

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

OCT 28 1999



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

October 26, 1999

Energy, Minerals and Natural Resources
Department Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Malone "ASA" Federal #2
Township 22 South, Range 23 East
Section 12: E/2
Eddy County, New Mexico

Gentlemen:

Yates Petroleum Corporation, as operator did file an application for permit to drill the referenced well at a location of 810' FNL and 660' FEL of Section 12, T22S-R23E, Eddy County, New Mexico. This well was to be drilled to a proposed depth of 8100' to test the Indian Basin Upper Penn Formation. The Bureau of Land Management would not approve this location due to visual (Scenic By-way) and therefore the location was changed to 660' FNL and 1310' FEL of Section 12, T22S-R23E.

The new location is non-standard by virtue of it being closer than 330 feet to the quarter - quarter section boundary between NE/4NE/4 and NW/4NE/4 of said section 12.

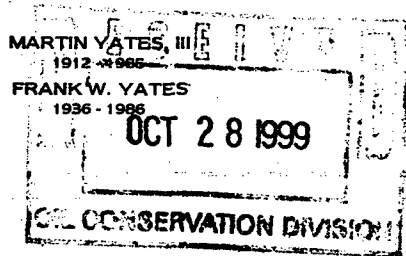
It would be appreciated if you would please approve this non-standard well location so that this test well can be drilled and produced from the Indian Basin Upper Penn Formation, at a location of 660' FNL and 1310' FEL of Section 12, T22S-R23E, Eddy County, New Mexico.

Very truly yours,

YATES PETROLEUM CORPORATION

Douglas W. Hurlbut
Landman

DWH/dc



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Very truly yours,

YATES PETROLEUM CORPORATION

Douglas W. Hurlbut
Landman

DWH/dc

N. M. Oil Cons. Division

Fo. m 3160-3
(July 1, 92)811 S. 1ST ST.
SUBMIT IN TRIPLICATE*ARTESIA, NM 88210-2824
(Add instructions on reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, New Mexico 88210 (505) 748-1471

4. LOCATION OF WELL (Report location clearly and in accordance with State requirements*)

At surface

660' FNL and 660' FEL

At proposed prod. zone 1310

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

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.

19. PROPOSED DEPTH

8100'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3963' 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#	1500'	1150 sx WITNESS
8 3/4"	7"	23# & 26#	TD	1600 sx Circulate

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1500' of intermediate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: 0-1500' FW Spud Mud; 1500'-7500' Cut Brine; 7500'-8100' SW Gel/Starch/Drispac.

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 B. Smith TITLE Landman DATE April 13, 1999

(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: Acting

LARRY D. BRAY

Assistant Field Office Manager.
Lands and Minerals

APPROVED BY _____ TITLE _____ DATE 9-27-99

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within the jurisdiction of such department or agency.

District I
PO Box 1988, Hobbs, NM 88240-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Grande 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		* Pool Code		* Pool Name Indian Basin Upper Penn	
* Property Code		* Property Name MALONE "ASA" FEDERAL COM			* Well Number 2
* OGRID No. 025575		* Operator Name YATES PETROLEUM CORPORATION			* Elevation 3950.

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	12	22-S	23-E		660	NORTH	1310	EAST	EDDY

¹¹ 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

* Dedicated Acres 320	* Joint or Infill	* Consolidation Code	* 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-0399448</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>August 25, 1999</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: <u>AUGUST 24, 1999</u></p> <p>Date of Survey: <u>SEP 1, 1999</u></p> <p>Signature and Seal of Professional Surveyor: <u>[Signature]</u></p>	
				<div>NEW MEXICO</div> <div>REGISTERED LAND SURVEYOR</div> <div>5412</div> <div>PROFESSIONAL ENGINEER</div> <div>NM PE&E NO. 54127</div>	

