| Form 9-331 C (<br>(May 1963)  | JST Draw<br>Artesia<br>UNIT<br>DEPARTMENT<br>GEOLOG         | CONS. COMMISSIO<br>DD<br>L, NM 88210<br>ED STATES<br>OF THE INTEF<br>GICAL SURVEY | SUBMIT IN TRI<br>JUNE TO TO<br>NOR | 1 ATE*        | Form approved<br>Budget Bureau<br>32 - 125 - 125<br>5. LEASE DESIGNATION A<br>NM-18822<br>6. IF INDIAN, ALLOTTEE | No. 42-R1425.      |  |
|---|---|---|------------------------------------|---------------|--|--------------------|--|
| APPLICATION   | I FOR PERMIT T  | O DRILL, DEEP   | EN, OR PEOGFB                      |               |  |                    |  |
| In. TYPE OF WORK  |   | DEEPEN  | PLUG BAC                           |               | 7. UNIT AGREEMENT NA   | Mκ                 |  |
| 2. NAME OF OPERATOR   | ELL A OTHER   |   | INGLE MULTIPL<br>ONE ZONE          | . Е           | 8. FARM OR LEASE NAM<br>Leeman "OC"  |                    |  |
| Yates Petro   | leum Corporat   | ion 🗸 🔤 🕺   | AFR PART                           | 공유카           | 4  |                    |  |
| 3. ADDRESS OF OPERATOR  |   | Mexico 882  |                                    | -<            | 10. FIELD AND POOL, OI   | WILDCAT            |  |
| 4. LOCATION OF WELL (R  | Artesia, New<br>eport location clearly and<br>' FNL and 990 | in accordance with any  |                                    |               | <b>Undes</b> . Pecc<br>11. SEC., T., R., M., OR B<br>AND SURVEY OR ARD   | s Slope Abo<br>Lk. |  |
| At proposed prod. zon   |   |   | OIL & GAS<br>THIS I GTOLOGICAL SU  | VA 🖌<br>ISVIN | Sec. 20-T75  |                    |  |
| Sam   | AND DIRECTION FROM NEA                                      | REST TOWN OR POST OFFIC   |                                    | 600           | 12. COUNTY OR PARISH   |                    |  |
| 14. DISTANCE IN ATTROS  | l. 07 milog N   | INE of Poswel   | 1. NM.                             |               | Chaves   | NM                 |  |
| Approximate<br>15. DISTANCE FROM PROP   | ly 27 miles M   | 16. N   | O. OF ACRES IN LEASE               |               | OF ACRES ASSIGNED<br>HIS WELL  |                    |  |
| LOCATION TO NEAREST<br>PROPERTY OR LEASE LINE, FT.<br>(Also to nearest drig, unit line, if any) 660'                |   |   | 440                                |               | 160  |                    |  |
| 18. DISTANCE FROM PROPOSED LOCATION*<br>TO NEAREST WELL, DRILLING, COMPLETED,<br>OR APPLIED FOR, ON THIS LEASE, FT. |   |   | 725'                               |               | Rotary   |                    |  |
| 21. ELEVATIONS (Show wh   |   |   |                                    |               |  | RE WILL STANT      |  |
| 3577.1' GL  |   |   |                                    |               | ASAP   |                    |  |
| 23.   |   | PROPOSED CASING AN  | D CEMENTING PROGR.                 | <b>АМ</b>     |  |                    |  |
| SIZE OF HOLE  | SIZE OF CASING  | WEIGHT PER FOOT   | SETTING DEPTH                      |               | QUANTITY OF CEMES  |                    |  |
| $\frac{14}{14} \frac{3}{4}$ "   | 10 3/4"   | 40.5# J-5   | 5 <u>900'</u>                      | 800           | sx circulate   | ed                 |  |
| 7 7/8"  | 4 1/2"  | 9.5#  | TD                                 | 350           | _SX  |                    |  |
|   |   | 1   |                                    | 1             |  |                    |  |

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) 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 & LCM 900', Brine to 3500', Brine & KCL water to TD, MW 10-10.2.

