N.M.O.C.D. COPY

Form 9-331 C
(May 1963)

SUBMIT IN TRIP TE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☐ DEEPEN ☐ PLUG BACK ☐

b. TYPE OF WELL
OIL WELL ☒ GAS WELL ☐ OTHER Reentry SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
207 South 4th St. Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
At proposed prod. zone 660' FSL & 1980' FWL
Section 13-T10S-R25E

5. LEASE DESIGNATION AND SERIAL NO.
NM 13979

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
DeKalb "PG" Fed.

9. WELL NO.
1

10. FIELD AND POOL, OR WILDCAT
Bitter Lake-San Andres

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
13-T10S-R25E

12. COUNTY OR PARISH
Chaves

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
15 miles east of Roswell, NM

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

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
Cleanout to 1275'

20. ROTARY OR CABLE TOOLS
Service Unit

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3721' GR

22. APPROX. DATE WORK WILL START*
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
Existing Casing	9 5/8"		765'	385 SX
Existing Casing	5½" liner		750'-1200'	100 SX

Propose to drillout plugs at surface, 780', 1230', and cleanout to top of plug at 1275'. Plans are to produce the well as an open hole completion in the approximate interval 1200'-1275' as originally completed. The well will possibly be stimulated if required to improve production.

Blowout preventers will be used during reentry operations.

RECEIVED
MAR 12 1981
OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

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. 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 Rhonda Rodriguez TITLE Geographer DATE 3-9-81

(This space for Federal or State office use)

PERMIT NO. (Orig. Sgd.) GEORGE H. STEWART for APPROVAL DATE

APPROVED BY TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
YATES PETROLEUM CORP.	DEKALB "PG" FEDERAL	1

Unit Letter	Section	Township	Range	County
N	13	10 SOUTH	R25E	CHAVES

Actual Footage Location of Well:
660 feet from the SOUTH line and 1980 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3721 GL	SAN ANDRES	~~WILDCAT~~ BITTER LAKE SA	40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

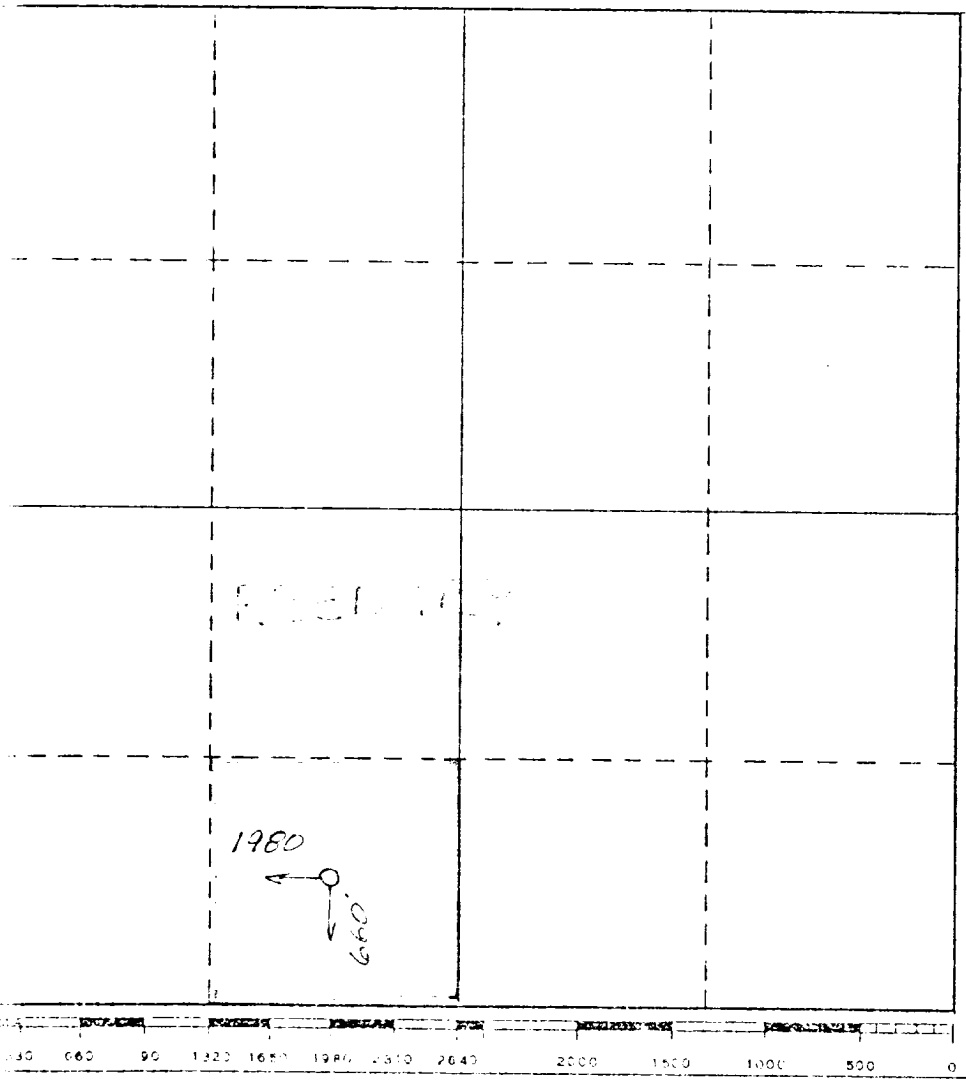
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name: GLISERIO RODRIGUEZ

