

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

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

# OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

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

API NO. (assigned by OCD on New Wells)  
71-025-8074Y

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

V-2722

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

7. Lease Name or Unit Agreement Name

Remuda State Unit

2. Name of Operator

Yates Petroleum Corporation

8. Well No.

1

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

9. Pool name or Wildcat

Wildcat

4. Well Location

Unit Letter H : 1280 Feet From The North Line and 660 Feet From The East Line

Section 8

Township 10 South Range 32 East

NMPM

Lea

County

10. Proposed Depth

9500'

11. Formation

Bough

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

4202' Gr.

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Undesignated

16. Approx. Date Work will start

As soon as possible

17.

### PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP  |
|--------------|----------------|-----------------|---------------|-----------------|-----------|
| 12 1/4"      | 8 5/8"         | 24# J-55        | 1900'         | 1600 sx         | Circulate |
| 7 7/8"       | 5 1/2"         | 17# J-55 &      | TD            | 400 sx as       |           |
|              |                | 20# N-80        |               | warrented       |           |

We propose to drill and test the Bough and intermediate formations. Approximately 1900' of surface casing will be set and cement circulated to surface. If commercial, production casing will be run, cemented, perforated, and stimulated as needed for production.

Mud Program: Native/Paper to 1900'; cut brine 7450'; S.Gel/Oil to 8600'; S.Gel Starch to TD.

BCP Program: BCP's will be installed at the offset and tested daily for operational.

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

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

*Clifton E. May*

TITLE Permit Agent

DATE 12-5-89

TYPE OR PRINT NAME

Clifton E. May

(505)  
TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY

Orig. Signed by  
Paul Kautz  
Geologist

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

DEC 07 1989

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway.

RECEIVED

DEC 6 1989

JOCD  
HOBBS C-15122

Submit to Appropriate  
District Office  
Stat. Lease - 4 copies  
Fee Lease - 3 copies

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Energy, Minerals and Natural Resources Department

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Revised 1-1-89

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WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

|                                                                                                                               |                                    |                             |                                   |                                       |                      |
|-------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-----------------------------|-----------------------------------|---------------------------------------|----------------------|
| Operator<br><b>Yates Petroleum Corporation</b>                                                                                |                                    |                             | Lease<br><b>Remuda State Unit</b> |                                       | Well No.<br><b>1</b> |
| Unit Letter<br><b>H</b>                                                                                                       | Section<br><b>8</b>                | Township<br><b>10 South</b> | Range<br><b>33 East</b>           | County<br><b>Lea</b>                  | <b>NMPM</b>          |
| Actual Footage Location of Well:<br><b>1980</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>East</b> line |                                    |                             |                                   |                                       |                      |
| Ground level Elev.<br><b>4202</b>                                                                                             | Producing Formation<br><b>BUGH</b> |                             | Pool<br><b>WILDCAT</b>            | Dedicated Acreage:<br><b>40</b> Acres |                      |

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

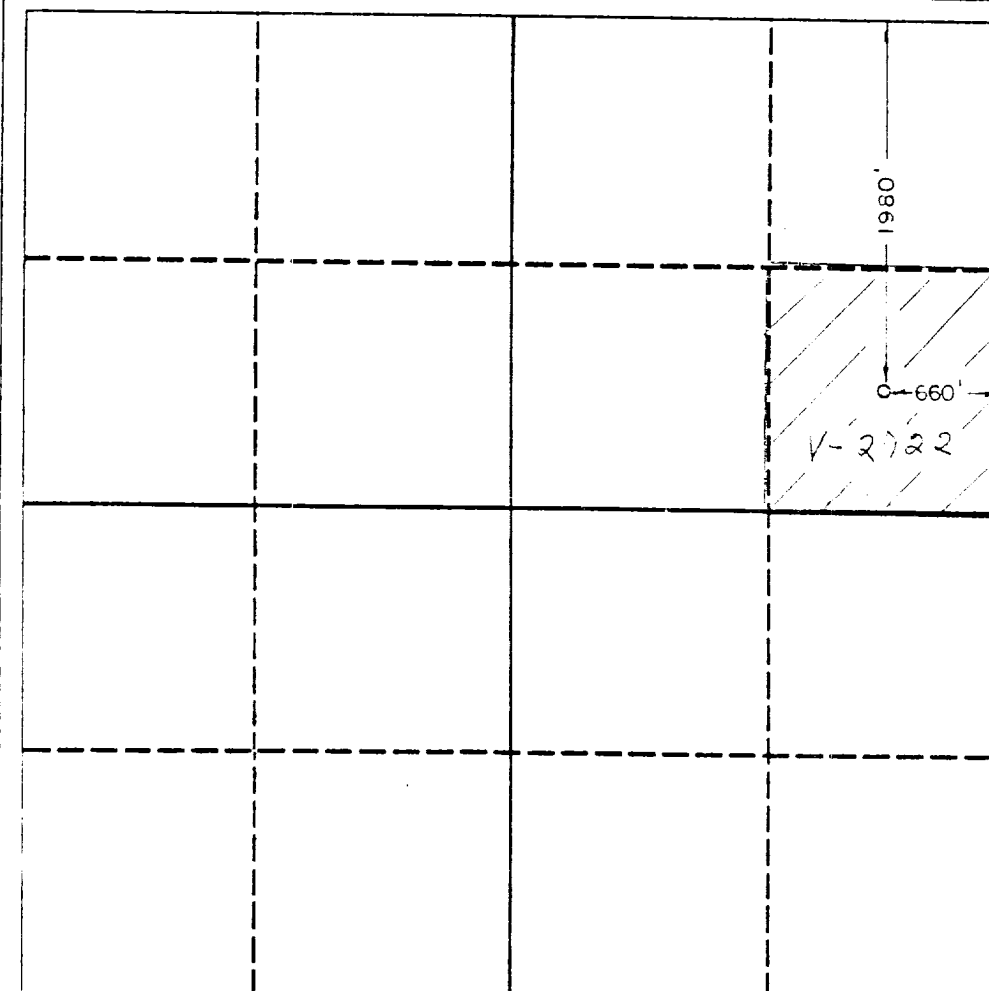
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 **UNITIZATION**