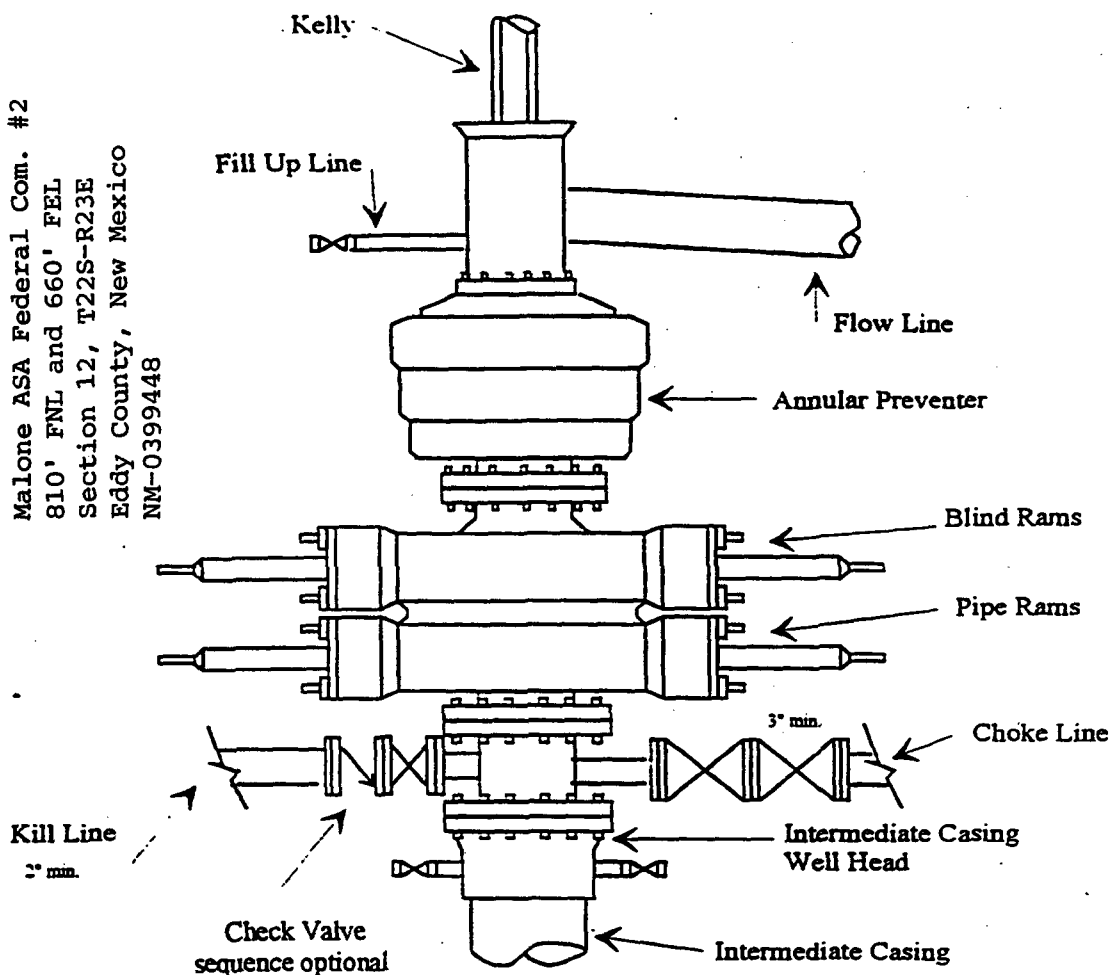
Malone ASA Federal Com. #2
 810' FNL and 660' FEL
 Section 12, T22S-R23E
 Eddy County, New Mexico
 NM-0399448



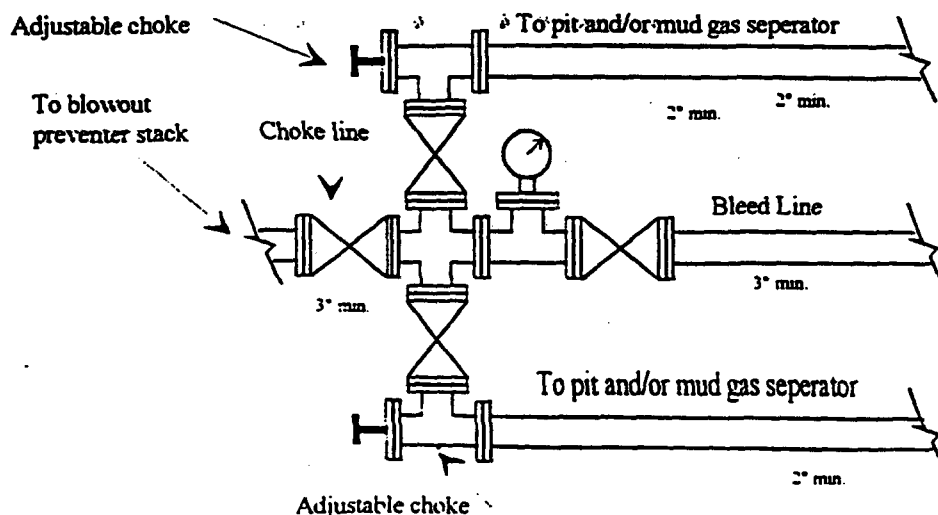
Yates Petroleum Corporation

BOP-3

Typical 3,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 3,000 psi choke manifold assembly with at least these minimum features



CMD : ONGARD 10/28/99 13:30:51
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPSC

OGRID Idn : 25575 API Well No: 30 15 30769 APD Status(A/C/P): A
Opr Name, Addr: YATES PETROLEUM CORPORATION Aprvl/Cncl Date : 09-27-1999
105 S 4TH ST
ARTESIA,NM 88210

