Form 3160-3 (July 1992)	DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT					FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995 5. LEASE DESIGNATION AND SEBIAL NO. NM-36724		
APPI	LICATION FOR P	ERMIT TO I	DRILL	OR DEEREN	1.5.	6. IF INDIAN, ALLOT	TED OR TRIBE NAME	
1a. TYPE OF WORK	RILL 🖾	DEEPEN				7. UNIT AGREEMENT NAME 12712 Salt Creek Unit		
WELL OIL	GAS WELL OTHER		SINGLE MULTIPLE ZONE ZONE			8. FARM OR LEASE NAME, WELL NO.		
2. NAME OF OPERATOR								
Yates Petroleum Corporation 25575						9. API WELL NO.		
3. ADDRESS AND TELEPHONE NO.						11		
105 South Fourth Street, Artesia, New Mexico 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)						10. FIELD AND POOL, OR WILDCAT 82740		
At surface 2180' FSL and 1980' FWL Unit K						West Pecos Slope Abo 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA		
At proposed prod. zone						Section 17-T8S-R22E		
Same 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*						12. COUNTY OR PARISH 13. STATE		
23 miles northwest of Roswell, New Mexico						Chaves	NM	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 18. DISTANCE FROM PROPOSED LOCATION*			16. No. of acres in lease 1.0,000 19. proposed depth			OF ACRES ASSIGNED		
					TO THIS WELL 160			
					20. ROTARY OR CABLE TOOLS			
OR APPLIED FOR, ON	DRILLING, COMPLETED, THIS LEASE, FT.		3,600'		Rot	Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.)						22. APPROX. DATE WORK WILL START*		
4128 GR						ASAP		
23.		PROPOSED CASE	ING AND	CEMENTING PROGRA	м			
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT SETTING DEPTH		SETTING DEPTH	QUANTITY OF CEMENT			
12 1/4''	8 5/8"	24#		950'	700 s	O sacks - Circulated		
7 7/8''	5 1/2"	15.5#		TD	350 s	350 sacks		
formations. If commercia	eum Corporation p Approximately 99 1, production cand stimulated as	50' of surf asing will	ace ca be ru	asing will be a n and cemented	set and	l cement circ	ulated.	
MUD PROGRAM:	FW gel/LCM to 95	50'; Brine	to 250	00'; SW gel/Sta				
BOPE PROGRAM	: BOPE will be in	nstalled on	the i	BECEN	E	ed daily for	r operational.	
GAS NOT DEDI	<u>CATED</u>			MAR 29	1995	Mew bo	TD-1 2-95 2 + API	
	VOC PROPOSED REGGE AV. 1		-1 data	OIL COR DIST	. 4	V .		
.N ABOVE SPACE DESCR deepen directionally, give po	IBE PROPOSED PROGRAM: If ertinent data on subsurface location	proposal is to deepen, ns and measured and t	give data rue vertica	on present productive zone I depths. Give blowout preve	and propose nter program	, if any.	r proposar is to unit of	
		_						

(This space for Federal or State office use) 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. Acting Area MANAGEL DATE_ *See Instructions On Reverse Side

District I PO Box 1980, Hobbs, NM 88241-1980 PO Drawer DD, Artesia, NM 88211-0719

State of New Mexico Energy, Minerals & Natural Resources Department

Form C-102 Revised February 10, 1994 Instructions on back

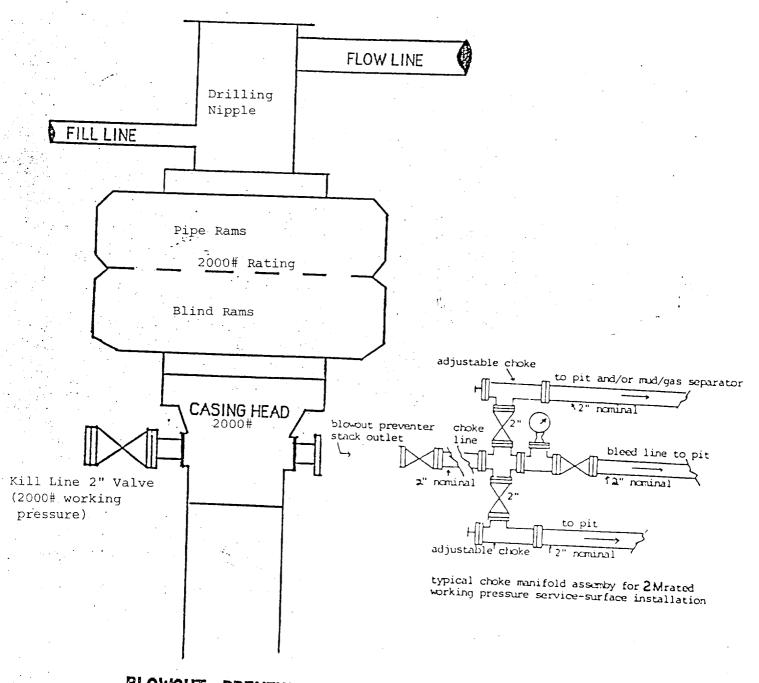
State Lease - 4 Copies

Submit to Appropriate District Office OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504 2088 District III 1000 Rio Brazos Rd., Aztec, NM 87410 Fee Lease - 3 Copies District IV PO Box 2088, Santa Fe, NM 87504-2088 WELL LOCATION AND ACREAGE DEDICATION PLAT API Number ² Pool Code WEST PECOS SLOPE ABO 30-005-63057 8274c ⁴ Property Code Property Name Well Number SALT CREEK UNIT 11 'OGRID No. Operator Name ' Elevation YATES PETROLEUM CORPORATION 025575 4128 10 Surface Location UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line County K 17 8 S 22 E 2180 SOUTH 1980 WEST CHAVES 11 Bottom Hole Location If Different From Surface UL or lot no. Section Township Range Lot Ida Feet from the North/South line Feet from the East/West line County 13 Dedicated Acres 13 Joint or Infill H Consolidation Code U Order No. 160 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 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief Clifton R. May Printed Name Permit Agent Title 2-14-95 Date "SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 1980 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. 2/07/95 Date of Survey Signature and Scal of Professional Surveyor. ခြ \overline{a} NM-36724 Certificate Number

YATES PETROLEUM CORPORATION

YATES PETROLEUM CORPORATION Salt Creek Unit #11
Section 17-T8S-R22E
Chaves County, New Mexico

Exhibit B



BLOWOUT PREVENTER 2M SYSTEM FEB 17 9 CO MI 35