

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

State of New Mexico
En, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

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

OIL CONSERVATION DIVISION

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

RECEIVED

DEC - 1 1991

API NO. (assigned by OCD on New Wells)
31-015-26973
5. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
V-2597

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:	DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Lease Name or Unit Agreement Name
b. Type of Well:	OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	Flora AKF State
2. Name of Operator	Yates Petroleum Corporation	8. Well No.
3. Address of Operator	105 South Fourth Street, Artesia, NM 88210	1
4. Well Location	Unit Letter N : 660 Feet From The South Line and 2310 Feet From The West Line	9. Pool name or Wildcat
Section 2	Township 22 South Range 31 East NMPM Eddy County	Undesignated Lost Tank Delaware
10. Proposed Depth	8500'	11. Formation
		Delaware
12. Rotary or C.T.		Rotary
13. Elevations (Show whether DF, RT, GR, etc.)	3526'	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
17 1/2"	13 3/8"	54.5#
11"	8 5/8"	32.0#
7 7/8"	5 1/2"	17 & 20#
SETTING DEPTH	SACKS OF CEMENT	EST. TOP
850'	850	Circulate
4500'	2500	Circulate
TD	As warranted	Tie Back

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 to tie-back to the 8 5/8" casing, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 850'; Brine to 4500'; cut Brine/Starch 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 9/26/92
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 11-25-91
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 _____

CONDITIONS OF APPROVAL, IF ANY:

NOTED BY A.D. IN SUFFICIENT
TIME TO SIGN AND CERTIFYING THE
1338-898-5112 C/ENG

MAR 26 1992

Post ID-1
3-27-92
New Doc & API

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

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

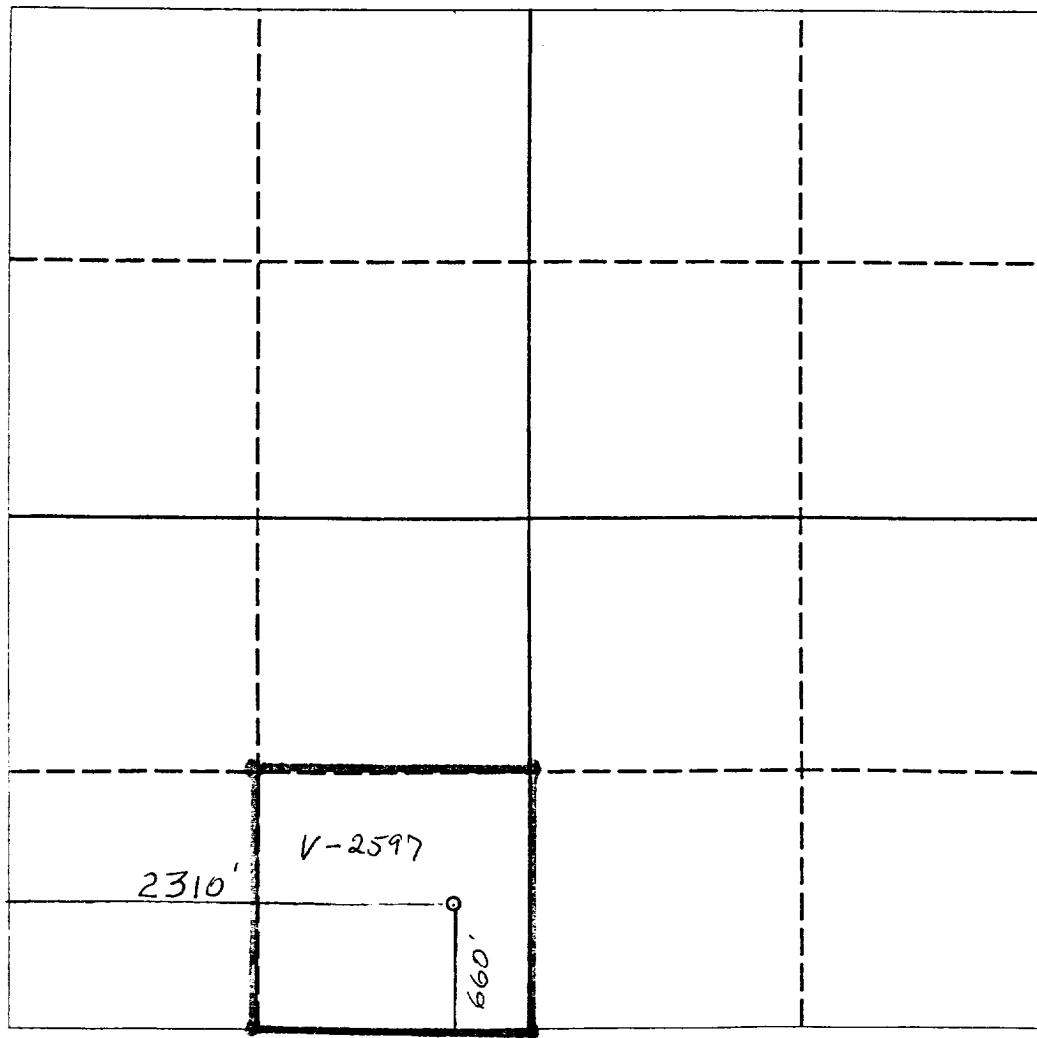
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease FLORA AKF STATE		Well No. 1
Unit Letter N	Section 2	Township 22 SOUTH	Range 31 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 660 feet from the SOUTH line and 2310 feet from the WEST line					
Ground level Elev. 3526.	Producing Formation DELAWARE	Pool UNDERS. LOST TANK DELAWARE	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

