

District I  
PO Box 1/86, Hobbs, NM 88241-1980  
District II  
811 South First, Artesia, NM 88210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-101  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

<sup>1</sup> Operator Name and Address. <b>Yates Petroleum Corporation</b> 105 S. 4th Street Artesia, New Mexico 88210		<sup>2</sup> OGRID Number 025575
		<sup>3</sup> API Number 30 - 0 15-28540
<sup>4</sup> Property Code 12062	<sup>5</sup> Property Name Boyd X State Com.	<sup>6</sup> Well No. 8

<sup>7</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
L	16	19S	25E		2180'	South	660'	West	Eddy

<sup>8</sup> 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
<sup>9</sup> Proposed Pool 1 Dagger Draw Upper Penn, North 15422					<sup>10</sup> Proposed Pool 2				

<sup>11</sup> Work Type Code N	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary R	<sup>14</sup> Lease Type Code S	<sup>15</sup> Ground Level Elevation 3499'
<sup>16</sup> Multiple No	<sup>17</sup> Proposed Depth 8300'	<sup>18</sup> Formation Canyon	<sup>19</sup> Contractor Not Determined	<sup>20</sup> Spud Date ASAP

<sup>21</sup> Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
14 3/4"	9 5/8"	36# J-55	1150'	1100 sx	Circulate
8 3/4"	7"	23# & 26#	TD	1350 sx	Circulate
		J-55 & L-80			

<sup>22</sup> 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 drill and test the Canyon and intermediate formations. Approximately 1150' 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: 0-1150' FW Gel/LCM; 1150'-5200' FW; 5200'-7200' Cut Brine/KCL; 7200'-TD Cut Brine/Starch.

BOPE PROGRAM: BOP's will be installed on the 9 5/8" casing and tested daily for operational.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

*Ken Beardempfl*

Printed name: KEN BEARDEMPFL

Title: LANDMAN

Date: May 7, 1998

Phone: 505-748-4348

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Approval Date:

MAY 15 1998

Expiration Date:

5-15-99

Conditions of Approval:

Attached ☐

District I  
PO Box 1980, Hobbs, NM 88240-1980  
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-10  
Revised February 10, 1995

Instructions on back  
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State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

* API Number 30-015-28540		* Pool Code 15472		* Pool Name Dagger Draw Upper Penn. North	
* Property Code BOYD X STATE		* Property Name			* Well Number 8
* OGRID No. 025575		* Operator Name YATES PETROLEUM CORPORATION			* Elevation 3499.

<sup>10</sup> Surface Location

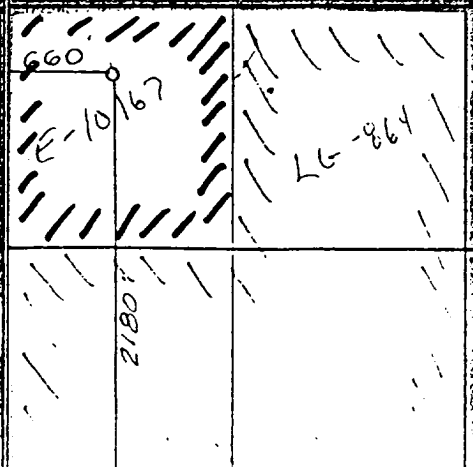
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	16	19S	25E		2180	SOUTH	660	WEST	EDDY

<sup>11</sup> Bottom Hole Location if Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

<sup>12</sup> Dedicated Acres 160	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div>16</div> 	<div>17 OPERATOR CERTIFICATION</div> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <u>Ken Beardemphl</u></p> <p>Printed Name: <u>Ken Beardemphl</u></p> <p>Title: <u>Landman</u></p> <p>Date: <u>5-22-95</u></p>	
	<div>18 SURVEYOR CERTIFICATION</div> <p>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 belief.</p> <p>DATE OF SURVEY: <u>MAY 15, 1995</u></p> <p>Signature of Registered Professional Surveyor: <u>[Signature]</u></p> <p>REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 5412 LAND SURVEYOR ENGINEER NM PREPS NO 005272</p>	

# YATES PETROLEUM CORPORATION

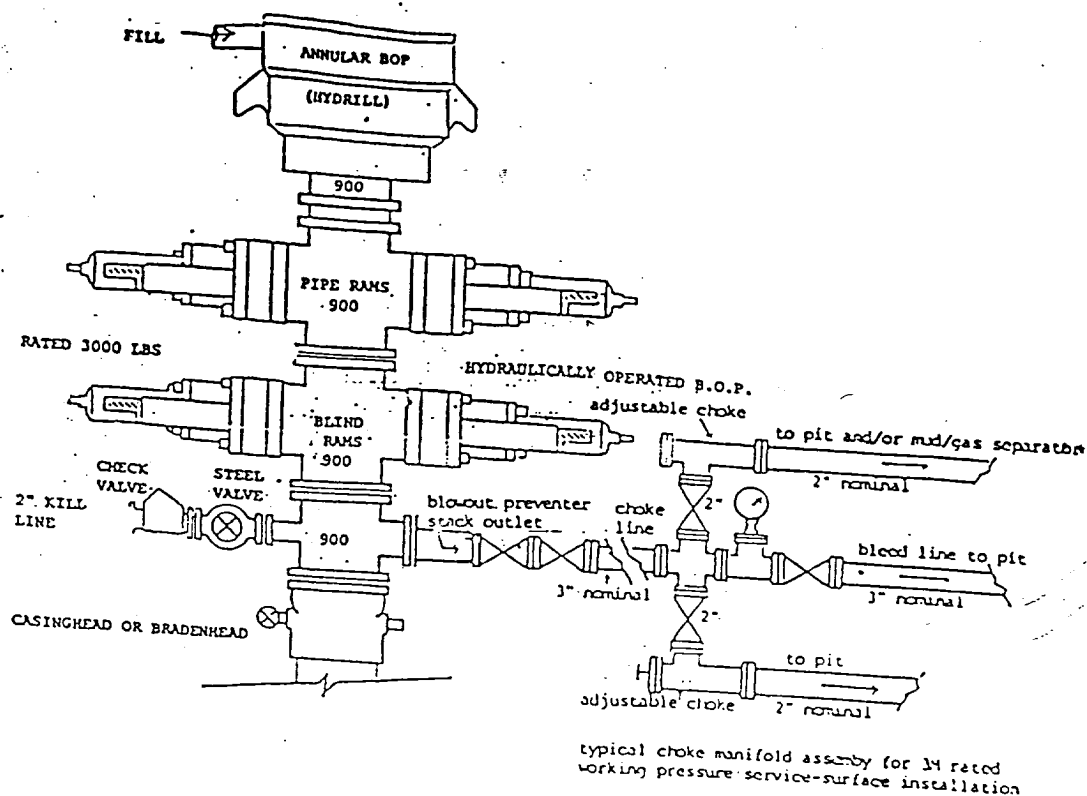


EXHIBIT B

## THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

1. 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.
4. 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.
8. Operating controls to be located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.