

DISTRICT I
1625 N. French Dr., Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised March 17, 1999
Instructions on back

DISTRICT II
811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION

Submit to appropriate District Office

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

PO BOX 2088
Santa Fe, NM 87504-2088

State Lease - 6 Copies
Fee Lease - 5 Copies

DISTRICT IV
2040 South Pacheco, Santa Re, NM 8750:

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210		² OGRID Number 025575
		³ API Number 30- 025-01868
⁴ Property Code 28581	⁵ Property Name Slick "AZU" State Com	⁶ Well No. 1

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South Line	Feet from the	East/West Line	County
C	1	13S	34E		649	North	1980	West	Lea

⁸ Proposed 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
⁹ Proposed Pool 1 Wildcat Morrow					¹⁰ Proposed Pool 2				

¹¹ Work Type Code E	¹² Well Type Code G	¹³ Cable/Rotary R	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4127.9'
¹⁶ Multiple No	¹⁷ Proposed Depth 13,170'	¹⁸ Formation Morrow	¹⁹ Contractor Not Determined	²⁰ Spud Date ASAP

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/feet	Setting Depth	Sacks of Cement	Estimated TOC
17"	13 3/8"	48#	387'-in place	250 sx	Circulate
12 1/4"	9 5/8"	36# & 40#	0-4188'-in place	1300 sx	Circulate
8 3/4"	4 1/2"	11.6#	0-TD	1000sx	TOC-7000'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone.
Describe the blowout prevention program, if any. Use additional sheets if necessary.

See attached sheets for additional drilling information. An Application for Administrative Approval for an Unorthodox Location is being applied for.

Permit Expires 1 Year From Approval
Date Unless ~~Drilling~~ Underway

Re-Entry

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Clifton R. May</i>		OIL CONSERVATION DIVISION	
Printed name: Clifton R. May		Approved by: <i>[Signature]</i>	
Title: Regulatory Agent		Title: <i>[Signature]</i>	
Date: 08/09/01	Phone: (505) 748-1471	Approval Date: <i>[Signature]</i>	Expiration Date: <i>[Signature]</i>
		Conditions of Approval Attached <input type="checkbox"/>	