Prop Idn: 24910 MALONE ASA FEDERAL Well No: 2

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn : A	12	22S	23E				FTG 660 F N	FTG 1310 F E
OCD U/L : A		API	County	15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3963

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 8100 Prpsd Frmtn : UPPER PENN

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/28/99 13:30:17
OGOMES -TPSC
PAGE NO: 1

Sec : 12 Twp : 22S Rng : 23E Section Type : NORMAL

D 40.00	C 40.00	B 40.00	A 40.00
Federal owned	Federal owned	Federal owned	Federal owned
			A
E 40.00	F 40.00	G 40.00	H 40.00
Federal owned	Federal owned	Federal owned	Federal owned
A	A	A	

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

10/28/99 13:30:23
OGOMES -TPSC
PAGE NO: 2

Sec : 12 Twp : 22S Rng : 23E Section Type : NORMAL

L 40.00	K 40.00	J 40.00	I 40.00
Federal owned	Federal owned	Federal owned	Federal owned
M 40.00	N 40.00	O 40.00	P 40.00
Federal owned	Federal owned	Federal owned	Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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b. TYPE OF WELL

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WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, New Mexico 88210-2484

4. LOCATION OF WELL (Report location clearly and in accordance with all State requirements.)

At surface

1797' FNL and 2159 FWL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1797'

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

280

17. NO. OF ACRES ASSIGNED

TO THIS WELL

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19. PROPOSED DEPTH

8100'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

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NSL-

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24.

SIGNED

TITLE Landman

DATE April 13, 1999

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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APPROVED BY

TITLE

DATE

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☐ AMENDED REPORT

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API Number		Pool Code	Pool Name Indian Basin Upper Penn
Property Code	Property Name SMITH FEDERAL GAS COM		Well Number 3
GRID No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3940.

¹⁰ Surface Location

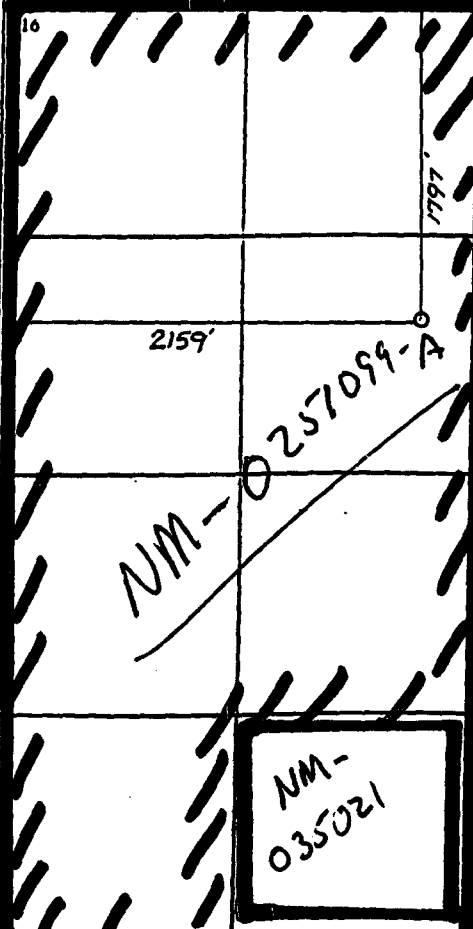
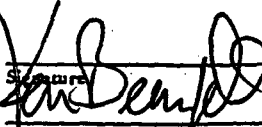
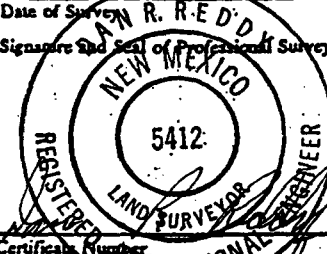
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F	12	22-S	23-E		1797	NORTH	2159	WEST	EDDY

