

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT****APPLICATION FOR PERMIT TO DRILL OR DEEPEN****1a. TYPE OF WORK****DRILL** ☒**DEEPEN** ☐**b. TYPE OF WELL****OIL  
WELL** ☐**GAS  
WELL** ☒**OTHER** ☐**SINGLE  
ZONE** ☐**MULTIPLE  
ZONE** ☐**2. NAME OF OPERATOR**

YATES PETROLEUM CORPORATION

**3. ADDRESS AND TELEPHONE NO.**

105 South Fourth Street, Artesia, New Mexico 88210

**4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)**At surface  
Unit Letter K; 2310' FSL and 2310' FWLAt proposed prod. zone  
Same**14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\***

24 miles Northeast of Roswell, New Mexico

**15. DISTANCE FROM PROPOSED\***LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)**18. DISTANCE FROM PROPOSED LOCATION\***  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.**16. NO. OF ACRES IN LEASE**

307.20

**19. PROPOSED DEPTH**

4400'

**17. NO. OF ACRES ASSIGNED  
TO THIS WELL**

160

**20. ROTARY OR CABLE TOOLS**

Rotary

**21. ELEVATIONS (Show whether DF, RT, GR, etc.)**

3631' GR

**22. APPROX. DATE WORK WILL START\***

ASAP

**23.****PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14.75"	9.625"	36# J-55	850'	700 SX
*8.75"	7.0"	23# J-55	1500'	250 SX
7.875"	4.5"	10.5# J-55	TD	350 SX

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 850' of surface casing will be set and cement circulated to the surface. (\*If lost circulation is encountered, 7" casing will be set to approximately 1500'. Hole size will be reduced to 6.125".) If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

**MUD PROGRAM:** Spud to 850' with FW Gel/LCM; 850' to 3500' with cut brine; 3500' to TD.

**BOPE PROGRAM:** BOPE will be installed on the 9.625' casing and tested daily for operational

GAS NOT DEDICATED

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION  
OF FEDERALLY OWNED LAND FOR CONSTRUCTION  
OF THE ACCESS ROAD. PAYMENT  
IN ADVANCE.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. 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.**

SIGNED

William R. May

TITLE

Permit Agent

DATE 12/19/94

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

T.R. Keagan

TITLE

Area Manager

DATE

2/2/95

\*See Instructions On Reverse Side

I hereby certify and willfully make to any department or agency of the

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-102  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-005-63044	Pool Code 82730	Pool Name PECOS SLOPE Abo (G25)
Property Code	Property Name NICKEY "RF" FEDERAL	Well Number 3
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3631

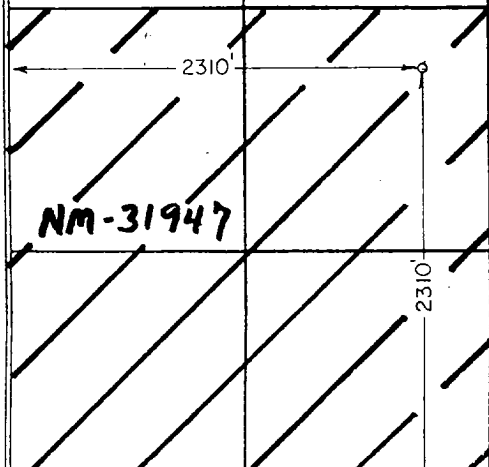
<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	19	7S	26E		2310	South	2310	West	Chaves

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 160		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature CLIFTON R. MAY Printed Name PERMIT AGENT Title 12/19/94 Date
				<sup>18</sup> SURVEYOR CERTIFICATION 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 belief.  5/05/94 Date of Survey Signature and Seal of Professional Surveyor HERSCHEL L. JONES 3640 Certificate Number 3640

