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RECEIVED BY  
APR 16 1984  
O. C. D.  
ARTESIA, OFFICE

|                                                                                                          |
|----------------------------------------------------------------------------------------------------------|
| 5A. Indicate Type of Lease<br>STATE <input checked="" type="checkbox"/> FEDERAL <input type="checkbox"/> |
| 5. State Oil & Gas Lease No.<br>LG-5040                                                                  |
| 7. Unit Agreement Name                                                                                   |
| 8. Farm or Lease Name<br>Gramma "ZM" State                                                               |
| 9. Well No.<br>1                                                                                         |
| 10. Field and Pool, or Wildcat<br>Undes. Chaveroo                                                        |
| 17. County<br>Roosevelt                                                                                  |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

|                                                                                                                                                                                                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1a. Type of Work<br>DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>                                                                  |
| b. Type of Well<br>OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>                                                                  |
| 2. Name of Operator<br>Yates Petroleum Corporation                                                                                                                                                |
| 3. Address of Operator<br>207 S. 4th, Artesia, New Mexico 88210                                                                                                                                   |
| 4. Location of Well<br>UNIT LETTER <u>E</u> LOCATED <u>1650</u> FEET FROM THE <u>North</u> LINE<br>AND <u>330</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>16</u> TWP. <u>7S</u> RGE. <u>31E</u> |

|                                          |                                        |                                          |
|------------------------------------------|----------------------------------------|------------------------------------------|
| 19. Proposed Depth<br>appr. 4350'        | 19A. Formation<br>San Andres           | 19B. Method or C.T.<br>Rotary            |
| 21A. Kind & Status Plug. Bond<br>Blanket | 21B. Drilling Contractor<br>L&M Rig #1 | 22. Approx. Date Work will start<br>ASAP |

23. 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        | 1550'         | 950 SX          | circ     |
| 7 7/8"       | 4 1/2" or 5 1/2" | 9.5#            | TD            | 350 SX          |          |

We propose to drill and test the San Andres and intermediate formations. About 1550' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1550', Brine to 3400', starch/driskpak to TD.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 10/20/84  
UNLESS DRILLING UNDERWAY

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

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

Signed Jerry Sexton Title Regulatory Agent Date 4/16/84

(This space for State Use)  
ORIGINAL SIGNED BY JERRY SEXTON  
DISTRICT I SUPERVISOR

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE APR 20 1984

CONDITIONS OF APPROVAL, IF ANY:

APR 19 1984  
O.C.D.  
HOBBS OFFICE

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

|                                                                                            |                                |                      |                             |  |            |
|--------------------------------------------------------------------------------------------|--------------------------------|----------------------|-----------------------------|--|------------|
| YATES PETROLEUM CORPORATION                                                                |                                |                      | Lease GRAMA "ZM" STATE      |  | Well No. 1 |
| Section 16                                                                                 | Township 7 South               | Range 34 East        | County Roosevelt            |  |            |
| Footage Location of Well:<br>1650 feet from the North line and 330 feet from the West line |                                |                      |                             |  |            |
| Well Level Elev. 3315.1                                                                    | Producing Formation San Andres | Pool Undes. Chaveroc | Dedicated Acreage: 40 Acres |  |            |

