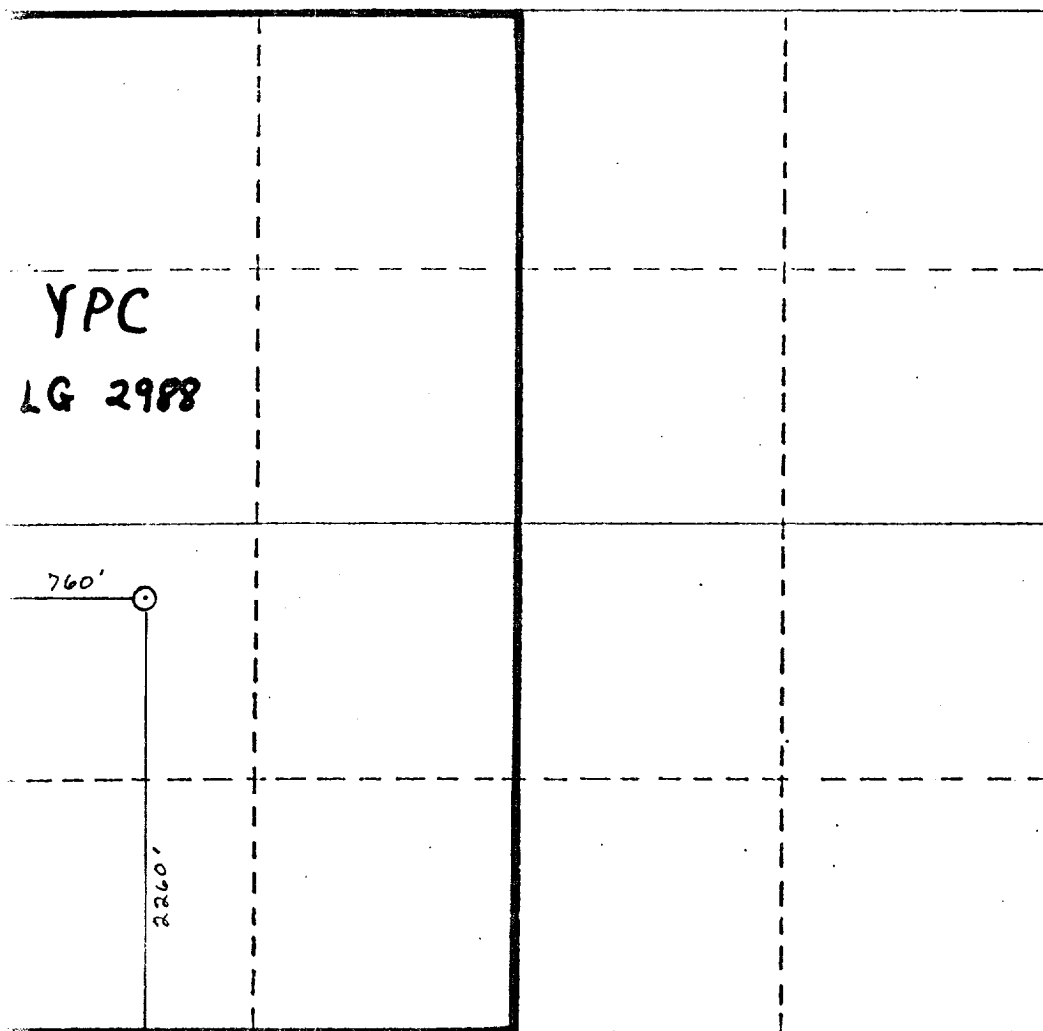
Operator Yates Petroleum Corporation			Lease Dark Canyon "ACQ" State		Well No. 1
Oil Letter L	Section 26	Township 24S	Range 23E	County Eddy	
Actual Footage Location of Well:					
2260 feet from the South line and		760 feet from the West line			
Sound Level Elev. 4606.0'	Producing Formation PENN	Pool WILDCAT	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 interests of all owners been consolidated by communitization, 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 communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



CERTIFICATION

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

Clifton May

Name

Clifton May

Position

Regulatory Agent

Company

Yates Petroleum Corporation

Date

May 23, 1985

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.