J
C
A

YATES PETROLEUM CORPORATION

Slick "AZU" State Com #1 Re-entry

649' FNL & 1980' FWL

Section 1-T13S-R34E

Lea County, New Mexico

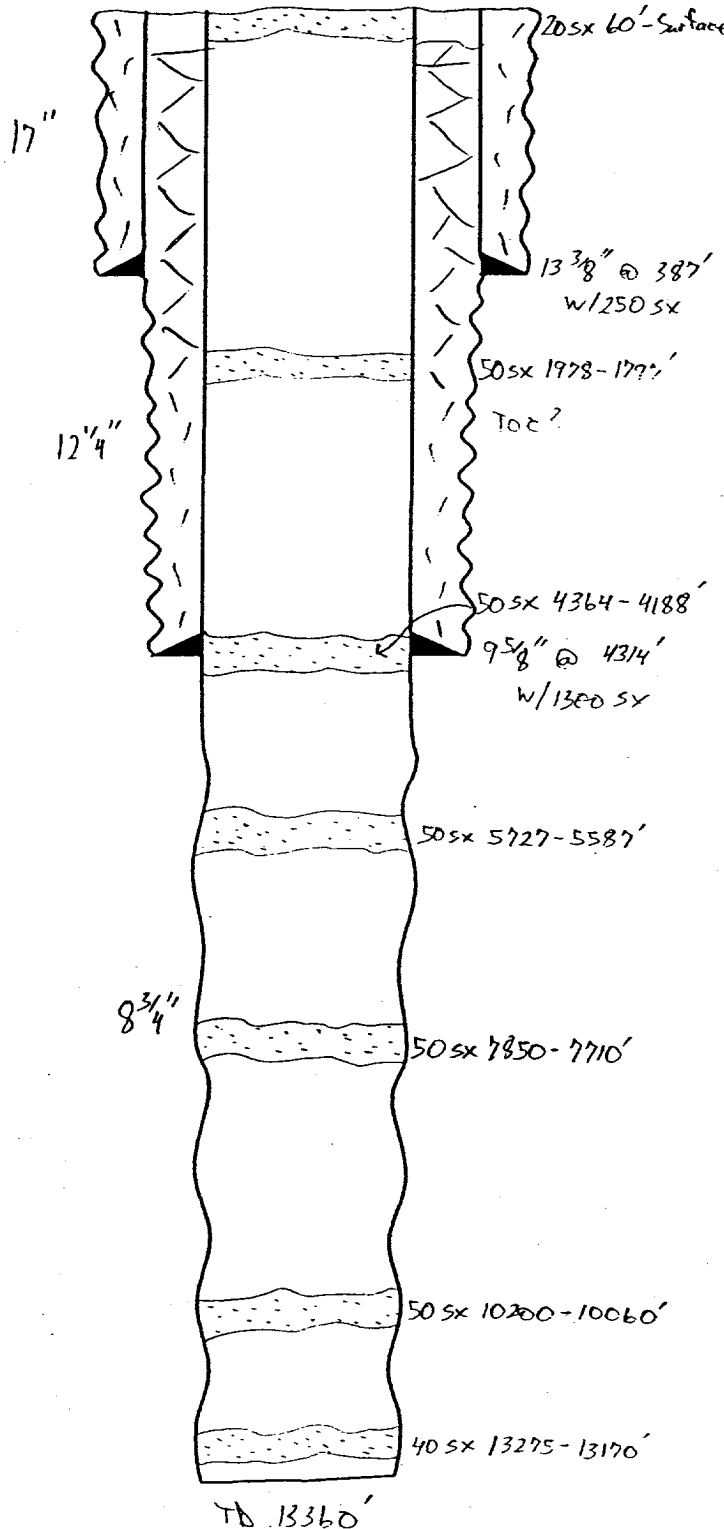
Lease VA-2500

Drilling Plans: Yates Petroleum Corporation plans to re-enter this well bore that was originally drilled by Slick Oil Company as their State of New Mexico #1 which was plugged in 1957. The well was re-entered by Maralo, Inc. as their State of New Mexico #1 and was plugged in 1976. Yates will use a pulling unit and a reverse unit to drill out the cement plugs in the 9 5/8" casing which was set at 4314' and cemented with 1300 sacks. The plugs in the 8 3/4" open hole will be drilled down to the TD of 13,170'. After reaching the TD, a new suite of open hole logs will be ran. Yates will run 4 1/2" production casing to TD and will be cemented with approximately 1000 sacks of cement to bring the cement top up to 7000'+/-. The mud program to be used will be 9.5 – 9.8 ppg brine water with a 55-70 viscosity. A 5000# BOPE will be installed on the 9 5/8" casing.

The well will be completed using a pulling unit. The Morrow formation will be the main target for completion.

WELLNAME: State of NM Elms #1 (Slick Oil) FIELD: W. JCAT
 LOCATION: 649' FNL & 1980' FW Sec 1-135-34E Lea County
 GL: 7,127.9' ZERO: _____ AGL: _____ KB: _____
 SPUD DATE: 8-10-57 COMPLETION DATE: 11/57
 COMMENTS: WA

CASING PROGRAM	
SIZE/WT/GR/CONN	DEPTH SET
13 3/8" 48# H40	387'
9 5/8" 40# & 36#	4314'