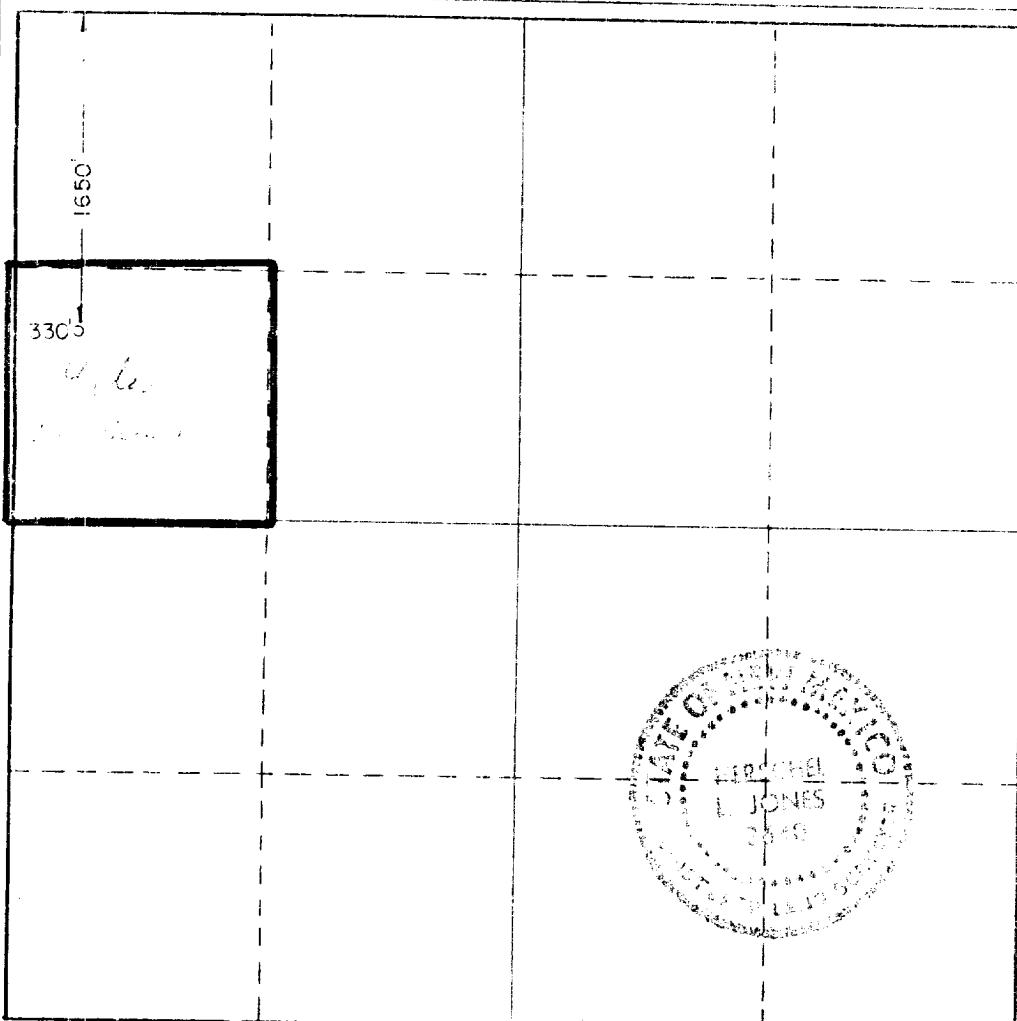
Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

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 interests, has been approved by the Commission.



CERTIFICATION

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

*Gliserio Rodriguez*  
Name

Gliserio Rodriguez  
Position

Regulatory Agent  
Company

Yates Petroleum Corp.  
Date

4/16/84

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.

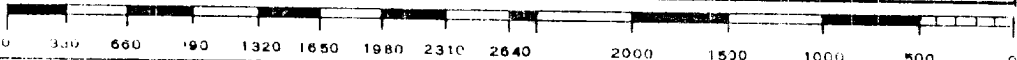
Date Surveyed

4/9/84

Registered Professional Engineer and/or Land Surveyor

*Gliserio Rodriguez*  
Certificate No.

