

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYC/SF
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 2351 RECEIVED APR 5 1982 7. UNIT AGREEMENT NAME C.C.D. ARTESIA OFFICE 8. FARM OR LEASE NAME Federal "HY" 9. WELL NO. 4 10. FIELD AND POOL, OR WILDCAT Wildcat 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 35, T7S, R25E 12. COUNTY OR PARISH Chaves 13. STATE NM
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		
2. NAME OF OPERATOR Yates Petroleum Corporation ✓		
3. ADDRESS OF OPERATOR 207 S. 4th, Artesia, New Mexico 88210		
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		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 23 miles NE 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 160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH approx. 4250'	20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3612.9 GL		22. APPROX. DATE WORK WILL START* ASAP

PROPOSED CASING AND CEMENTING PROGRAM

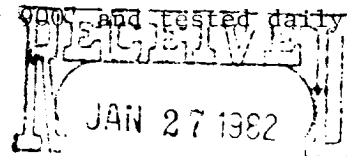
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	40.5# J-55	Approx. 900'	800 sx. circulated
7 7/8"	5 1/2"	9.5#	TD	350 sx.

We propose to drill and test the Abo and intermediate formations. Approximately 900' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation) 7" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 900', Brine to 3500'. Brine & KCL water to TD.

BOP PROGRAM: BOP's will be installed at approximately 900' and tested daily.

GAS NOT DEDICATED.



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

SIGNED <i>Glenn P. ...</i>	TITLE Regulatory Manager	DATE 1/20/82
(This space for Federal signature)		
PERMIT NO. (OVS 584) GEORGE H. STEWART	APPROVAL DATE	
APPROVED BY MAR 30 1982	TITLE	DATE
FOR JAMES A. GILLHAM DISTRICT SUPERVISOR		

MEXICO OIL CONSERVATION COMMISS I
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
 Supersedes C-120
 Effective 1-1-65

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

Operator YATES PETROLEUM CORP.			Lease Federal IIY		Well No. 4
Unit Letter P	Section 35	Township 7 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3612.9	Producing Formation Abo	Pool Undesignated Abo		Dedicated Acreage: 160 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.

Gliserio Rodriguez
 Name

Gliserio Rodriguez
 Position

Regulatory Manager
 Company

Yates Petroleum Corporation
 Date

12/15/81

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.

Date Surveyed
 December 11, 1981

Registered Professional Engineer
 and/or Land Surveyor

Harold R. Jones
 Certificate No. 3640

Yates Petroleum Corporation
Federal HY #4
660' FSL and 660' FEL
Section 35, T7S, R25E

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 quaternary alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	371'
Glorieta	1476'
Abo	2927'
Wolfcamp	3598'
TD	4250'

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

Water: approximately 340' - 360', poss. 630' - 660'

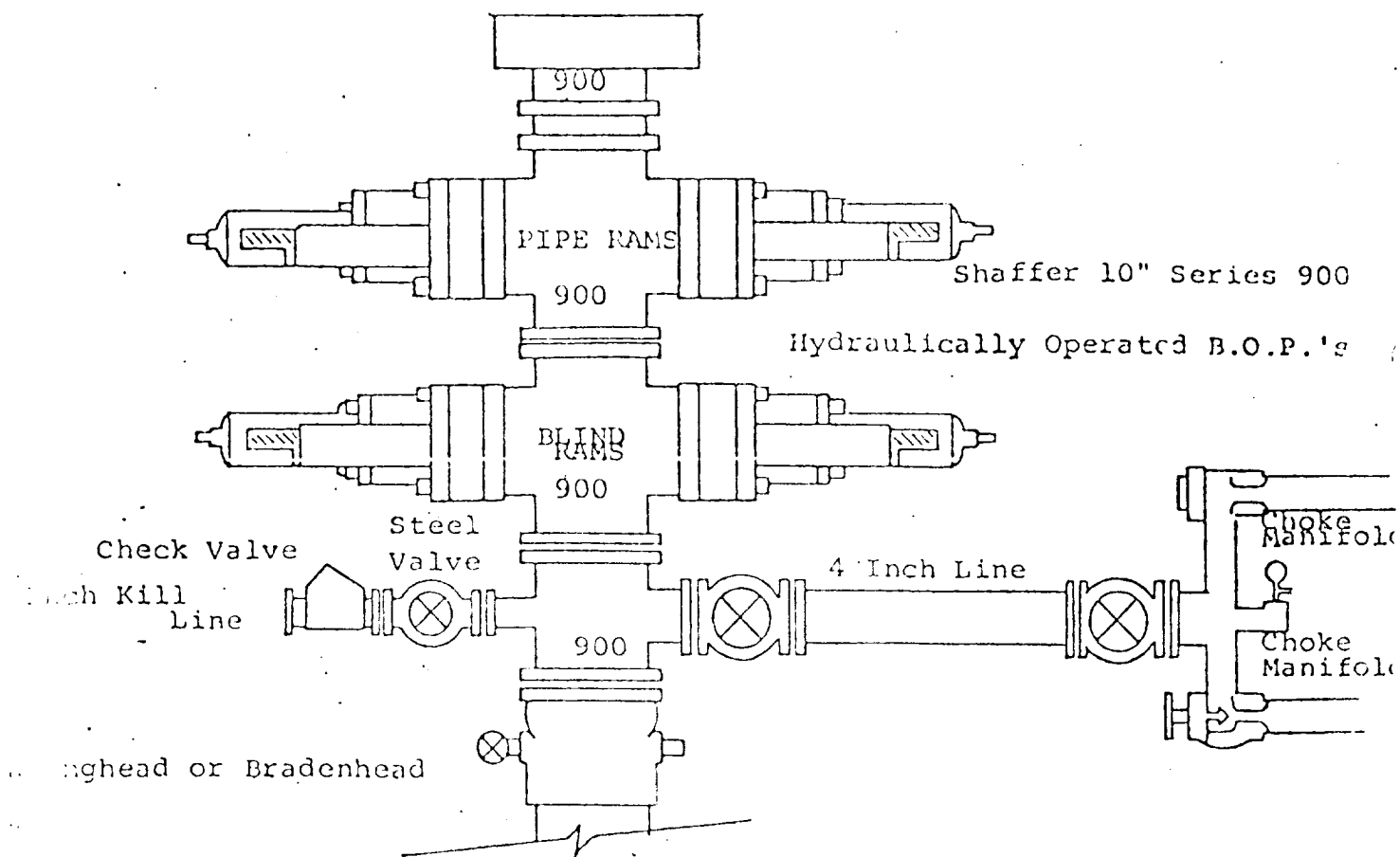
Oil or Gas: Abo - 2955'

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: Surface casing to TD.
DST's: As warranted.
Logging: Intermediate casing to TD
CNL-FDC TD to casing with GR-CNL on to surface and
DLL from TD to casing with selected min. R_xO.

9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

EXHIBIT B



FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel, hole or tube 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 located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.

YATES PETROLEUM CORPORATION

