

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-14983	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> JUN - 3 1997 SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR YATES PETROLEUM CORPORATION		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 105 South Fourth Street, Artesia, NM 88210 (505) 748-1471		8. FARM OR LEASE NAME, WELL NO. 12575 Monaghan QY Federal #13	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2310' FNL and 990' FWL At proposed prod. zone Same Unit E		9. API WELL NO. 30-005-63137	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 48 miles NNE of Roswell, New Mexico		10. FIELD AND POOL, OR WILDCAT Pecos Slope Abo 82730	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 34, T5S-R24E	
16. NO. OF ACRES IN LEASE 2560		12. COUNTY OR PARISH Chaves	
17. NO. OF ACRES ASSIGNED TO THIS WELL 160		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4150'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4029' GR		22. APPROX. DATE WORK WILL START* ASAP	

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	11 3/4"	42# J-55 H-40	900'	585 sacks - circulate
*11"	8 5/8"	24# J-55	1600'	650 sacks - tie back
7 7/8"	4 1/2"	9.5# J-55	TD	575 sacks

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 900' of surface casing will be set and cement circulated to the surface. (*If lost circulation is encountered 8 5/8" casing will be set to approximately 1600'. Hole size will be reduced to 7 7/8"). If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud Mud to 900'; FW Gel/LCM to 1600'; Cut Brine to 3400'; SW Gel Starch and Diesel to TD.

BOPE PROGRAM: BOP' will be installed on the 11 3/4" casing and tested daily.

GAS NOT DEDICATED.

A HEARING WILL BE HELD ON THIS NON-STANDARD LOCATION? **Fast ID-1 6-13-97 New Loc + APF**

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 25, 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 Reagan TITLE Area Manager DATE 5/28/97
*See Instructions On Reverse Side

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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 <i>PECOS SLOPE ABO</i>
Property Code	Property Name <i>MONAGHAN QY FEDERAL</i>	Well Number <i>13</i>
GRID No. <i>025575</i>	Operator Name <i>YATES PETROLEUM CORPORATION</i>	Elevation <i>4029</i>

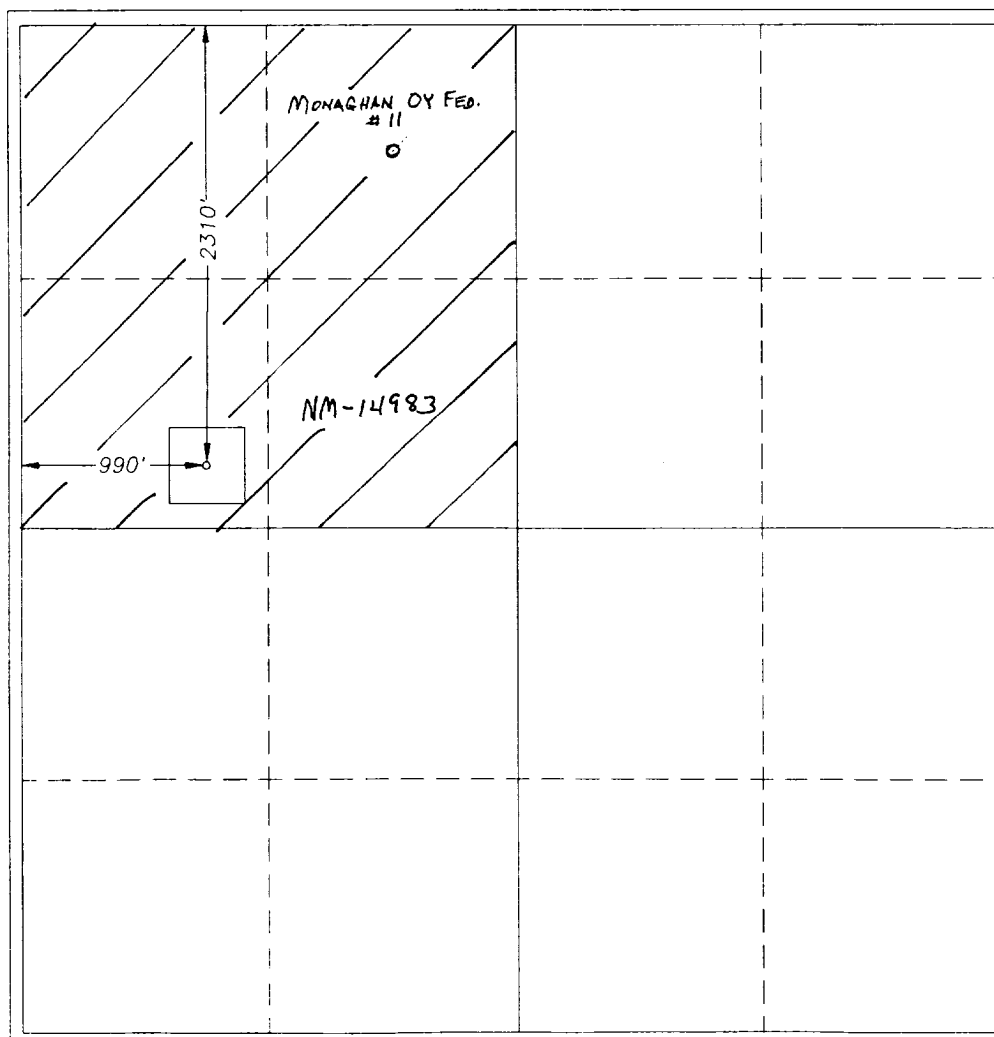
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<i>E</i>	<i>34</i>	<i>5S</i>	<i>24E</i>		<i>2310</i>	<i>NORTH</i>	<i>990</i>	<i>WEST</i>	<i>CHAVES</i>