3640

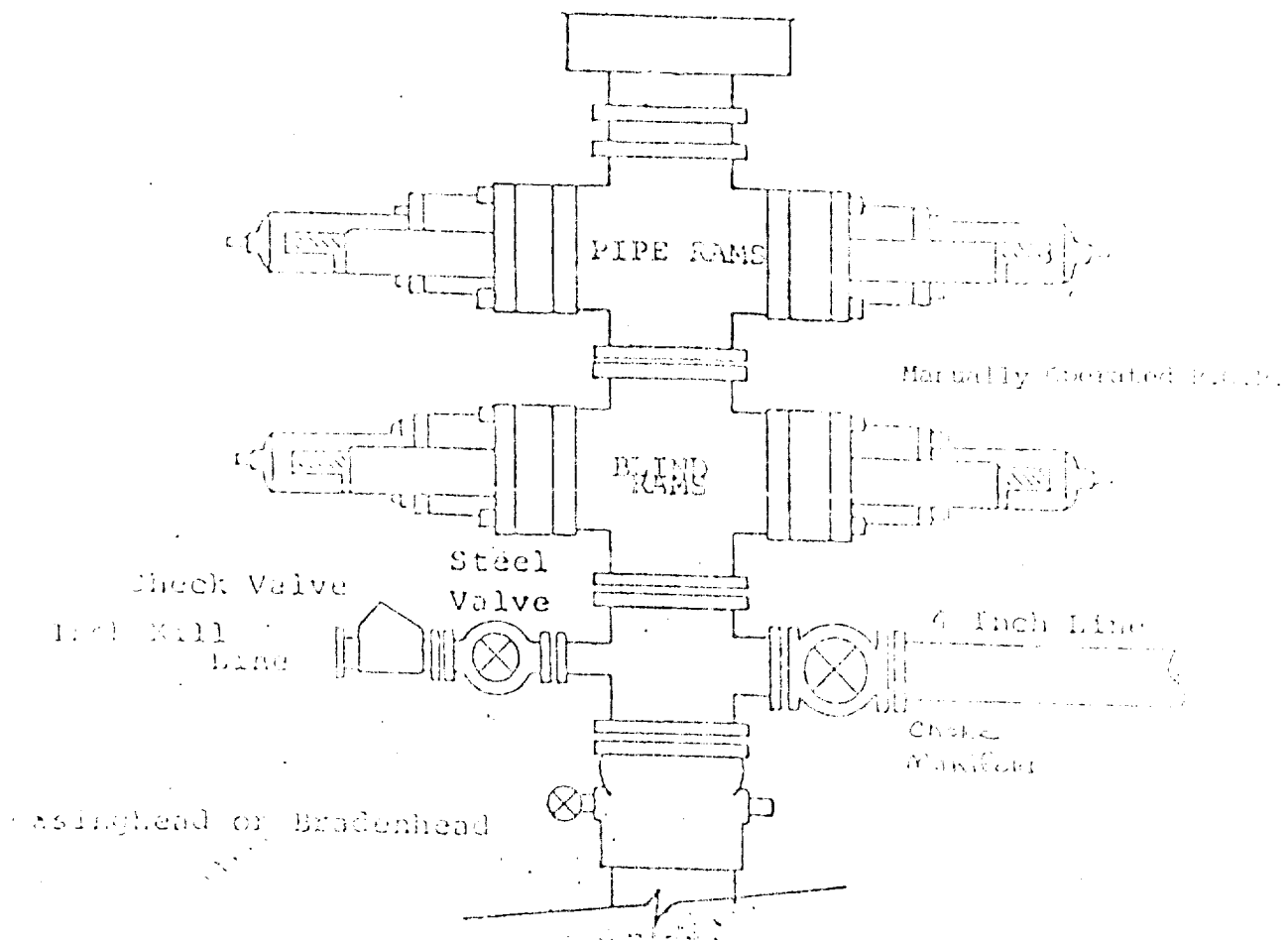


APR 19 1984  
O.C.D.  
HOBBS OFFICE

# EXHIBIT B

## BOP DIAGRAM

RATED 3000<sup>#</sup>



APR 19 1984  
O.C.D.  
HOBBS OFFICE

APR 19 1984

**WRS COMPLETION REPORT**REISSUES SEC 16 TWP 7S RGE 34E  
PI# 30-T-0008 01/20/86 30-041-20728-0000 PAGE 1

NMEX ROOSEVLT \* 1650FNL 330FWL SEC

STATE COUNTY FOOTAGE SPOT

YATES PET

OPERATOR

D D

WELL CLASS INIT FIN

1

GRAMA "ZM" STATE

WELL NO LEASE NAME

4323KB 4315GR

CHAVEROO

OPER ELEV FIELD POOL AREA

API 30-041-20728-0000

LEASE TYPE NO PERMIT OR WELL I.D. NO

04/24/1984 10/15/1985 ROTARY

D&amp;A

SFUD DATE COMP. DATE TYPE TOOL STATUS

4350 SN ANDRS L &amp; M DRLG CO 1 RIG SUB 7

PROJ. DEPTH PROJ. FORM CONTRACTOR

DTD 4550

FM/TD SN ANDRS

DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

**LOCATION DESCRIPTION**

19 MI SE ELIDA, NM

**CASING/LINER DATA**CSG 8 5/8 @ 1916 W/ 950 SACKS 01  
CSG 5 1/2 @ 4547 W/ 200 SACKS 02**TUBING DATA**

TBG 2 7/8 AT 4351

TYPE FORMATION LTH TOP DEPTH/SUB BSE DEPTH/SUB

LOG SN ANDRS 3680 643

**PRODUCTION TEST DATA**

SN ANDRS PERF W/ 1/FT 4436- 4486 GROSS 003

PERF 4436, 4437, 4439, 4440, 4448, 4449, 4451, 4452

PERF 4454, 4455, 4456, 4457, 4466, 4467, 4469, 4472

PERF 4473, 4475, 4478, 4479, 4481, 4482, 4483, 4484

PERF 4486

ACID 4436- 4486 2500GALS

20%

SWFR 4436- 4486 40000GALS 70000LBS SAND

KCL

ACID 4436- 4486 1000GALS

15%

NO GAUGE RPTD

CONTINUED IC# 300417001584

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Petroleum Information

CORPORATION

PI-WRS-GET  
Form No 187

REISSUES SEC 16 TWP 7S RGE 34E  
PI# 30-T-0008 01/20/86 30-041-20728-0000 PAGE 2

YATES PET  
1

GRAMA "ZM" STATE

D D

PRODUCTION TEST DATA

INT: 4436, 4437.5, 4439, 4440.5, 4448, 4449.5, 4451,  
4451.5, 4454, 4455, 4456, 4457.5, 4466, 4467.5,  
4469, 4472, 4473.5, 4475, 4478, 4479.5, 4481,  
4482, 4483, 4484.5, 4486

LOGS AND SURVEYS /INTERVAL,TYPE/

LOGS

CNL

FDC

DLL

DRILLING PROGRESS DETAILS

YATES PET  
207 S 4TH  
ARTESIA, NM  
04/23 LOC/1984/  
05/01 DRLG 4272  
05/08 4550 TD, WOCT  
07/28 4550 TD, SUSPENDED OPERATIONS  