Position: GEOGRAPHER

Company: YATES PETROLEUM CORP.

Date: 3-9-81

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.

Refer to Original Plat

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Certificate No.

Yates Petroleum Corporation
DeKalb "PG" Federal #1
660' FSL & 1980' FWL
Section 13, T10S R25E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is sandy alluvium.

2. The estimate tops of geologic markers are as follows:

   San Andres 730'
   TD 1275'

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

   Water: Approximately 150' - 280'

   Oil: 1200' - 1270'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

   Samples:
   DST's: As Warranted
   Logging: Surface casing to T.D.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation
DeKalb "PG" Federal #1
Section 13, T10S R25E
660' FSL & 1980' FWL
(Reentry Well)

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location, the construction activities and operations plan, the surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation, so that a complete appraisal can be made of the environmental effect associated with the drilling of this well.

1. EXISTING ROADS.

   Exhibit A is a portion of a county map showing the roads in the vicinity of the proposed location. The proposed wellsite is located approximately 18 miles NE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

   DIRECTIONS:

   1. Go east from Roswell on Highway 380 for approximately 14 miles then turn north and continue for 2 miles.

   2. Turn northeast for 1/4 mile then;

   3. Turn north for .8 mile go across the cattleguard and turn west.

   4. Follow this road right to the reentry location.

2. PLANNED ACCESS ROAD.

   A. There will be no new access road. The original road will be watered and bladed.

3. LOCATION OF EXISTING WELL.

   A. There are no wells within a mile of wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

   A. There are no production facilities on this lease at the present time.

   B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

   A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS.

   A. No material will be required for reconstruction of the drilling pad.

7. METHODS OF HANDLING WASTE DISPOSAL.

   A. Drill cuttings will be disposed of in the reserve pits.

   B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.

   C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for appropriate approval.

   D. Oil produced during operation will be stored in tanks until sold.

   E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

   F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches dirt. All waste material will be contained of prevent scattering by the wind.

   G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

   A. None required.

9. WELLSITE LAYOUT.

   A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, etc. The pits will be to the northeast.

   B. The location surface is on a minor slope, cut and fill will be needed.

   C. The reserve pits will be plastic lined.

   D. The road has been flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

   A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as pleasing a condition as possible.

   B. Unguarded pits, if any, containing fluids will be fenced until they have dried and leveled.

C. If the proposed well is non-productive, all rehabilitation requirements of the BLM and the USGS will be complied with and will be as expeditiously as possible. All pits will be filled leveled within 90 days after abandonment.

11. OTHER INFORMATION.

A. Topography: The land surface in the vicinity of the wellsite slopes westward immediate area of the wellsite is discussed above in paragraph 9B.