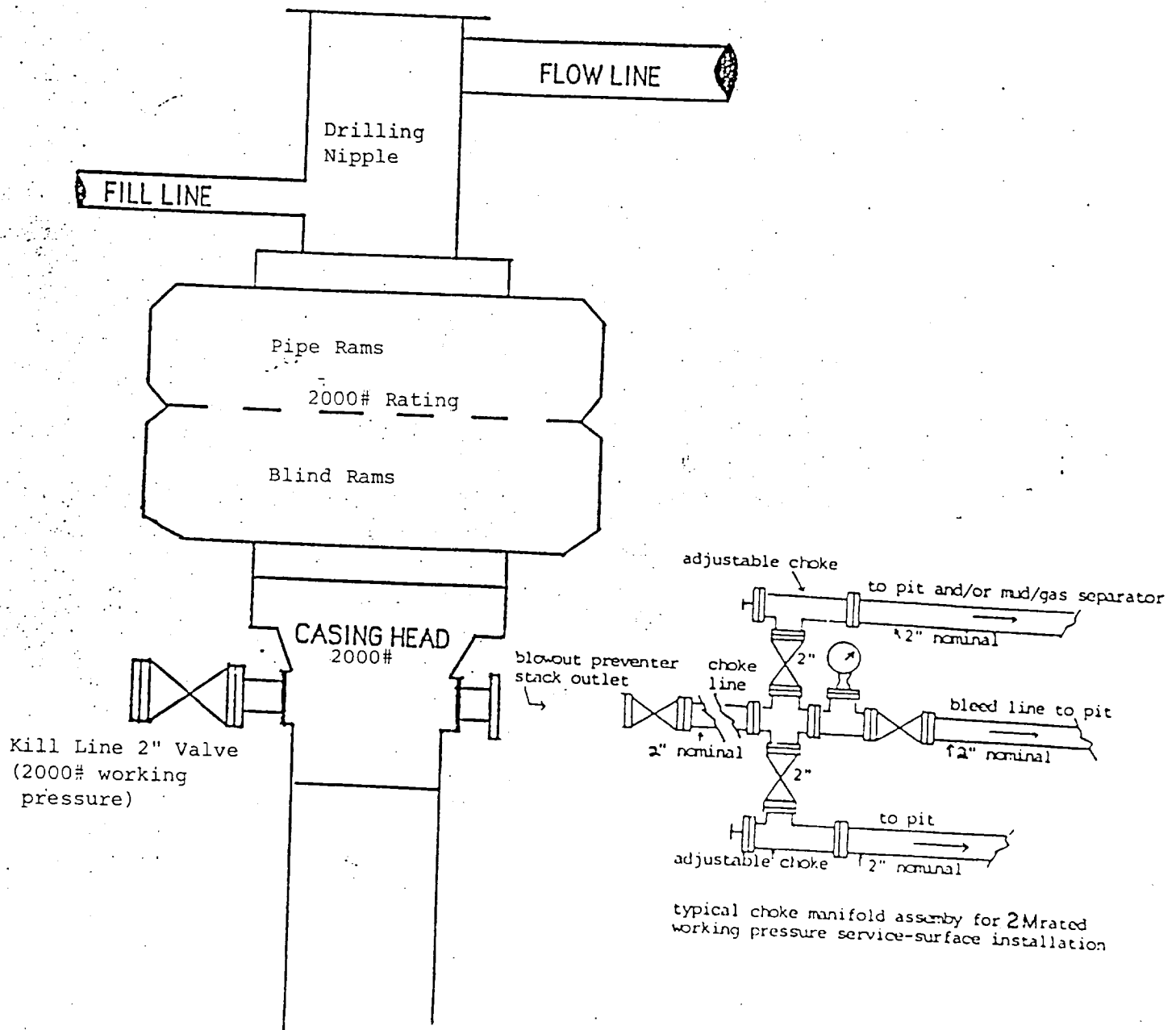
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres <i>160</i>	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature Clifton R. May Printed Name Regulatory Agent Title April 25, 1997 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>2/26/97 Date Surveyed Signature of Professional Surveyor Professional Surveyor 3640 Certificate No. 3640 GENERAL SURVEYING COMPANY</p>
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YATES PETROLEUM CORPORATION