01/16 MAY USE AS WATER DISPOSAL WELL AT A LATER DATE  
TD REACHED 05/03/84 RIG REL 05/03/84  
10/19 4550 TD  
COMP 10/15/85, D&A  
NO CORES OR DSTS  
01/16 REISSUE TO ADD TBG, LOG TOPS & LOGS RUN &  
COMP STMT  
REPLACEMENT FOR CT REISSUED 10/19/85



Petroleum Information

RE-ISSUED COMPLETION

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COUNTY ROOSEVELT Chavero STATE NM  
 OPS YATES PET API 30-041-20728  
 NO 1 LEASE Grama "ZM" State MAP  
Sec 16, T7S, R34E CO-ORD  
1650 FNL, 330 FWL of Sec 7-4-54 NM  
19 mi SE/Elida SPD 4-24-84 CMP \*10-15-85

CSE

8 5/8-1916-950 sx

5 1/2-4547-200 sx

| WELL CLASS: INIT D |             | FIN*D     |       | LSE CODE |  |
|--------------------|-------------|-----------|-------|----------|--|
| FORMATION          | DATUM       | FORMATION | DATUM |          |  |
|                    |             |           |       |          |  |
|                    |             |           |       |          |  |
|                    |             |           |       |          |  |
|                    |             |           |       |          |  |
| ID                 | 4550 (SADR) | PBD       |       |          |  |

\*DRY &amp; ABANDONED

CONTR L & M Drlg Co #1 PERFLEV 4315 GR, 4323 KB SUBS 7

5-1-84

5-8-84

\*10-15-85

F.R. 4-30-84

PD 4350 RT (San Andres)

Drlg 4272

TD 4550; PBD 4547; WOCT

No Cores or DST's

TD 4550; Dry &amp; Abandoned

Perf (San Andres) @ 4436, 4437 1/2, 4439,

4440 1/2, 4448, 4449 1/2, 4451, 4451 1/2,

4454, 4455, 4456, 4457 1/2, 4465, 4467 1/2,

4469, 4472, 4473 1/2, 4475, 4473, 4479 1/2,

4481, 4482, 4483, 4484 1/2, 4485 w/l SPI

Acid (4436-4486) 2500 gals (20%)

Frac (4436-4486) 40,000 gals KCl wter +

70,000# sd

Acid (4436-4486) 1000 gals (15%)

No gauge reported (4436-4486)

7-4-54 NM

ROOSEVELT  
YATES PET

Chaveroo  
1 Grama "ZM" State  
Sec 16, T17S, R34E

NM  
Page #2

10-15-85

Continued

\*Denotes changes & additions

7-28-84

TEMPORARY COMPLETION ISSUED

10-19-85

RE-ISSUE OF SUSPENDED COMPLETION:

Formerly Gramma "ZM" State

7-4-54 NM

IC 30-041-70015-84