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

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.



OPERATOR CERTIFICATION

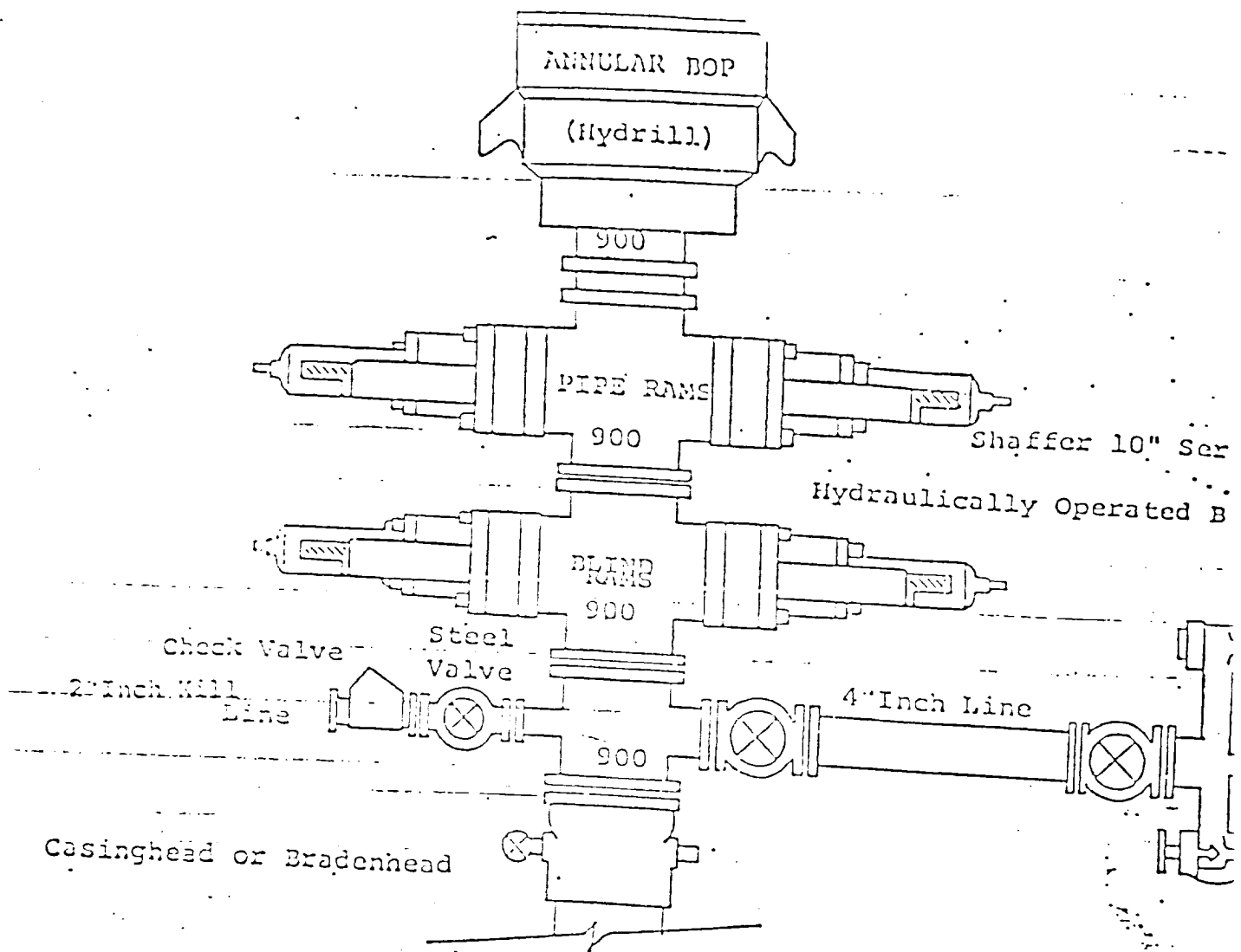
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature **Clifton R. May**  
Printed Name **Clifton R. May**  
Position **Permit Agent**  
Company **Yates Petroleum Corporation**  
Date **12-5-89**

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 knowledge and belief.

Date Surveyed **11/28/89**  
Signature & Seal of Professional Surveyor **Herschel J. Jones**  
Certificate No. **3640**



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equal to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

EXHIBIT B

DEC 6 1989

CCD  
HOBBS OFFICE

100-1-27  
2-12  
3-11