

MAY 20 1982

O. C. D.

ARTESIA, OFFICE

Form C-101
Revised 10-1-78

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5A. Indicate Type of Lease
STATE <input checked="" type="checkbox"/> FCC <input type="checkbox"/>
5. State Oil & Gas Lease No.
LG-569

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> 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"/>		8. Form or Lease Name	
2. Name of Operator Yates Petroleum Corporation ✓		Skink "SK" State	
3. Address of Operator 207 S. 4th, Artesia, New Mexico 88210		9. Well No. 3	
4. Location of Well UNIT LETTER C LOCATED 660 FEET FROM THE North LINE AND 1650 FEET FROM THE West LINE OF SEC. 32 TWP. 7S RGE. 26E NMPM		10. Field and Pool or Wildcat Undes. Pecos Slope	
11. Elevations (Show whether DT, RT, etc.) 3583.2' GL		12. County Chaves	
21A. Kind & Status Plug. Bond Blanket		19. Proposed Depth 950' 4250'	
21B. Drilling Contractor L&M #2		15A. Formation Abo	
22. Approx. Date Work will start ASAP		20. Rotary or C.T. Rotary	

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# J-55	950	Suff to Circ	circulated
7 7/8"	4 1/2"	9.5#	TD	350 sx	

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. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated 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 130 DAYS
PERMIT EXPIRES 11-25-82
UNLESS DRILLING UNDERWAY

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. 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 [Signature] Title Regulatory Coordinator Date 5/17/82

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE MAY 25 1982

CONDITIONS OF APPROVAL, IF ANY:

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

the 10 3/4" casing

Noted NLB
4 TD I
5-25-82

NEW MEXICO OIL CONSERVATION COM. SION MAY 20 1982
WELL LOCATION AND ACREAGE DEDICATION PLAT O. C. D.

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

All distances must be from the outer boundaries of the Section. ARTESIA, OFFICE

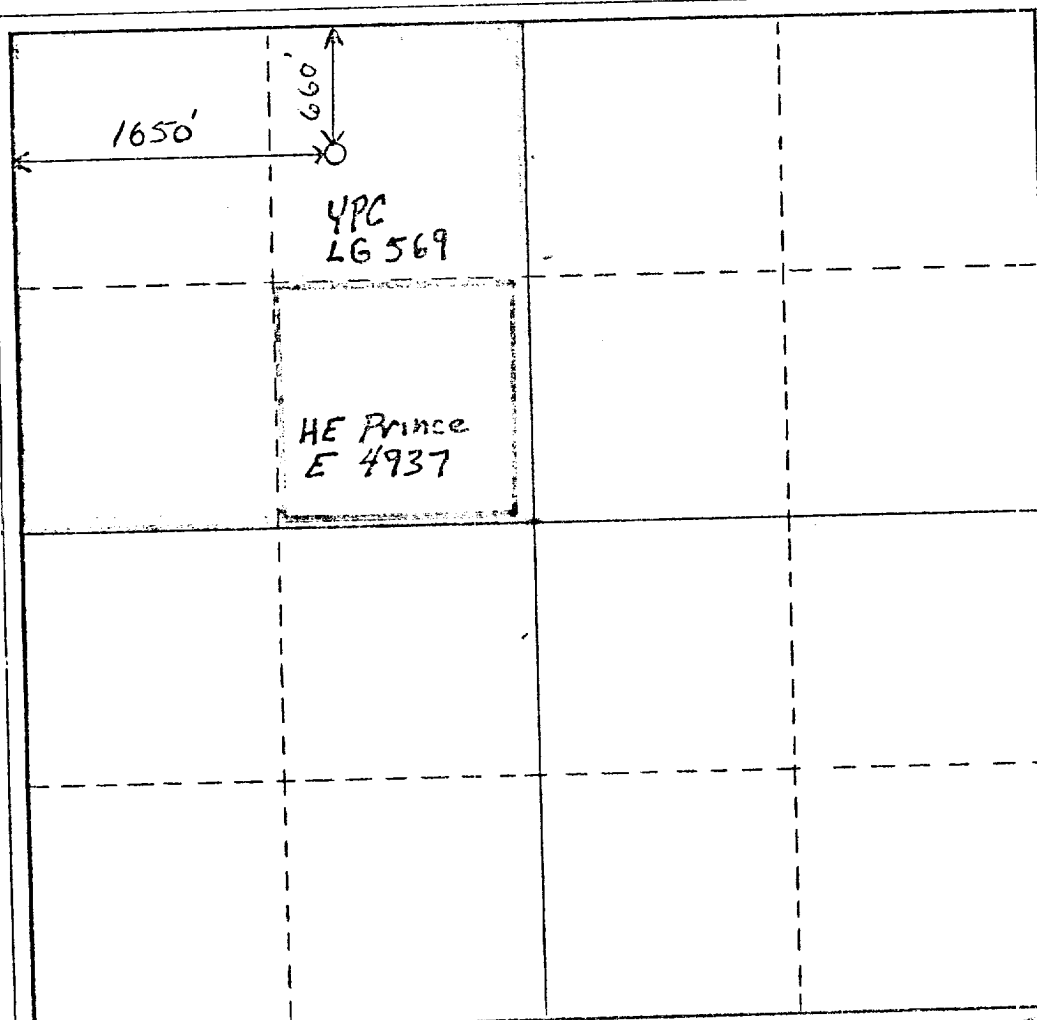
Operator YATES PETROLEUM CORPORATION		Lease Skink "SK" State		Well No. 3
Unit Letter C	Section 32	Township 7 South	Range 26 East	County Chaves
Actual Footage Location of Well: 660 feet from the North line and 1650 feet from the West line				
Ground Level Elev. 3583.2'	Producing Formation Abo		Pool Undes. Pecos Slope 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 to be communitized

