

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

OCT 27 '94

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

25575

ARTESIA, OFFICE

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, New Mexico 88210

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

At surface

330' FSL and 2210' FEL

At proposed prod. zone

Same

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

Approx. 17 miles southeast of Loco Hills, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

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

16. NO. OF ACRES IN LEASE

920

19. PROPOSED DEPTH

4350'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3457' 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
12 1/4"	8 5/8"	23# K-55	500'	400 sx circulated
7 7/8"	5 1/2"	14# K-55	4350'	950 sx

Yates Petroleum Corporation proposes to drill and test the Grayburg and intermediate formations. Approximately 500' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW/spud mud 500'; brine, saltwater gel + starch, to TD.

BOPE PROGRAM: BOPE will be installed of the 8 5/8" casing and tested daily.

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

Clifton R. May

TITLE Permit Agent

DATE October 4, 1994

(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 there.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

151 (ORIG. SGD.) RICHARD L. MANUS

AREA MANAGER

TITLE

DATE

10-25-94

*See Instructions On Reverse Side

NM OIL CO. COMMISSION
DRAWER DD
ARTESIA, NM 88210
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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DEEPEN ☐

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OTHER ☐

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ZONE ☐

MULTIPLE
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YATES PETROLEUM CORPORATION PROPOSES TO DRILL AND TEST THE GRAYBURG AND INTERMEDIATE FORMATIONS. APPROXIMATELY 500' OF SURFACE CASING WILL BE SET AND CEMENT CIRCULATED. IF COMMERCIAL, PRODUCTION CASING WILL BE RUN AND CEMENTED WITH ADEQUATE COVER, PERFORATED AND STIMULATED AS NEEDED FOR PRODUCTION.

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24.

SIGNED

Clifton R. May

TITLE

PERMIT AGENT

DATE

9/7/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

**APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED**

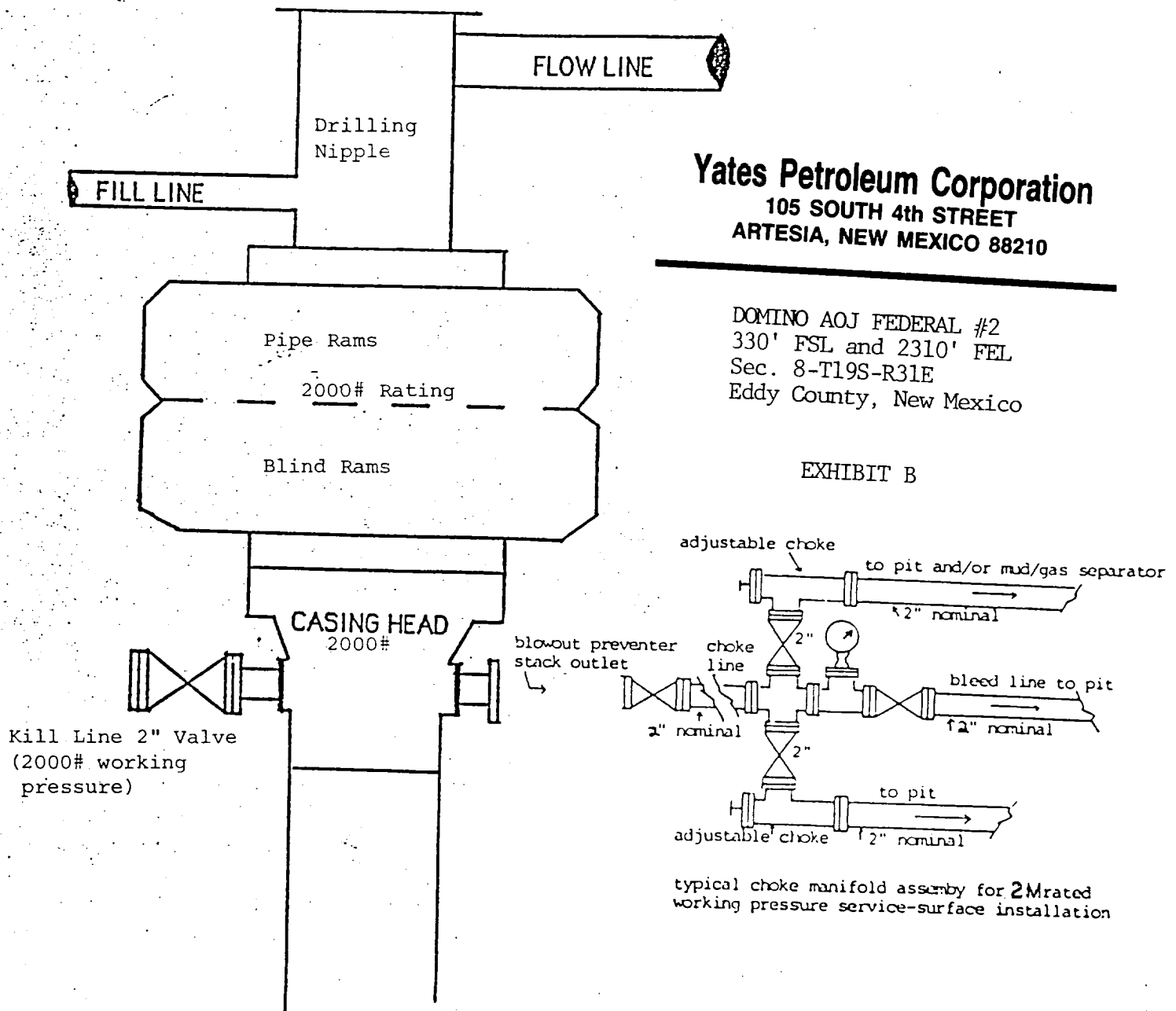
16					<p>17 OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Clifton R. May</i></p> <hr/> <p>Signature _____</p> <p style="text-align: center;">Clifton R. May</p> <hr/> <p>Printed Name _____</p> <p style="text-align: center;">Permit Agent</p> <hr/> <p>Title _____</p> <p style="text-align: center;">October 1, 1994</p> <hr/> <p>Date _____</p>
					<p>18 SURVEYOR CERTIFICATION</p> <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> <hr/> <p>Date of Survey _____</p> <hr/> <p>Signature and Seal of Professional Surveyor:</p> <div style="text-align: center;"> <p>HERSCHEL L JONES No. 3640</p> </div> <hr/> <p>Certificate Number • 3640</p>
		NM-82902		<p style="font-size: 1.2em;">← 2210' →</p>	

YATES PETROLEUM CORPORATION

Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

DOMINO AOJ FEDERAL #2
330' FSL and 2310' FEL
Sec. 8-T19S-R31E
Eddy County, New Mexico

EXHIBIT B



**BLOWOUT PREVENTER
2M SYSTEM**