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APR 15 1982

O. C. D.
ARTESIA, OFFICE

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
 Type of Well DRILL ☒ DEEPEN ☐ PLUG BACK ☐
 OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

Name of Operator States Petroleum Corporation
 Address of Operator

207 S. 4th, Artesia, New Mexico 88210
 Location of Well UNIT LETTER M LOCATED 990 FEET FROM THE south LINE

990 FEET FROM THE West LINE OF SEC. 10 TWP. 6S RGE. 26E NMPM

5A. Indicate Type of Lease
 STATE ☐ FEE ☒
 5. State Oil & Gas Lease No.
 7. Unit Agreement Name
 8. Farm or Lease Name
Shadden "TN"
 9. Well No.
1
 10. Field and Pool, or Wildcat
Undes. Pecos Slope
Abo
 12. County
Chaves

19. Proposed Depth 4300' 19A. Formation Abo 20. Rotary or C.T. Rotary
 Elevations (Show whether DF, KI, etc.) 3625.0' GL 21A. Kind & Status Plug. Bond Blanket 21B. Drilling Contractor not determined 22. Approx. Date Work will start ASAP

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|------------|
| 14 3/4" | 10 3/4" | 40.5# | Appr. 950' | 630 sx | circulated |
| 7 7/8" | 4 1/2" | 9.5# | TD | 350 sx | |

Posted ID-1
API + NL Book
4-23-82

We propose to drill and test the Abo and intermediate formations. Approximately 950' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation) 8 5/8" 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 950', Brine to 3500', Brine & KCL water to TD.

BOP PROGRAM: BOP's will be installed at the offset and tested daily

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
 PERMIT EXPIRES 10-20-82
 UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Ken Beardsley Title Regulatory Coordinator Date 4/15/82

(This space for State Use)

APPROVED BY John Walker TITLE OIL AND GAS INSPECTOR DATE APR 20 1982

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient time to witness cementing

the 10 3/4 casing

Declared Water Basin
Ft. Sumner

1000
1000
1000

N. MEXICO OIL CONSERVATION COMMISS.
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.

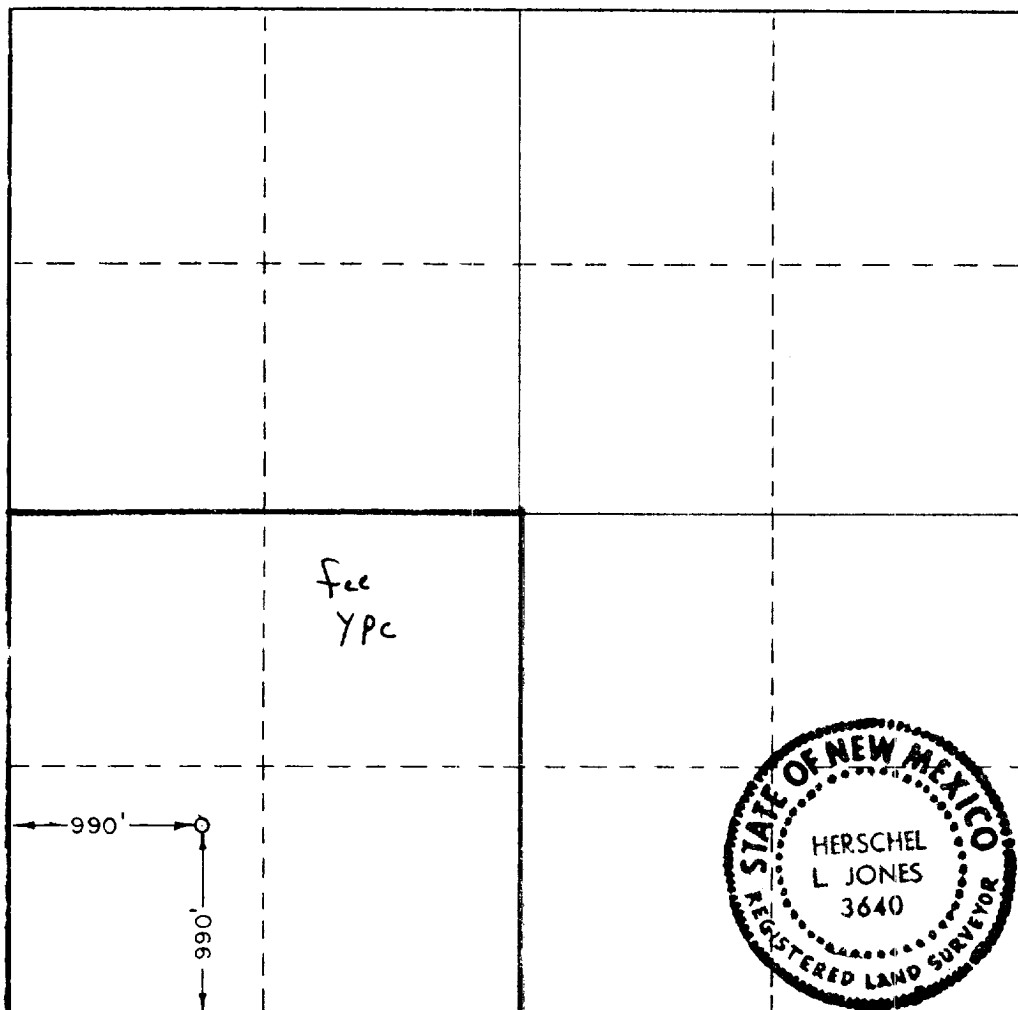
| | | | | | |
|--|-----------------------------------|----------------------------|--------------------------------|-------------------------|--|
| Operator YATES PETROLEUM CORPORATION | | | Lease Shadden "TM" | | Well No. 1 |
| Unit Letter M | Section 10 | Township 6 South | Range 26 East | County Chaves | |
| Actual Footage Location of Well: 990 feet from the South line and 990 feet from the West line | | | | | |
| Ground Level Elev. 3625.0 | Producing Formation Abo | | Foot Pecos Slope Abo | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

