

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 ☐

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

330' FSL and 1300' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 48 miles NNE 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

640.80

19. PROPOSED DEPTH

4200'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

3811' 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 3/4"	9 5/8"	36# J-55	950'	585 sacks - circulate
* 8 1/2"	7"	20# J-55	1500'	650 sacks - circulate
7 7/8"	4 1/2"	9.5# J-55	TD	575 sacks

*7" casing to be set if lost circulation is encountered. If lost circulation is not encountered, the hole will be reduced to 7 7/8" at 1500'.

Yates Petroleum Corporation proposes 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 due to lost circulation 7" intermediate casing will be run to 1500' and cemented with adequate cover calculated to tie back into the surface casing. If commercial, production casing will be run cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud Mud to 950'; FW Gel/LCM to 1500'; Cut Brine to 3400'; SW Gel Starch and Diesel to TD.

BOPE PROGRAM: BOP'S will be installed on the 9 5/8" casing and tested daily.

GAS NOT DEDICATED.

NON-STANDARD LOCATION HEARING FOR THIS WELL WILL BE SET UP.

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

Clifton R. May

TITLE

Regulatory Agent

DATE

April 4, 1997

(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

TR Knapp

TITLE

Ana Manzan

DATE

5/7/97

*See Instructions On Reverse Side

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210Instruction on back
Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

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

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name PECOS SLOPE ABO
Property Code	Property Name McCLELLAN "MB" FEDERAL	Well Number 7
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3811

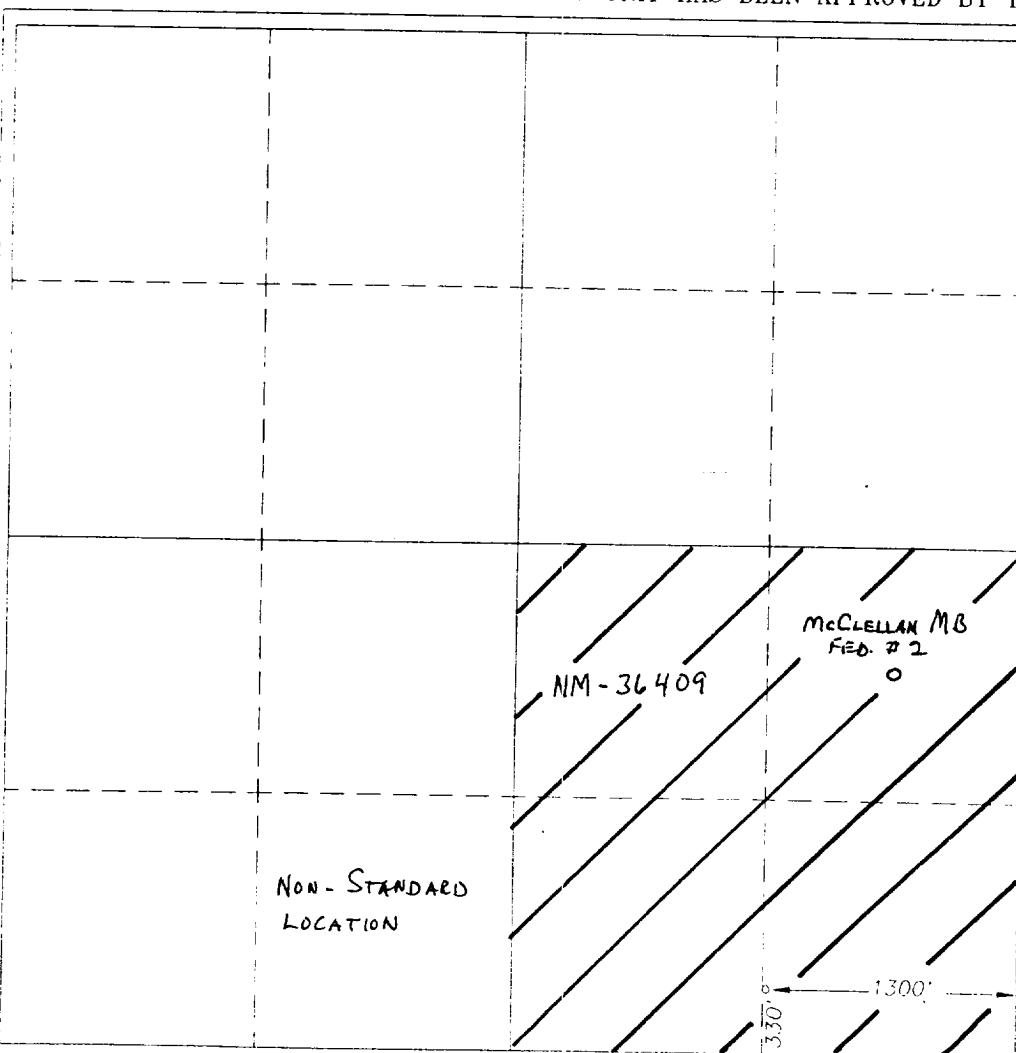
Surface Location

UL or lot No. P	Section 31	Township 5S	Range 25E	Lot Idn	Feet from the 330	North/South line SOUTH	Feet from the 1300	East/West line EAST	County CHAVES
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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
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Dedicated Acres 160	Joint or Infill	Consolidation Code	Order No.
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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