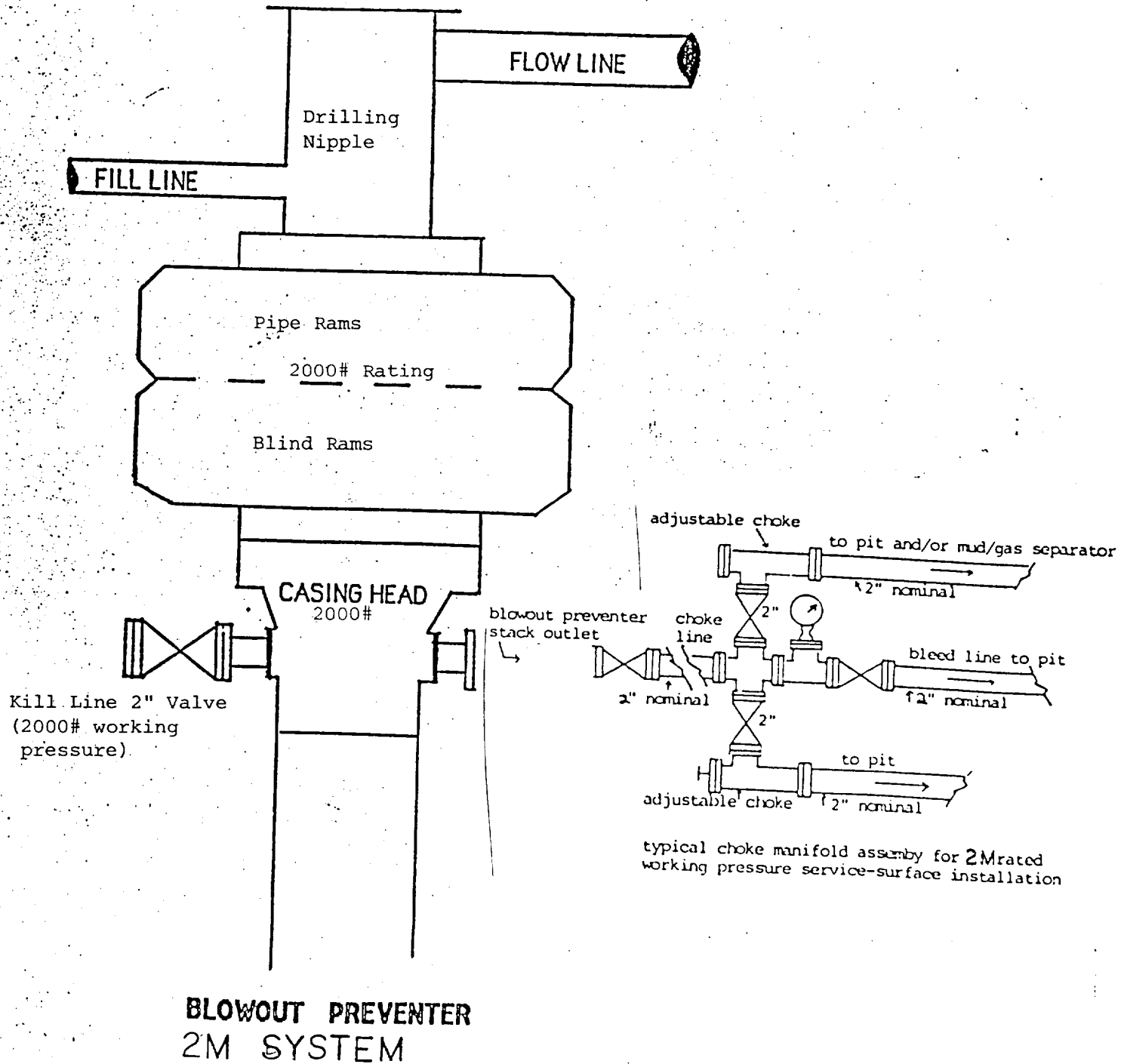
Signature <i>Clifton R. May</i>
Printed Name Clifton R. May
Position Permit Agent
Company YATES PETROLEUM CORPORATION
Date November 25, 1991

