

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT 7-2-97 Row

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-045276
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"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION 25575		7. UNIT AGREEMENT NAME 21046
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, New Mexico 88210 (505) 748-1471		8. FARM OR LEASE NAME, WELL NO. Preston Federal #21
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FSL and 660' FEL At proposed prod. zone Same		9. API WELL NO. 30-015-29888
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 33 miles southwest of Artesia, New Mexico		10. FIELD AND POOL, OR WILDCAT South Dagger Draw, Upper Penn 15475
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'	16. NO. OF ACRES IN LEASE	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 34-T20S-R24E
17. NO. OF ACRES ASSIGNED TO THIS WELL 320	18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	12. COUNTY OR PARISH 13. STATE Eddy County New Mexico
19. PROPOSED DEPTH 8200'	20. ROTARY OR CABLE TOOLS Rotary	21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3703' GR
22. APPROX. DATE WORK WILL START* ASAP		

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	9 5/8"	36#	1150'	1100 sx Circulated
8 3/4"	7"	23# & 26#	8200'	1300 sx Circulated

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' to 5200' FW; 5200' to 7200' Cut Brine/KCL; 7200' to 8200' Cut Brine/KCL/Starch.

BOPE PROGRAM: BOPE will be installed on 9 5/8" casing and tested daily.

Tested
NL & H
8-29-97

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BUREAU OF LAND MANAGEMENT

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Ken Beaudry TITLE Landman DATE July 1, 1997
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ TITLE Acting ADM, MINERALS DATE 8/19/97

*See Instructions On Reverse Side

District I
PO Box 1980, Hobbs, NM 88241-1980
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-102
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29808	Pool Code 15475	Pool Name South Dagger Draw, Upper Penn
Property Code	Property Name PRESTON FEDERAL	Well Number 21
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3703.

¹⁰ Surface Location

TL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
34	20-S	24-E			660	SOUTH	660	EAST	EDDY

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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>NM-045276</div> <div>660'</div> <div>660'</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> <div>Signature <i>Ken Beardemphl</i></div> <div>Printed Name Ken Beardemphl</div> <div>Title Landman</div> <div>Date July 1, 1997</div>	
	<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> <div>JUNE 7, 1997</div> <div>Date of Survey</div> <div>Signature and Seal of Professional Surveyor: <i>Ken Beardemphl</i></div> <div>Certificate Number NM PR&S NOV 5412</div>	