

STATE OF NEW MEXICO
OIL AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

Form C-101
Revised 10-1-78

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| |
|--|
| 5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. LG-2754 |
| 7. Unit Agreement Name |
| 8. Form or Lease Name Hereford "ACB" State |
| 9. Well No. 1 |
| 10. Field and Pool, or Wildcat Wildcat |
| 12. County Chaves |
| 19. Proposed Depth 10000' |
| 19A. Formation Penn |
| 20. Rotary or C.T. Rotary |
| 21A. Kind & Status Plug. Bond Blanket |
| 21B. Drilling Contractor Undesignated |
| 22. Approx. Date Work will start ASAP |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Well DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

Name of Operator Yates Petroleum Corporation
Address of Operator 207 South Fourth Street - Artesia, NM 88210
Location of Well UNIT LETTER H LOCATED 1980 FEET FROM THE North LINE
660 FEET FROM THE East LINE OF SEC. 16 TWP. 8S RGE. 32E NMPM

| | | |
|--|--|--|
| 19. Proposed Depth 10000' | 19A. Formation Penn | 20. Rotary or C.T. Rotary |
| 21A. Kind & Status Plug. Bond Blanket | 21B. Drilling Contractor Undesignated | 22. Approx. Date Work will start ASAP |

PROPOSED CASING AND CEMENT PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | SACKS OF CEMENT | EST. TOP |
|--------------|----------------|-----------------|---------------|-----------------|-----------|
| 17-1/2" | 13-3/8" | 48# H-40 | 400' | 400 sacks | Circulate |
| 11" | 8-5/8" | 24 & 28# K-55 | | | |
| | | & S-80 | 3700' | 600 sacks | Circulate |
| 7-7/8" | 5-1/2" | 17# K-55 & N-80 | 10000' | As needed | |

We propose to drill and test the Penn and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM from surface to 400'; cut brine to 3700'; SW gel/starch to TD.

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

Permit Expires 3 Months From Approval
Date Unless Drilling Underway.

BELOW SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION 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.

By Clifton May Title Regulatory Agent Date April 16, 1985
(This space for State Use)

APPROVED BY Eddie W. Sany TITLE Oil & Gas Inspector DATE APR 19 1985
CONDITIONS OF APPROVAL, IF ANY:

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APR 19 1985

C.I.D.
NCEES 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

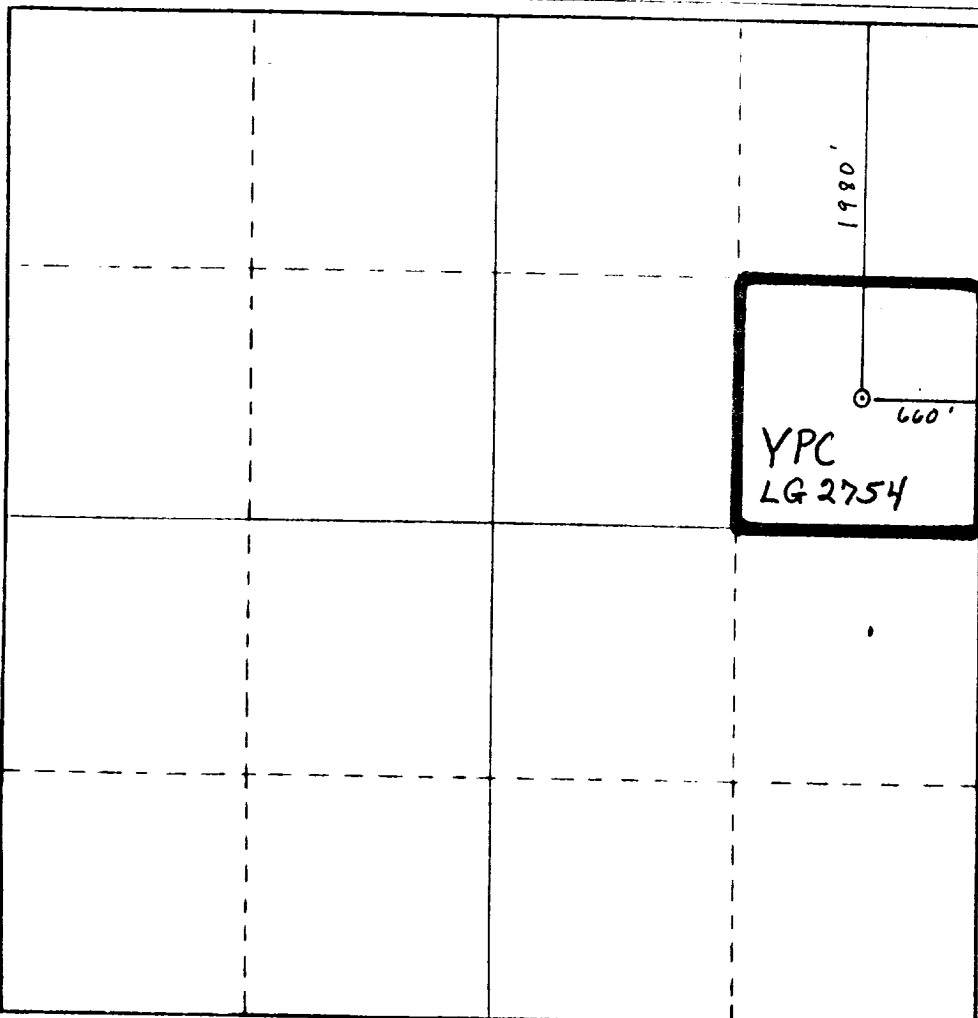
| | | | | | |
|--|------------------------------------|-----------------------------|--------------------------------------|-------------------------|---------------------------------------|
| Operator Yates Petroleum Corporation | | | Lease Hereford "ACB" State | | Well No. 1 |
| Init Letter H | Section 16 | Township 8S | Range 32E | County Chaves | |
| Actual Footage Location of Well: | | | | | |
| 1980 feet from the North line and | | 660 feet from the East line | | | |
| Ground Level Elev. 4394' | Producing Formation PENN | | East WILDCAT | | Dedicated Acreage: 40 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 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.