Ken Beardemphl
Name

Ken Beardemphl

Position

Regulatory Coordinator

Company

Yates Petroleum Corp.

Date

4/15/82

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

April 8, 1982

Registered Professional Engineer and/or Land Surveyor

Certificate No.

3640

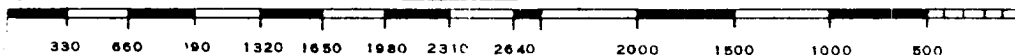
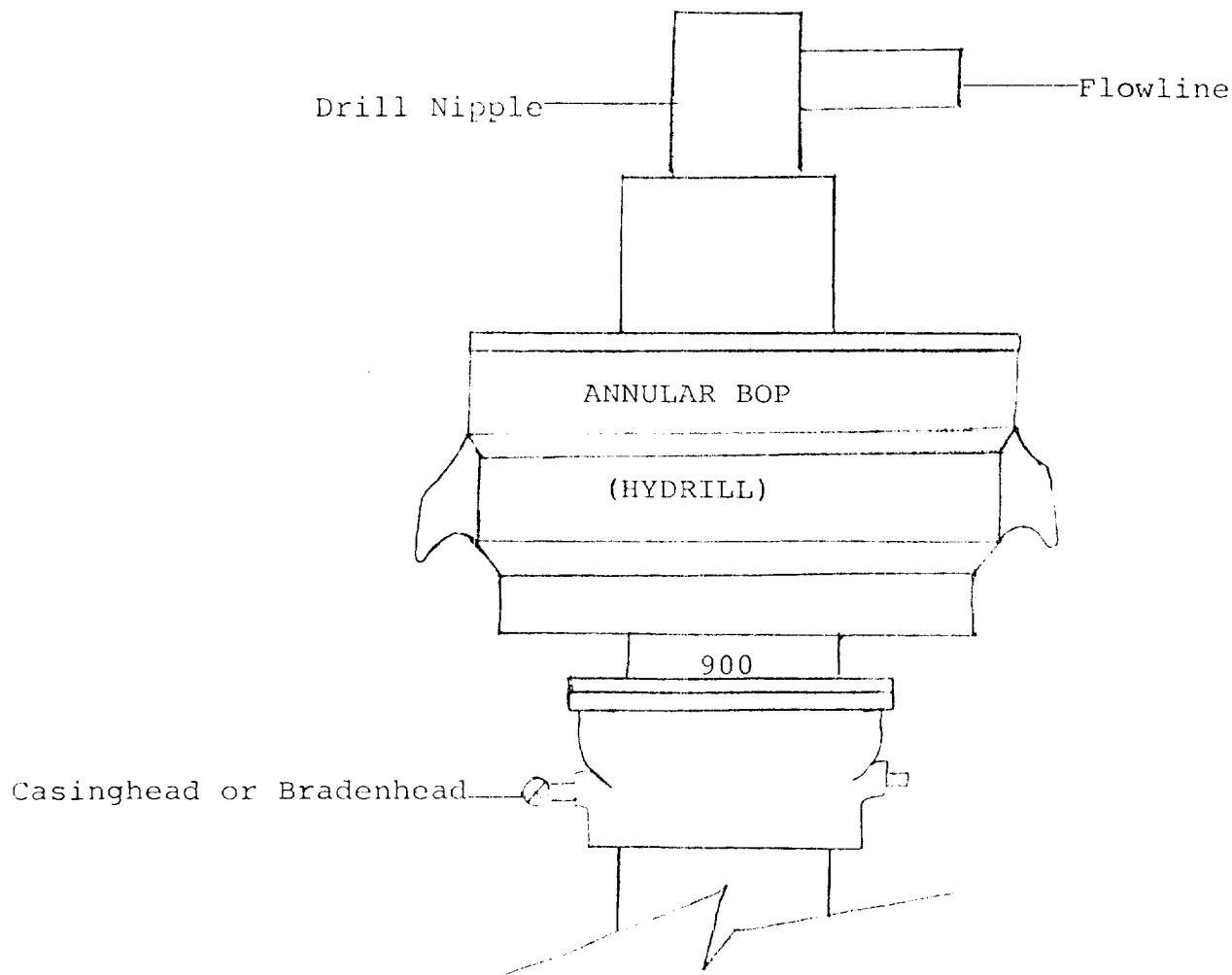


Exhibit E



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.