# YATES PETROLEUM CORPORATION

RECEIVED  
DEC 20 9 25 AM

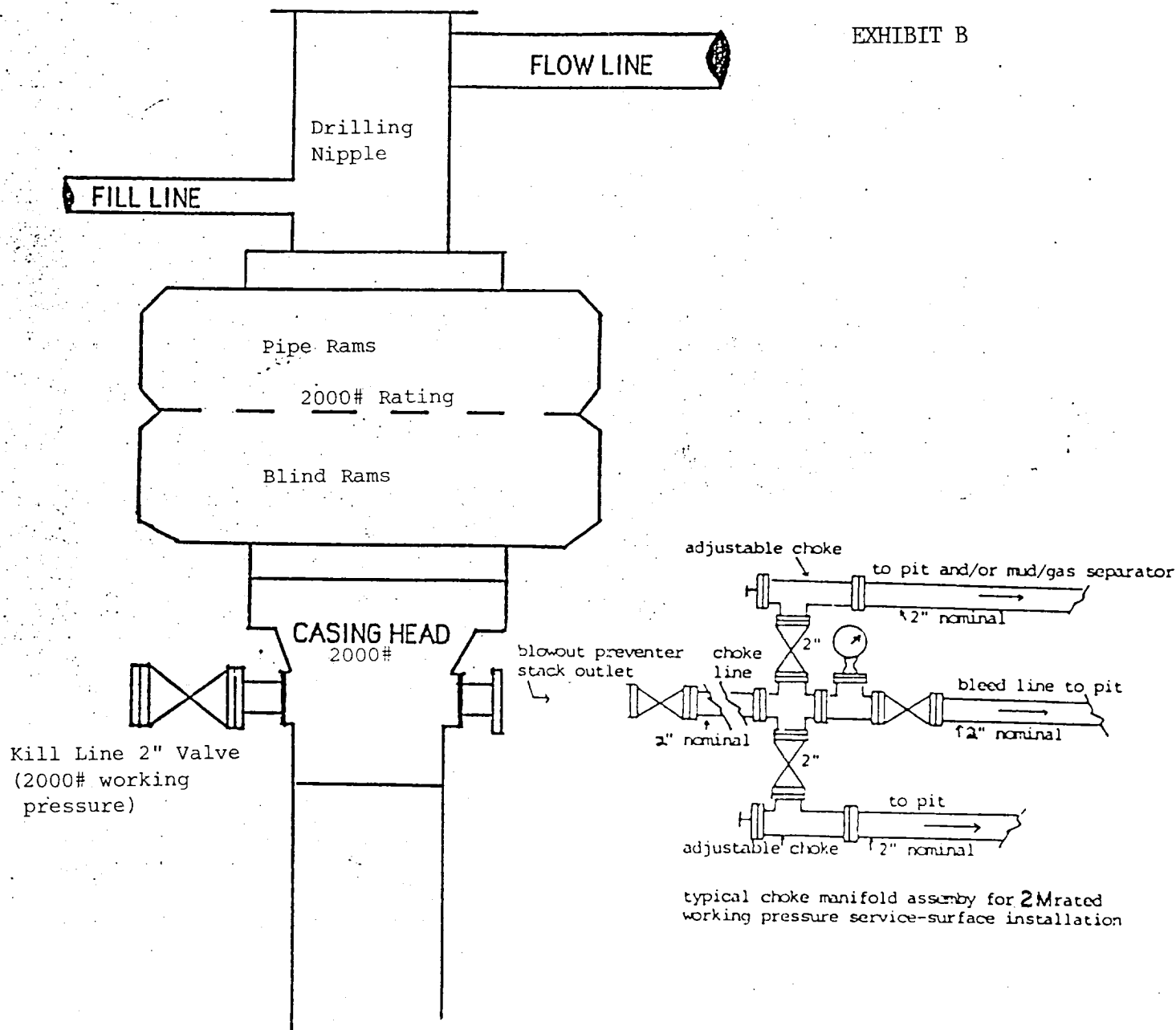
YATES PETROLEUM CORPORATION

NICKEY "RF" FEDERAL #3  
2310' FSL and 2310' FWL

Sec. 19-T7S-R26E

Chaves County, New Mexico

EXHIBIT B



**BLOWOUT PREVENTER  
2M SYSTEM**