Clifton May

Name
Clifton May

Position
Regulatory Agent

Company
Yates Petroleum Corporation

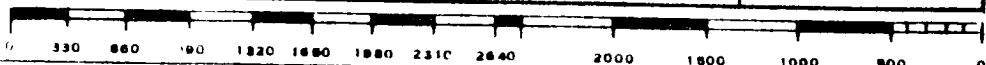
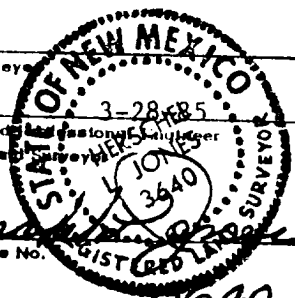
Date
April 16, 1985

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
3-28-85

Registered Professional Engineer and/or Land Surveyor
JONES 3640

Certificate No.
3640

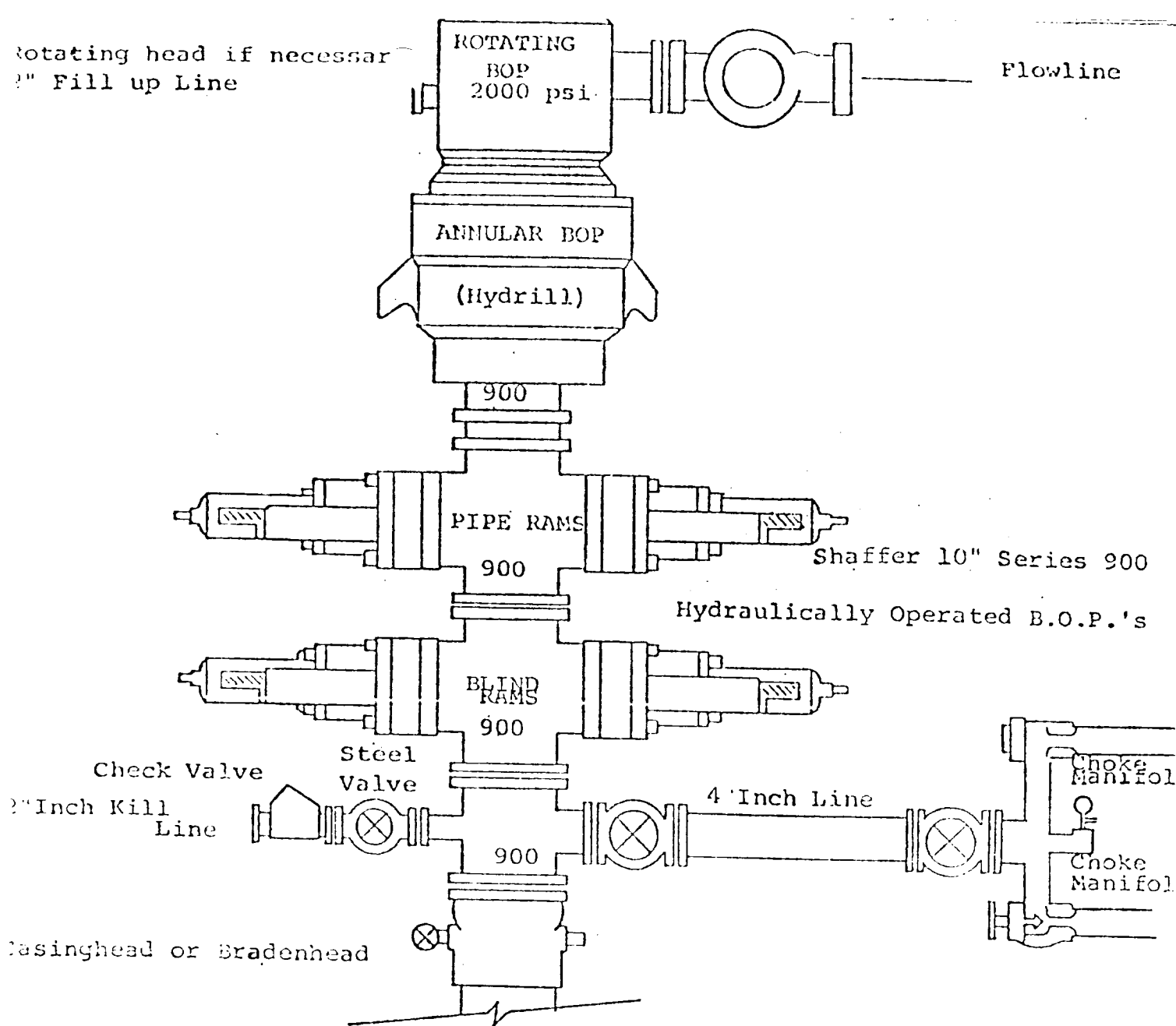


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O.C.D.
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Rotating head if necessary
2" Fill up Line



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" 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 steel, hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent 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.
10. D. P. float must be installed and used below zone of first gas intrusion

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