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

GAS NOT DEDICATED. IN ABOVE OFACE AND PROPOSED PROPOSED PROPOSED IN OFACE AND PROPOSED AND PROPOSED AND PROPOSED AND PROPOSED PROPOSED FROM I 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. 24. Regulatory Coordinator DATE 5/4/82

|  | TIPLE | <u>cquiacoij</u> oosi |               |
|--|-------|-----------------------|---------------|
| SIGNED TRAD                                  |       |                       |               |
| (This space for Pederai or State office use) |       |                       |               |
| PERMIT CODE SEd.) GEORGE H. STE              | VANI  | APPROVAL DATE         |               |
| JUN 3 1982                                   | TITLE |                       | DATE I        |
| CONDITIONS FOR PROVAL, IF ANY :              |       |                       | 0 sted -82    |
| JAMES A. GILLHAM<br>DISTRICT SUPERVISOR      |       |                       | Yos 6-1 fronk |
| CASIR.CT CO. LIVE                            |       |                       | Nut + Pr      |
|  |       |                       | 41-           |

## N / MEXICO OIL CONSERVATION COMMIS: 4 WELL LOCATION AND ACREAGE DEDICATION PLAT

| Form C-10 | 02      |
|-----------|---------|
| Supersede | s C-128 |
| Effective | 1-1-65  |

| YATES PETROLFUM CORPORATION Leman "OC" Federal 4   |   |                              | All distance    | s must be fr | om the outer | boundaries of   | the Section. |  |   |
|--|---|------------------------------|-----------------|--------------|--------------|-----------------|--------------|--|---|
| Description       Power in the set of   | Operator  |                              |                 |              |              |                 |              |  |   |
| 20       7 South       26 1 nst       Chaves         660       test from the Morth       10000       1000000000000000000000000000000000000   | YATES F   | PETROLEUM (                  |                 | ¥I           |              | <u>eman "OC</u> |              | <u>11</u>  | 4   |
| Generation       Tend must be the method       How the main of the second of th  | Unit Letter Sec                                   | ction                        |                 |              |              |                 |              | 1  |   |
| Bits       Data the set of   | D   |                              | 7_Sou           | th           | 26 1         | ast             | 1            | naves  |   |
| and different time       Preduced Translation       Preduced Translation       Interferent State       Interferent State         3577.1*       ABO       Interferent State       Interferent State       Interferent State       Interferent State         1. Outline the acreage dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).       If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, force-pooling, etc?         Styres       Is now the interest and tract descriptions which have actually been consolidated. (Itse reverse side of this form interests) or until a non-standard unit, eliminating such interests, has been approved by the Commission.         No allowable will be assigned to the well until all interests have been consolidated (by communification, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.         990'O       DI LCENTRAL         YPC       If any were interest of any benefit comparison on the base of any based and belief.         YPC       If any based and belief.         YPC       If any based and belief.         If any based and belief.       If any based and belief.         YPC       If any based  |   |                              |                 |              | 000          | 4               |              | West   | 1.1.1.1   |
| <ul> <li>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</li> <li>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).</li> <li>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?</li> <li>2. If so If answer is "yes," type of consolidation <u>Tobe community</u> (12.c).</li> <li>3. If masker is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</li> <li>3. No allowable will be assigned to the well nutil all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or unit a non-standard unit, eliminating such interests, has been approved by the Commission.</li> <li>3. Outline the sum one standard unit, eliminating such interests, has been approved by the Commission.</li> <li>3. Outline the information contrast description of the sum of market on the outlearmeter on the set of any insolvage and sellet.</li> <li>3. Why 12822</li> <li>3. Jone Standard unit, commission and complete to the set of any insolvage and sellet.</li> <li>3. Why 12822</li> <li>3. If a row of stand to replace to the well action in the set of any insolvage and sellet.</li> <li>3. Water of a planet to the well action in the set of any supervised, and the the set of any supervised.</li> <li>3. If a row of stand to reverse induction the set of any supervised.</li> <li>4. A result of the set of any supervised.</li> <li>4. A result of the set of any supervised.</li> <li>4. A result of the set of any supervised.</li> <li>5. A result of the set of any supervised.</li> <li>5. A result of the set of any supervised.</li> <li>5. A result of the set of any supervised.</li></ul> | 000   |                              |                 |              |              |                 |              |  | Ledicated Acreate:  |
