Submit to Appropriate District Office State Lease — 6 copies Fee Lease - 5 copies

State of New Mexico rgy, Minerals and Natural Resources Departs

Form C-101	
Revised 1-1-89	١,

DISTRICT P.O. Box 1980, Hobbs, NM 88240 OIL CONSERVATION DIVISION

API NO. (assigned by OCD on New Wells) P.O. Box 2088RECEIVED

Santa Fe, New Mexico 87504-2088

5. Indicate Type of Lease

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

FEB -7 '90

FEE XX

1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PRUG BACK la. Type of Work: 7. Lease Name or Unit Agreement Name DRILL X RE-ENTER DEEPEN PLUG BACK b. Type of Well: HANCOCK "AHC" SINGLE METT X MULTIPLE ZONE ZONE 2. Name of Operator 8. Well No. Yates Petroleum Corporation Address of Operator #1 105 South Fourth Street, Artesia, New Mexico 88210 9. Pool name or Wildcat (Pecos Slope Abo Well Location Unit Letter C : 660 Feet From The North Line and West Feet From The Line Section 6S Township 26定 Range Chaves **NMPM** County 10. Proposed Depth 11. Formation 12. Rotary or C.T. 4300 Abo Rotary 13. Elevations (Show whether DF, RT, GR, etc.) 14. Kind & Status Plug. Bond 15. Drilling Contractor 3607.0' 16. Approx. Date Work will start Blanket Undesignated 17. ASAP PROPOSED CASING AND CEMENT PROGRAM SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT ! SETTING DEPTH SACKS OF CEMENT 14 3/4" 10 3/4" EST. TOP 40.5# J-55 950 i 700 sx 7/8" 1/2" circulated 9.5# TD350 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.

FW gel/LCM to 950', Brine to 3200', Brine/KCL water to TD. MUD PROGRAM:

Post ID-1 2-16-90

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

Murlet API

FER

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GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS PERMIT EXPIRES

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE

I hereby certify that the information above is true and complete to the best of my knowledge and belief. SKINATURE Permit Agent TYPE OR PRINT NAME LIFTON TELEPHONE NO. 748-147

(This space for State Use) ORIGINAL SIGNED BY MIKE WILLIAMS APPROVED BY.

SUPERVISOR, DISTRICT IF CONDITIONS OF APPROVAL, IF ANY:

NOTIFY N.M.O.C.D. IN SUFFICIENT LOS CEMENTING THE 103/4

State of New Mexico lergy, Minerals and Natural Resources Depart 4

Form C-102 Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

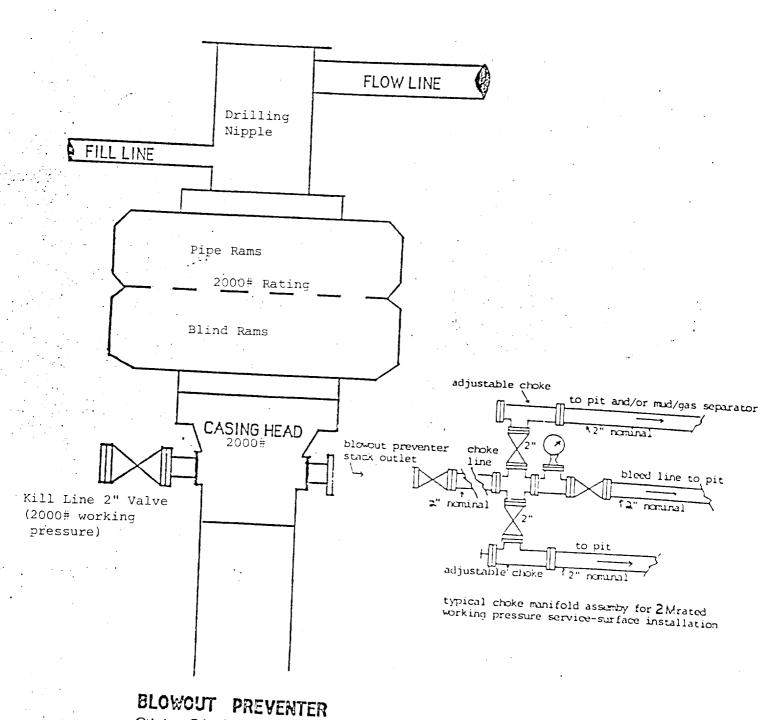
DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT III
1000 Rio Brazos Rd., Azzec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT All Distances must be from the outer boundaries of the section

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Operator V A min	ים הי		Dr conn	0D 4 = 7 0 1 -	Lease					Well No.		
LATE	Sectio		Township	ORATION	Range	ANCC	CK "AF	IC"	County	<u> </u>		
C		21	1 -	Couth	Amgs	26	TP 4					
C 21 6 South 26 East NMPM Chaves												
660			North	line s	10	80		60 at 600 au	AL TT - L	11		
Ground level Elev.	IGGT II	Producia	g Formation	11196 8	Pool C	\ \		IOUL ITOM	the West	line Dedicated Acreage:		
3607	.n	Abo	_		+	ECOS	SLOPE	= Abo		160 Acres		
			d to the subject	well by colore	pencil or he	chure m	arks on the pi	at below.		/ C Acres		
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 interest 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 seco	OSSETY.		-	-		•					
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 interest, has been approved by the Division.												
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YATES PETROLEUM CORPORATION



2M SYSTEM