10/76 R/E by Marolo as State of NM #1
 Drilled out plugs to 10630'
 PAX

before

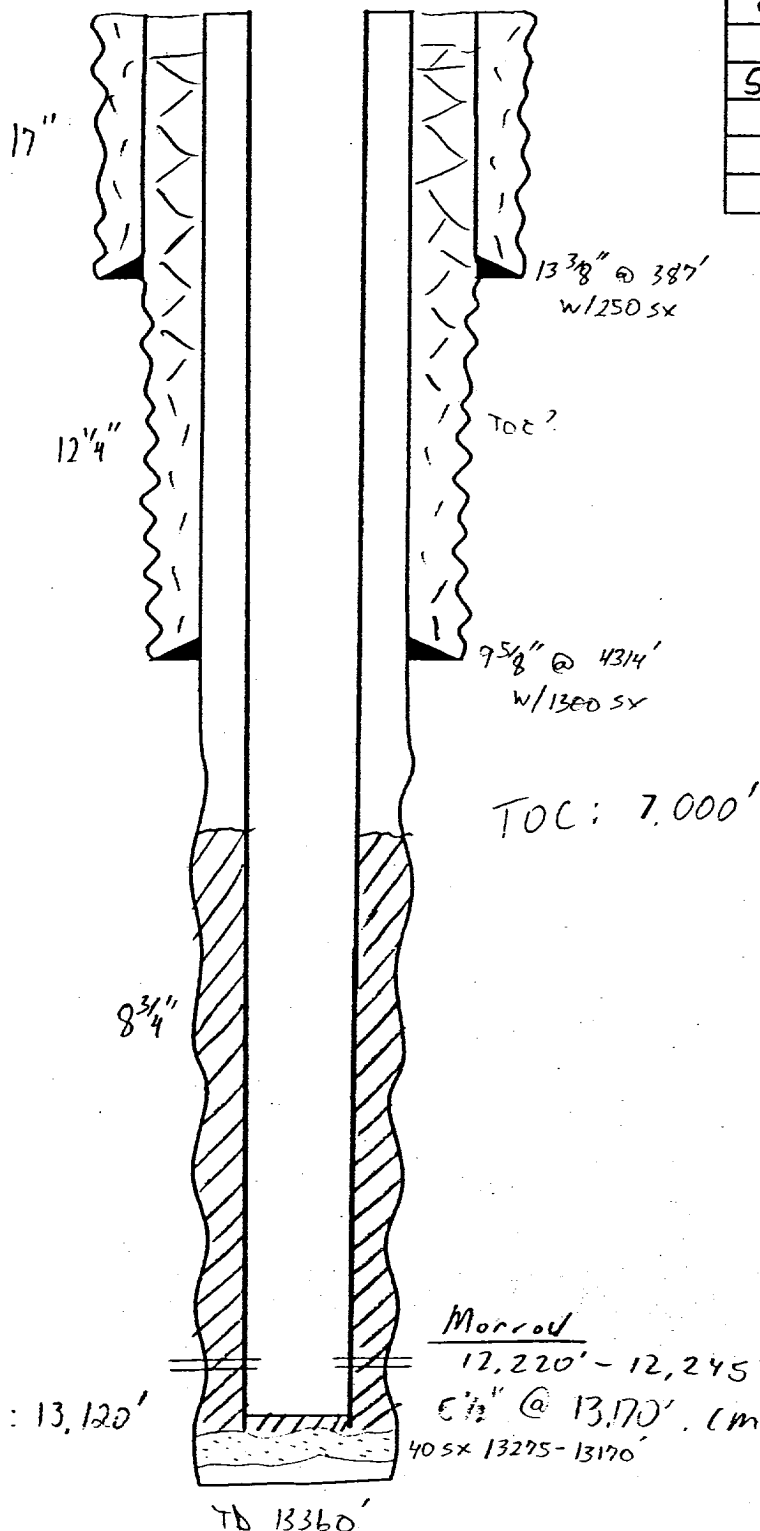
YATES PETROLEUM CORPORATION
Slick "AZU" State Com #1 Re-entry
649' FNL & 1980' FWL
Section 1-T13S-R34E
Lea County, New Mexico
Lease VA-2500

- SKETCH NOT TO SCALE -

DATE: 7-6-01 2D

WELLNAME: State of NM El #1 (Slick Oil) FIELD: W1-1 CAT
 LOCATION: 649' FNL & 1980' FW Sec 1-13S-34E Lea County
 GL: 4,127.9' ZERO: _____ AGL: _____ KB: _____
 SPUD DATE: 8-10-57 COMPLETION DATE: 11/57
 COMMENTS: N/A

