

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
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

AUG 28 1991

API NO. (assigned by OCD on New Wells)

30-015-26823

5. Indicate Type of Lease

STATE ☐

FEE ☒

6. State Oil & Gas Lease No.

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

Thomas "AJJ"

8. Well No.

2

9. Pool name or Wildcat

N. Dagger Draw Upper Penn

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter K : 1980 Feet From The South Line and 1980 Feet From The West Line

Section 8 Township 19 South Range 25 East NMPM Eddy County

10. Proposed Depth  
8100'

11. Formation  
Cisco - Canyon

12. Rotary or C.T.  
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)  
3557'

14. Kind & Status Plug. Bond  
Blanket

15. Drilling Contractor  
Not Designated

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
14 3/4"	9 5/8"	36# J-55	1100'	1100 sacks	Circulated
8 3/4"	7"	23-26#	TD	As warranted	
		J-55 & N-80			

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW Gel/LCM to 1100'; FW to 4000'; cut Brine to 7500'; SW Gel/Starch to TD.

BOP PROGRAM: BOP's and hydrill will be installed on 9 5/8" casing and tested daily.

APPROVAL VALID FOR 180 DAYS

PERMIT EXPIRES 3/1/92

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 Ken Beardemphl TITLE Landman DATE 8-26-91

TYPE OR PRINT NAME Ken Beardemphl TELEPHONE NO. 748-1471

(This space for State Use) ORIGINAL SIGNED BY  
MIKE WILLIAMS  
SUPERVISOR, DISTRICT II

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE AUG 30 1991

CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT  
TIME TO WITNESS CEMENTING THE  
9 5/8 CASING

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 <b>YATES PETROLEUM CORPORATION</b>			Lease <b>THOMAS AJJ</b>			Well No. <b>2</b>		
Unit Letter <b>K</b>	Section <b>8</b>	Township <b>19 SOUTH</b>	Range <b>25 EAST</b>		NMPM	County <b>EDDY COUNTY, N.M.</b>		
Actual Footage Location of Well:								
<b>1980</b> feet from the <b>SOUTH</b> line and			<b>1980</b> feet from the <b>WEST</b> line					
Ground level Elev. <b>3557.</b>	Producing Formation <b>Cisco Canyon</b>		Pool <b>N. Dagger Draw Upper Penn</b>		Dedicated Acreage: <b>160</b> 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 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 *Ken Beardemphl*  
Printed Name **KEN BEARDEMPL**  
Position **LANDMAN**  
Company **Yates Pet. Corp.**  
Date **8-26-91**

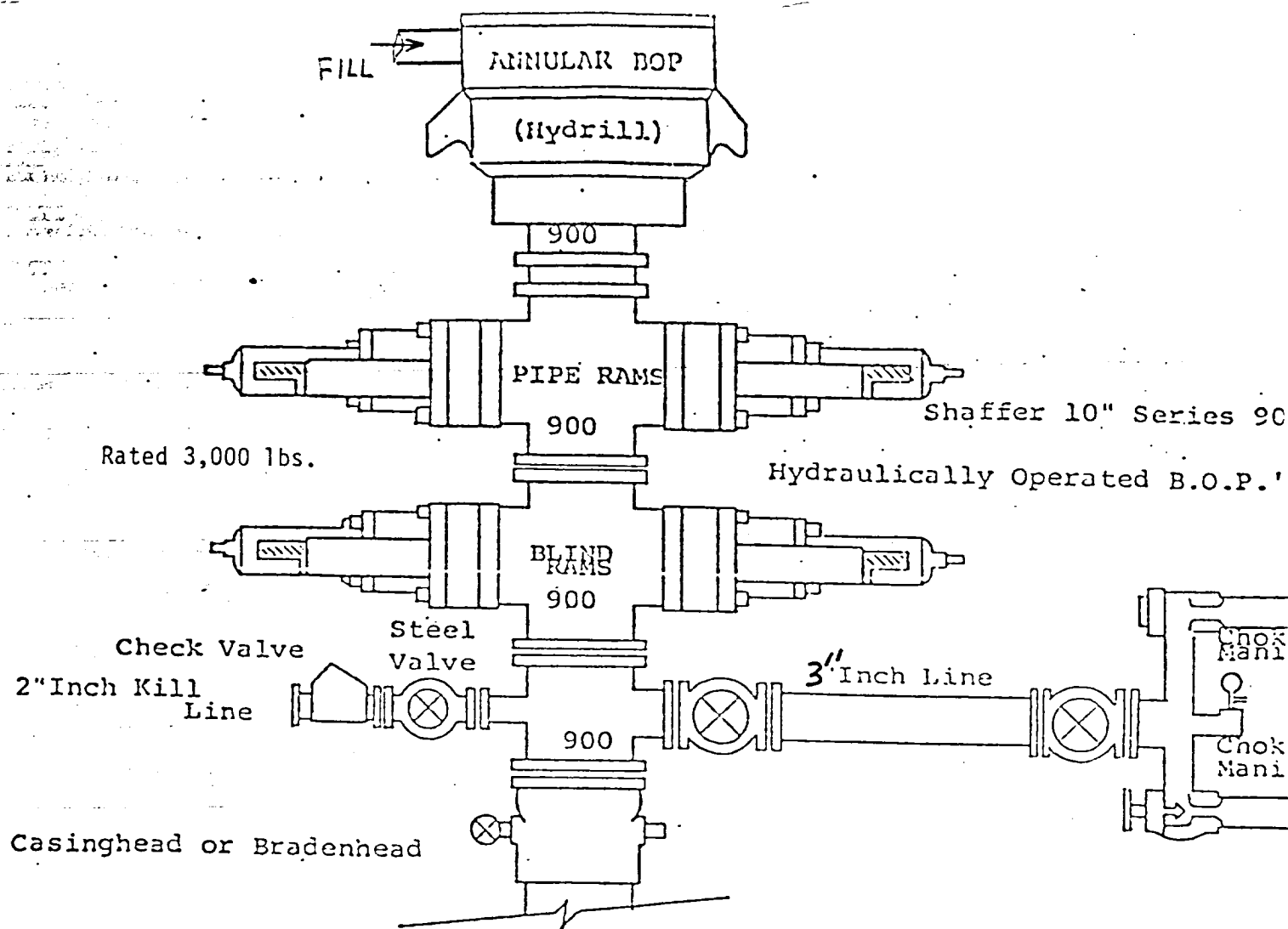
SURVEYOR CERTIFICATION

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  
**AUGUST 22, 1991**

Signature & Seal of  
Professional Surveyor





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 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 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.

EXHIBIT  
B