B. Flora and Fauna: The vegetation cover is very sparse weeds. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.

C. The Pecos River is approximately 1 1/2 miles west.

D. There are no inhibited dwellings within a mile of the proposed well. Refer to Exhibit A.

E. Surface Ownership: The wellsite is on federal surfaces with federal minerals.

F. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

A. The field representative responsible for assuring compliance with the approved surface use plan is:

Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

13. CERTIFICATION.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3-9-87
Date

Gliserio Rodriguez, Geographer

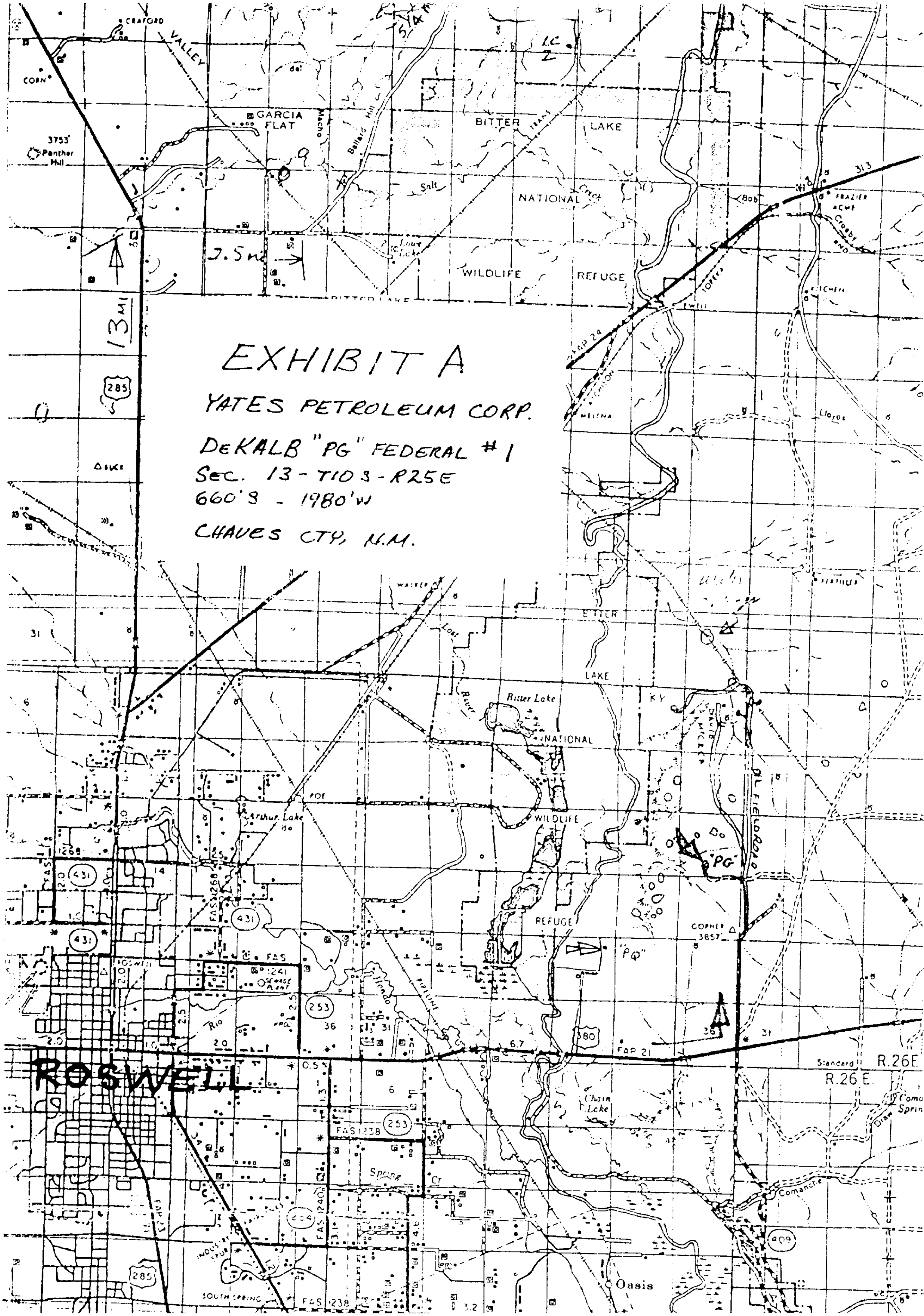
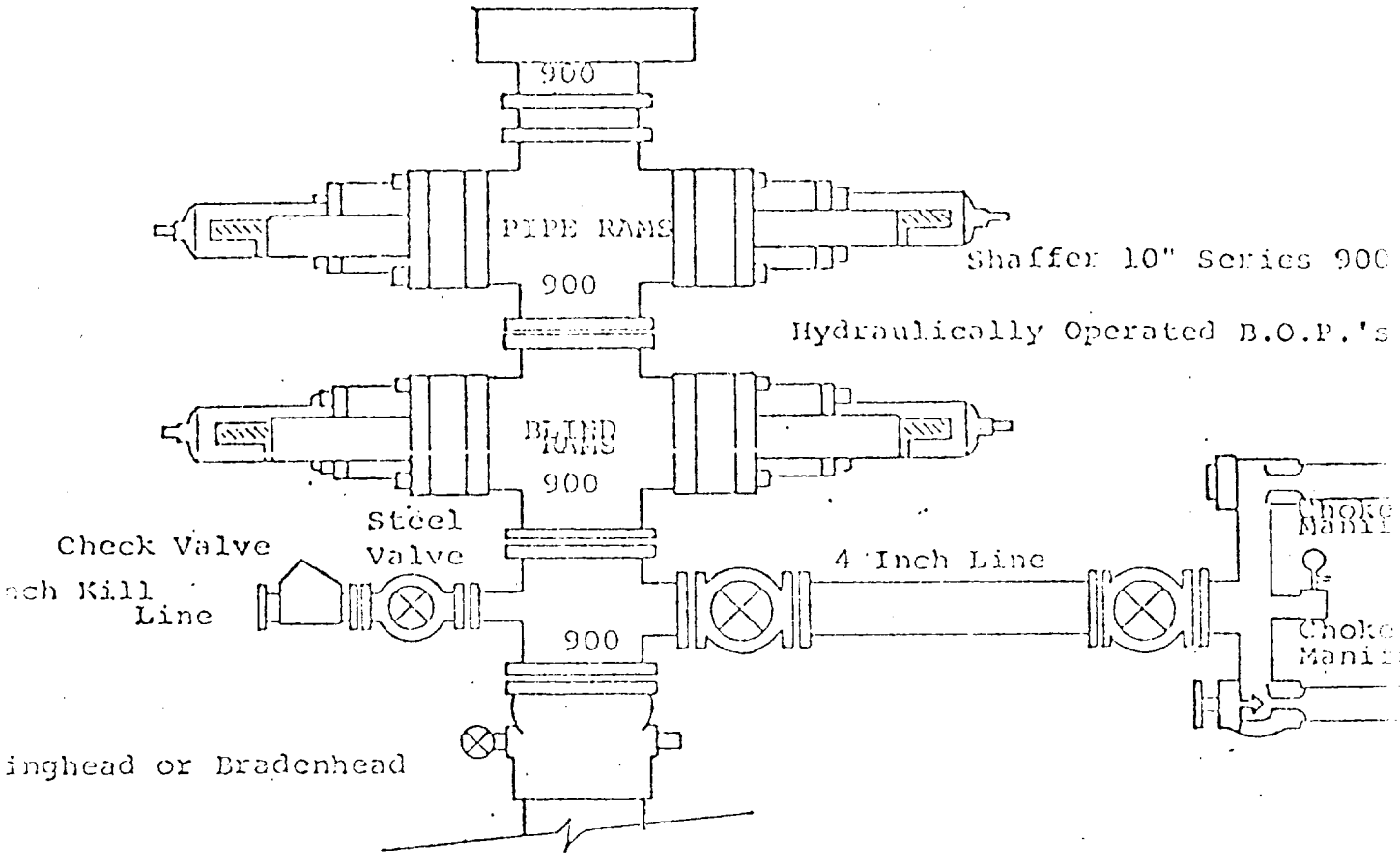