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 NOVEMBER 24, 1991
Signature & Seal of Professional Surveyor <i>[Signature]</i> NEW MEXICO 5412
Certificate No. 1000
NM REOPS NO. 5412

YATES PETROLEUM CORPORATION



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986

November 21, 1991

Mr. Bob Lane
New Mexico Potash
P.O. Box 610
Hobbs, NM 88241

Dear Mr. Lane:

Yates Petroleum Corporation is the operator of the Oil & Gas Lease V-2597. We have staked the following location:

Flora AKF State #1
660' FSL and 2310' FWL
Sec. 2-T22S-R31E
Eddy County, NM

An application to Drill is being filed with the Oil Conservation District.

We have been advised that your company is the owner of record of certain potash leases in this area. We respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Clifton R. May

CRM/tg

NO OBJECTIONS OFFERED

NEW MEXICO POTASH

By: _____
Title: _____
Date: _____

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested. 1. <input type="checkbox"/> Show to whom delivered, date, and addressee's address. (Extra charge) - 2. <input type="checkbox"/> Restricted Delivery (Extra charge)	
3. Article Addressed to: Mr. Bob Lane New Mexico Potash P.O. Box 610 Hobbs, NM 88241	4. Article Number P 384 291 931 Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise Always obtain signature of addressee or agent and DATE DELIVERED .
5. Signature — Addressee X	8. Addressee's Address (ONLY if requested and fee paid) Flora AKF #1 Graham AKB #3 & 4 Martha AIK Fed. #7,8,&9
6. Signature — Agent X <i>Walters</i>	
7. Date of Delivery 11-22-91	

PS Form 3811, Apr. 1989 U.S.G.P.O. 1989-238-815 DOMESTIC RETURN RECEIPT

Form 3800, June 1985

U.S.G.P.O. 1989-234-555

Sent to	MR. Bob Lane
Street and P.O. Box	P.O. Box 610
P.O. State and ZIP Code	Hobbs, NM 88241
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt showing to whom and Date Delivered	
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	11-21-91
	Flora AKF #1
	Martha AIK Fed. #7,8,&9

P 384 291 931
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

YATES PETROLEUM CORPORATION

<p>SECTION 34 - 215 - 31E</p> <p>NEW MEXICO POTASH</p> <p>UNLEASED</p> <p>NEW MEXICO POTASH</p> <p>SW 1/4 SE 1/4</p> <p>STATE</p> <p>USA</p>	<p>SECTION 35 - 215 - 31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 36 - 215 - 31E</p> <p>NEW MEXICO POTASH</p> <p>STATE</p>
<p>SECTION 3 - 225 - 31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 2 - 225 - 31E</p> <p>#3 #1</p> <p>GRAHAM AKE ST.</p> <p>#4 #2</p> <p>NEW MEXICO POTASH</p> <p>FLORA AKE ST. #1</p> <p>STATE</p>	<p>SECTION 1 - 225 - 31E</p> <p>UNLEASED</p> <p>USA</p>
<p>SECTION 10 - 225 - 31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 11 - 225 - 31E</p> <p>UNLEASED</p> <p>USA</p>	<p>SECTION 12 - 225 - 31E</p> <p>UNLEASED</p> <p>USA</p>

10-31-91 --- GEORGE SCHEPPOFF, DISTRICT MINING ENGINEER
 11-1-91 --- CHARLENE NMSLD. CENTRAL LEASING-

Clifton R. May