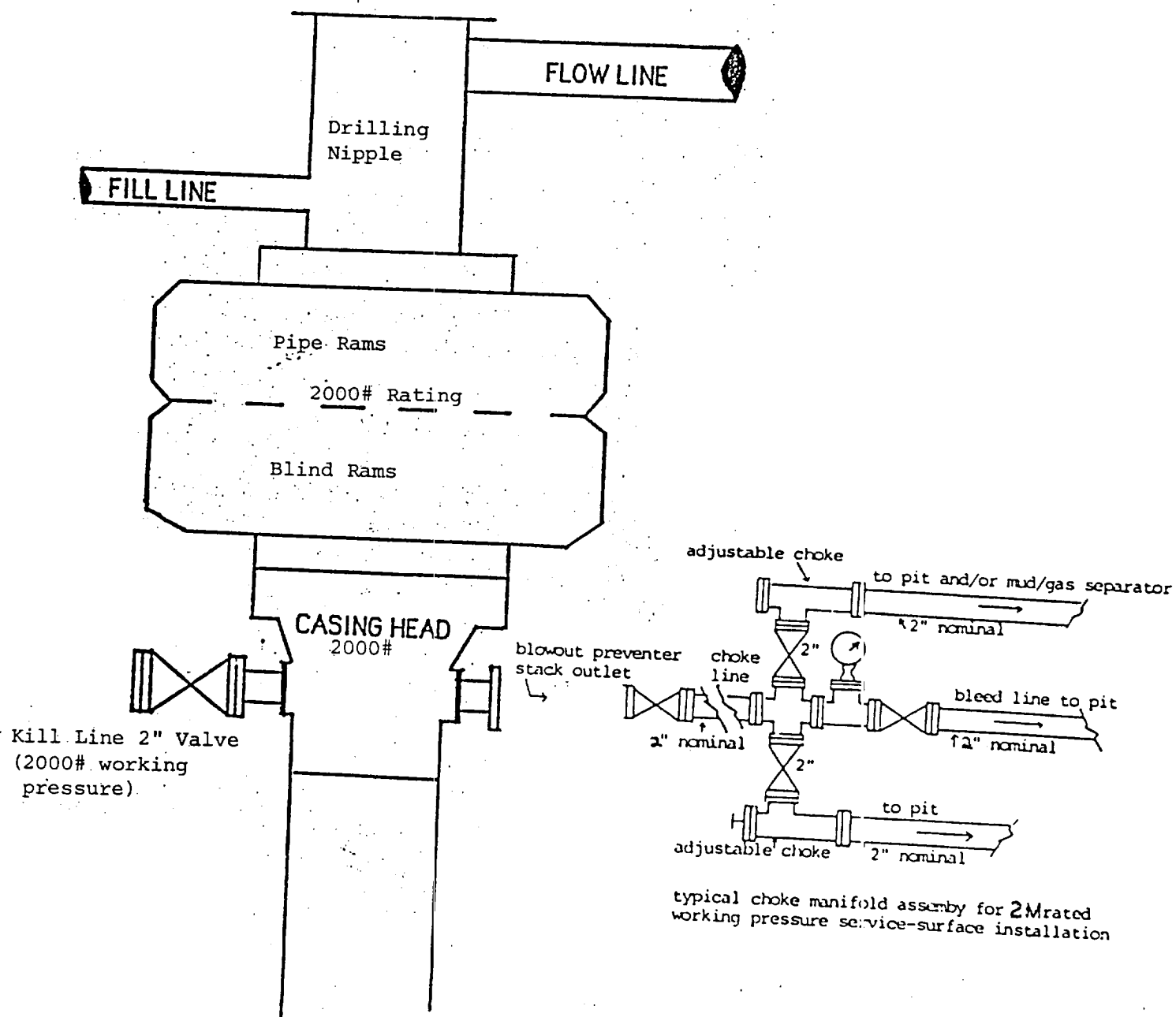
OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.**Clifton R. May**
SignatureClifton R. May
Printed NameRegulatory Agent
TitleApril 4, 1997
Date

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 belief2/07/97
Date SurveyedSignature & Seal
Professional Surveyor
Certified by
GENERAL SURVEYOR

YATES PETROLEUM CORPORATION



YATES PETROLEUM CORPORATION
 McClellan "MB" Federal #7
 330' FSL and 1300' FEL
 Section 31, T5S-R25E
 Chaves County, New Mexico
 NM-36409
 EXHIBIT B