EXHIBIT A
YATES PETROLEUM CORP.
DeKALB "PG" FEDERAL #1
Sec. 13 - T10S - R25E
660'S - 1980'W
CHAVES CTY, N.M.
13 MI
2.5 mi
GARCIA FLAT
Panther Hill
BITTER LAKE
NATIONAL
WILDLIFE
REFUGE
Bitter Lake
Arthur Lake
"PG"
GOPHER
ROSWELL
Chain Lake
Comanche
Oasis
SOUTH SPRING
PIPELINE
FAP 21
R.26E
R.26 E.
Spring Cr.
Rio Hondo
OIL FIELD ROAD

EXHIBIT



FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

All preventers to be hydraulically operated with secondary manual cont
installed prior to drilling out from under casing.
Choke outlet to be a minimum of 4" diameter.
Kill line to be of all steel construction of 2" minimum diameter.
All connections from operating manifolds to preventers to be all steel
hole or tube a minimum of one inch in diameter.
The available closing pressure shall be at least 15% in excess of that
required with sufficient volume to operate the B.O.P.'s.
All connections to and from preventer to have a pressure rating equiva
to that of the B.O.P.'s.
Inside blowout preventer to be available on rig floor.
Operating controls located a safe distance from the rig floor.
Hole must be kept filled on trips below intermediate casing. Operator
not responsible for blowouts resulting from not keeping hole full.
D. P. float must be installed and used below zone of first gas intrusi

EXHIBIT C

YATES PETROLEUM CORPORATION