¹¹ Bottom Hole Location If Different From Surface

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¹² Dedicated Acres 280	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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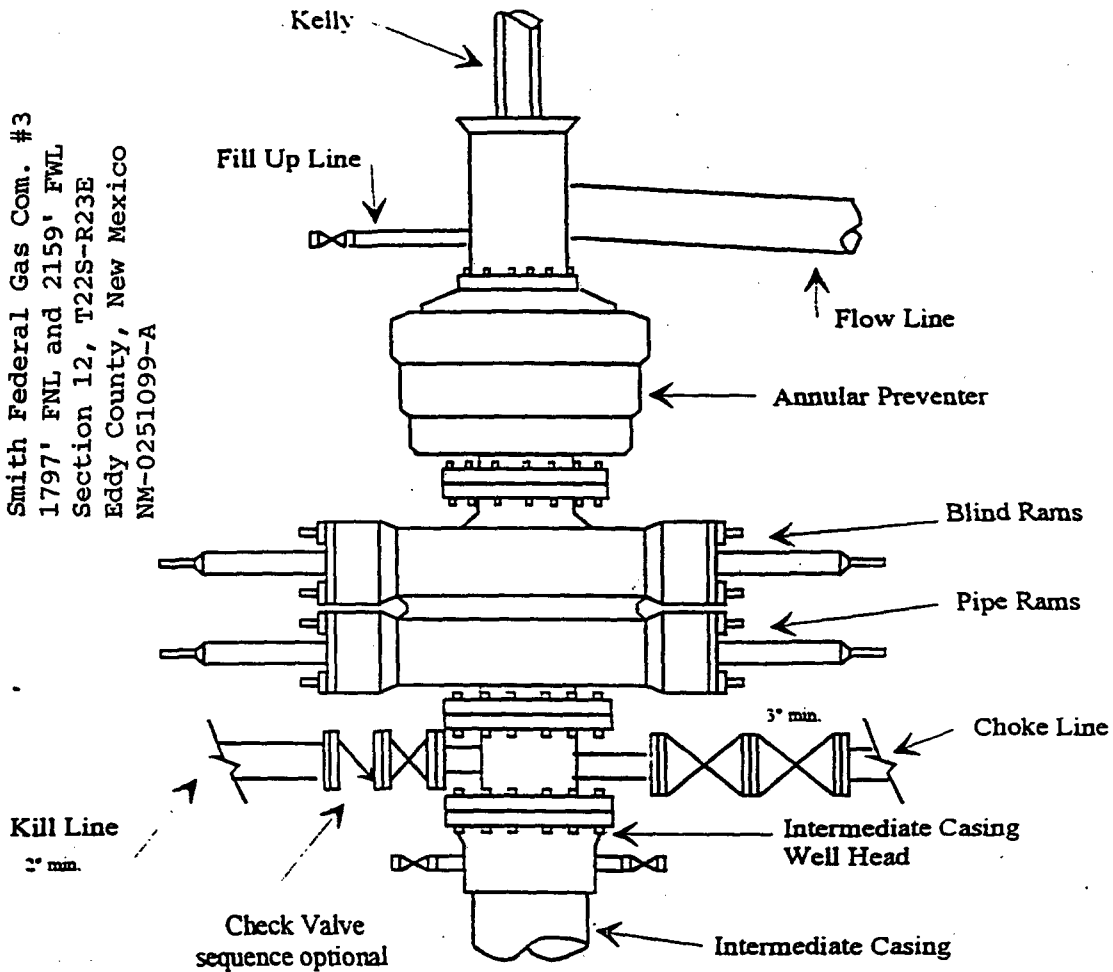
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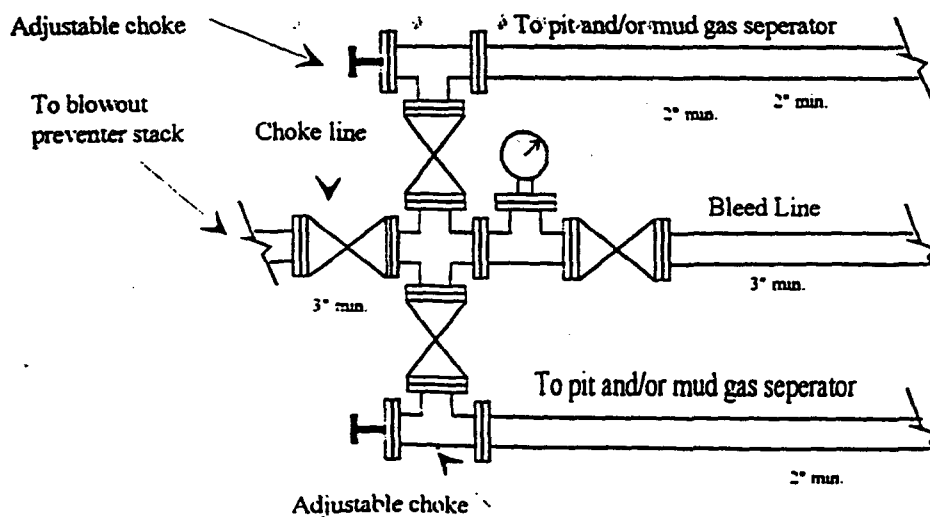
Smith Federal Gas Com. #3
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 Section 12, T22S-R23E
 Eddy County, New Mexico
 NM-0251099-A

Yates Petroleum Corporation
 Typical 3,000 psi Pressure System
 Schematic
 Annular with Double Ram Preventer Stack

BOP-3



Typical 3,000 psi choke manifold assembly with at least these minimum features



COUNTY *Eddy*

POOL

*Indiana Basin - Upper Pennsylvanian Associated*320
610

TOWNSHIP

22 South

RANGE

29 East

NMPM

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Ext: E 1/2 Sec. 1, E 1/2 Sec. 12, E 1/2 Sec. 13 (R-9922-D, 12/2/98)