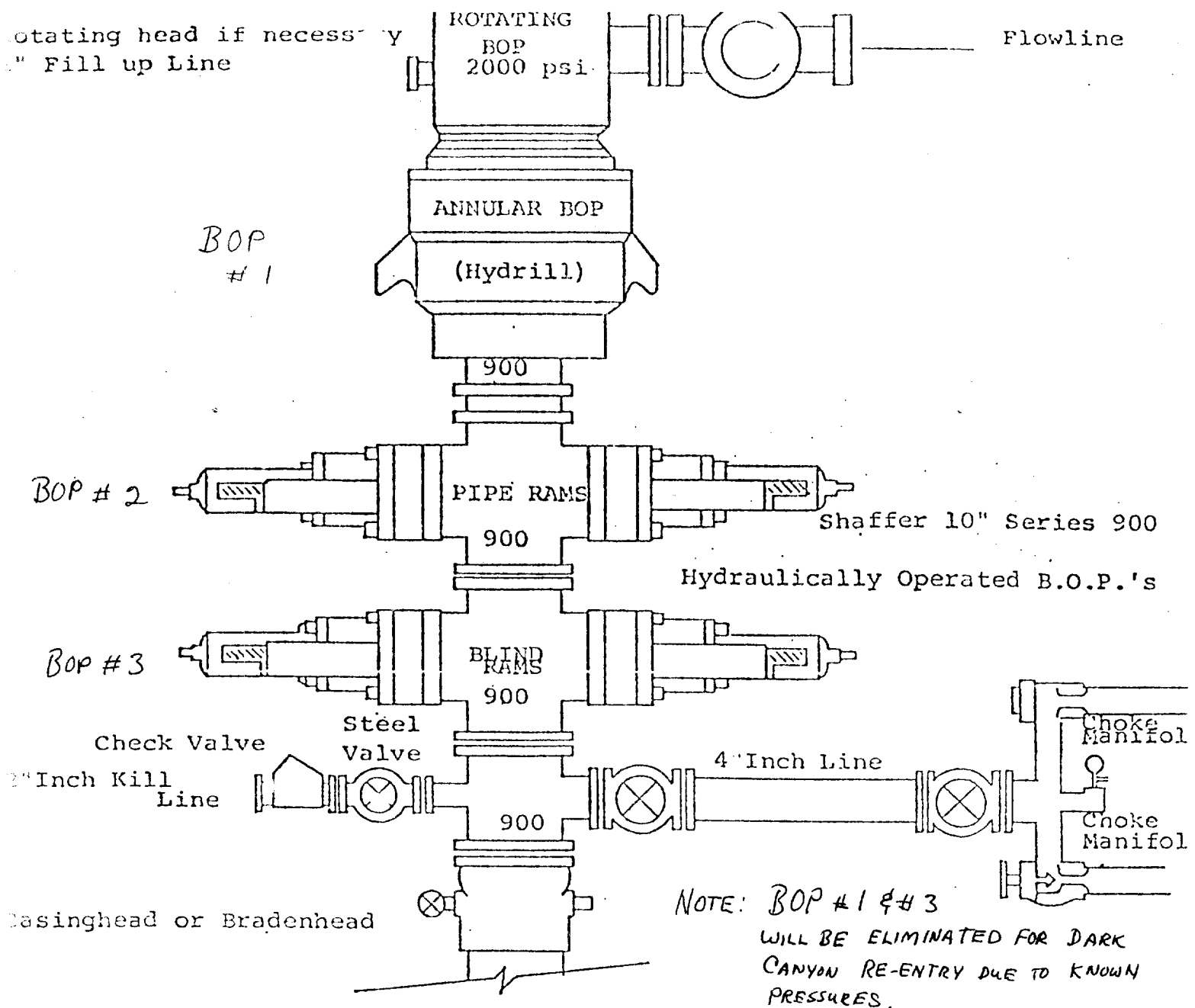
REFER TO ORIGINAL PLAT

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

Rotating head if necessary
" Fill up Line



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" 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 steel. hole or tube 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 located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.
10. D. P. float must be installed and used below zone of first gas intrusion.