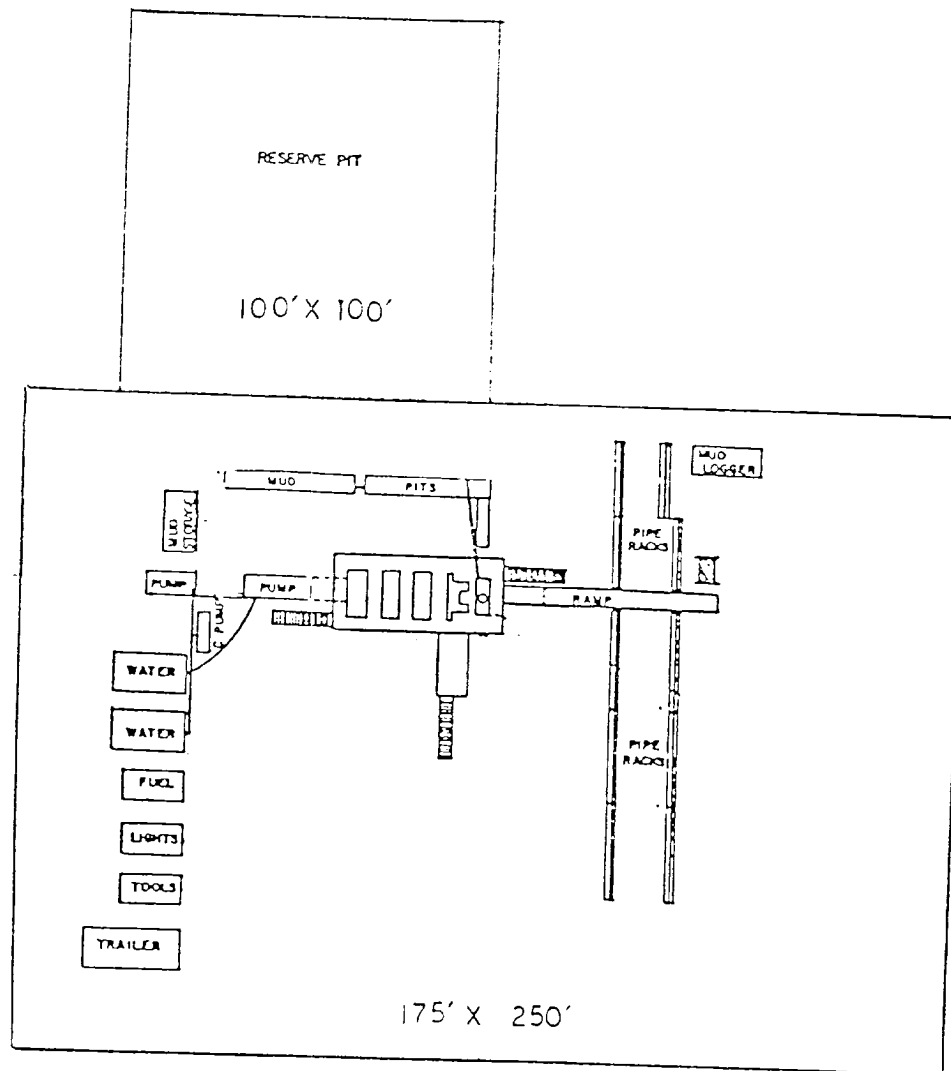


**BLOWOUT PREVENTER
2M SYSTEM**

Monaghan QY Federal #13
2310' FNL and 990' FWL
Section 34, T5S-R24E
Chaves County, New Mexico
NM-14983

YATES PETROLEUM CORPORATION

EXHIBIT C



Monaghan QY Federal #13
2310' FNL and 990' FWL
Section 34, T5S-R24E
Chaves County, New Mexico
NM-14983