| <ul> <li>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</li> <li>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).</li> <li>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?</li> <li>2. If so If answer is "yes," type of consolidation <u>Tobe community</u> (12.c).</li> <li>3. If masker is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)</li> <li>3. No allowable will be assigned to the well nutil all interests have been consolidated (by communitization, unitization, force-pooling, or otherwise) or unit a non-standard unit, eliminating such interests, has been approved by the Commission.</li> <li>3. Outline the sum one standard unit, eliminating such interests, has been approved by the Commission.</li> <li>3. Outline the information contrast description of the sum of market on the outlearmeter on the set of any insolvage and sellet.</li> <li>3. Why 12822</li> <li>3. Jone Standard unit, commission and complete to the set of any insolvage and sellet.</li> <li>3. Why 12822</li> <li>3. If a row of stand to replace to the well action in the set of any insolvage and sellet.</li> <li>3. Water of a planet to the well action in the set of any supervised, and the the set of any supervised.</li> <li>3. If a row of stand to reverse induction the set of any supervised.</li> <li>4. A result of the set of any supervised.</li> <li>4. A result of the set of any supervised.</li> <li>4. A result of the set of any supervised.</li> <li>5. A result of the set of any supervised.</li> <li>5. A result of the set of any supervised.</li> <li>5. A result of the set of any supervised.</li></ul> |   |                              |                 |              | PECOS        | Slope           | ABO          |  | KO Acres  |
| <ul> <li>If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royally).</li> <li>If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, intrization, force-pooling etc?</li> <li>Yes I No If answer is "yes," type of consolidation <u>Coce commentation in the second commentation in the second commentation of the second in the communitization, unitization, force-pooling, or otherwise) or until a constandard unit, eliminating such interests, has been approved by the Commission.</u></li> <li>DJ ACE MICH</li> <li>YPC</li> </ul>  |   | creage dedica                | ted to the s    |              |              |                 |              | marks on the   | e plat below.   |
| dated by communitization, unitization, force-pooling, etc?         Yes       No         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, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.         If answer is "no," list the owners and tract descriptions which have actually been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.         If answer is "no," If the owners and tract descriptions which have actually been consolidated (by communitization, unitization, force-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.         If answer is "no," If the owners are the owners of the information commission.         If answer is "NM 18822         If any determine the information commission.         If area a construction to commission.         If any determine the information commission.         If area a construction to commission.         If area a constructing the area any and the area interest and area any any an   | 2. If more than                                   | one lease is                 |                 |              |              |                 |              |  |   |
| this form if necessary.)   | dated by com                                      | nunitization,                | unitization, fo | orce-pooli   | ng. etc?     |                 |              |  |   |
| BDJ LEEMAN<br>NWT 18822<br>990' O V Covan<br>YPC<br>YPC<br>YPC<br>YPC<br>YPC<br>YPC<br>YPC<br>YPC  | this form if ne<br>No allowable<br>forced-pooling | ecessary.)<br>will be assign | ed to the wel   | l until all  | interests    | have been       | consolidat   | ed (by comm  | nunitization, unitization,  |
| 990'       Iterated herein is true and complete to the best of my knowledge and bellef.         YPC       Or O   |   |                              |                 |              |              |                 | T            |  | CERTIFICATION   |
| shown on this plat was platted from field<br>notes of actual surveys made by me or<br>under my supervision, and that the same<br>is true and correct to the best of my<br>knowledge and belief.<br>Date Surveyed<br>March 30, 1982<br>Registered Professional Engineer<br>vmd/or Land Surveyor<br>Certificate No.<br>7977  |   | D.J. LEEM<br>NM 180          | 911<br>822      |              |              |                 |              | tained her<br>best of my<br>Name<br>Cy Cow<br>Position<br>Regula<br>Company<br>Yates<br>Date | ein Is true and complete to the<br>knowledge and belief.<br>Cocuanan<br>an<br>tory Coordinator<br>Petroleum Corp.   |
|  |   |                              |                 |              | Kaistensy    | <b>z</b> 7977   |              | shown on<br>notes of<br>under my<br>is true a<br>knowledge<br>Date Survey                    | this plat was plotted from field<br>actual surveys made by me or<br>supervision, and that the same<br>and correct to the best of my<br>e and belief.<br>red<br><u>rch 30, 1982</u><br>Professional Engineer |
|  |   |                              |                 |              |              | PRIDHA          |              | Certificate  | No. X TV  |
|  |   | 1320 1650 1                  | 80 2310 2640    | 200          |              | f               |              |  |   |

## TES PETROLEUM CORPORATION Leeman "OC" Federal #4 660' FNL and 990' FWL Section 20-T7S-R26 E 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 guaternary alluvium
- 2. The estimated tops of geologic markers are as follows:

| San Andres | 448'  |   |
|------------|-------|---|
| Glorieta   | 1559' |   |
| Fullerton  | 2988' |   |
| Abo        | 3677' |   |
| TD         | 4300' |   |
|            |       |   |
| ·          |       | ٠ |

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

Water: Approximately 70-150'

Oil or Gas: Abo 3692'

- 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 value on floor, drill pipe connection.
- 8. Testing, Logging and Coring Program:

| Samples: | Surface casing to TD.   | •   |
|----------|---|-----|
| DST's:   | As warranted.   | •   |
| Coring:  | None  | · ' |
| Logging: | Intermediate casing to TD. CNL-FDC TD to casing w/GR-CNL onto | _ • |
| 00 0     | surface and DLL from TD to casing w/selected RxO.             |     |

9. No abnormal pressures or temperatures are anticipated.

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



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.
- 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.