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.

Cy Cowan

Name
Cy Cowan
Position
Regulatory Coordinator
Company
Yates Petroleum Corp.
Date
5/17/82

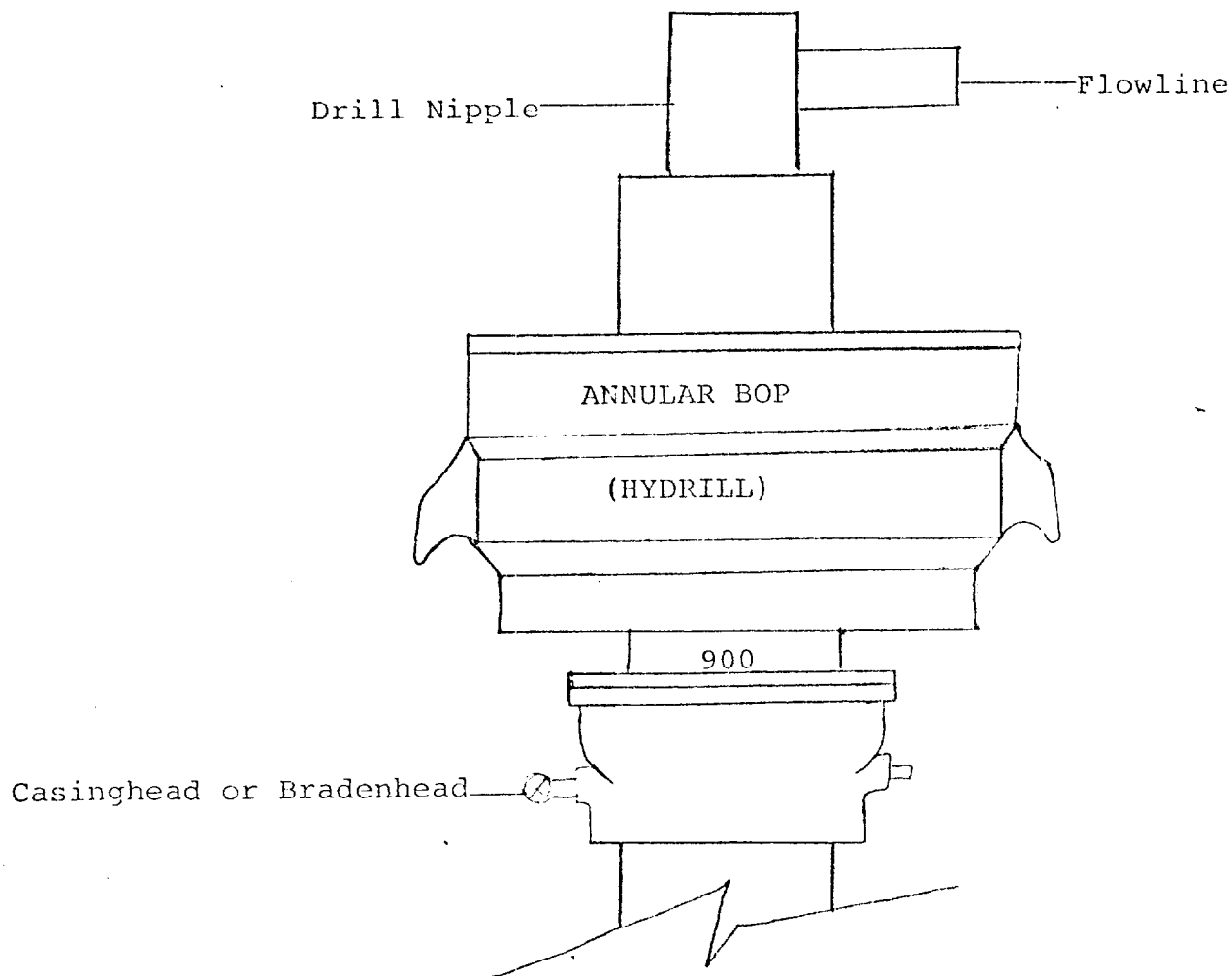
I hereby certify that the well location shown on this plat was plotted from field notes of bench surveys made by me or under my supervision, and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed
5/10/82
Registered Professional Engineer and/or Land Surveyor

Donal J. Fisher
Certificate No.

7977

Exhibit B



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.