CASING PROGRAM	
SIZE/WT/GR/CONN	DEPTH SET
13 3/8" 48# H40	387'
9 5/8" 40# + 36#	4314'
5 1/2" or 4 1/2"	13,170'



10/76 R/E by Maralo as State of NM #1
 Drilled out plugs to 10630'
 P/A

After

YATES PETROLEUM CORPORATION
 Slick "AZU" State Com #1 Re-entry
 649' FNL & 1980' FWL
 Section 1-T13S-R34E
 Lea County, New Mexico
 Lease VA-2500

- SKETCH NOT TO SCALE -

DATE: 7-6-01 2A
8/7/01 JWP

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240

DISTRICT II
611 South First, Artesia, NM 88210

DISTRICT III
1000 Elc Brasos Rd., Artec, NM 87410

DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
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 30-025-01868	Pool Code ✓	Pool Name Wildcat Morrow
Property Code 28581	Property Name Slick "AZU" State Com.	Well Number 1
OGRIID No. 025575	Operator Name Yates Petroleum Corporation	Elevation 4127.9'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	1	13S	34E		649	North	1980	West	Lea

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 320	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

<table border="1"> <tr> <td></td> <td></td> <td>649'</td> <td></td> </tr> <tr> <td>1980'</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>VA-2500</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>V-6024</td> <td></td> </tr> </table>						649'		1980'					VA-2500					V-6024		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Clifton R. May</i> Signature</p> <p>Clifton R. May Printed Name</p> <p>Regulatory Agent Title</p> <p>8-9-01 Date</p>	
		649'																			
1980'																					
	VA-2500																				
		V-6024																			
<table border="1"> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>																				<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>Refer to Original Plat</p> <p>Date Surveyed</p> <p>Signature & Seal of Professional Surveyor</p> <p>Certificate No. Herschel L. Jones RLS 3640</p> <p>GENERAL SURVEYING COMPANY</p>	

New Mexico Oil Conservation Division
C-102 Instructions

IF THIS IS AN AMENDED REPORT, CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

Surveyors shall use the latest United States government survey or dependent resurvey. Well locations will be in reference to the New Mexico Principal Meridian. If the land is not surveyed contact the appropriate OCD district office. Independent subdivision surveys will not be acceptable.

1. The OCD assigned API number for this well
2. The pool code for this (proposed) completion
3. The pool name for this (proposed) completion
4. The property code for this (proposed) completion
5. The property name (well name) for this (proposed) completion
6. The well number for this (proposed) completion
7. Operator's OGRID number
8. The operator's name
9. The ground level elevation of this well
10. The surveyed surface location of this well measured from the section lines. NOTE: If the United States government survey designates a Lot Number for this location use that number in the "UL or lot no." box. Otherwise use the OCD unit letter.
11. Proposed bottom hole location. If this is a horizontal hole indicate the location of the end of the hole.
12. The calculated acreage dedicated to this completion to the nearest hundredth of an acre
13. Put a Y if more than one completion will be sharing this same acreage or N if this is the only completion on this acreage
14. If more than one lease of different ownership has been dedicated to the well show the consolidation code from the following table:

C	Communitization
U	Unitization
F	Forced pooling
O	Other
P	Consolidation pending

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!

15. Write in the OCD order(s) approving a non-standard location, non-standard spacing, or directional or horizontal drilling

16. This grid represents a standard section. You may superimpose a non-standard section over this grid. Outline the dedicated acreage and the separate leases within that dedicated acreage. Show the well surface location and bottom hole location, if it is directionally drilled, with the dimensions from the section lines in the cardinal directions. (Note: A legal location is determined from the perpendicular distance to the edge of the tract.) If this is a high angle or horizontal hole show that portion of the well bore that is open within this pool.

Show all lots, lot numbers, and their respective acreage.

If more than one lease has been dedicated to this completion, outline each one and identify the ownership as to both working interest and royalty.

17. The signature, printed name, and title of the person authorized to make this report, and the date this document was signed.
18. The registered surveyors certification. This section does not have to be completed if this form has been previously accepted by the OCD and is being filed for a change of pool or dedicated acreage.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

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

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

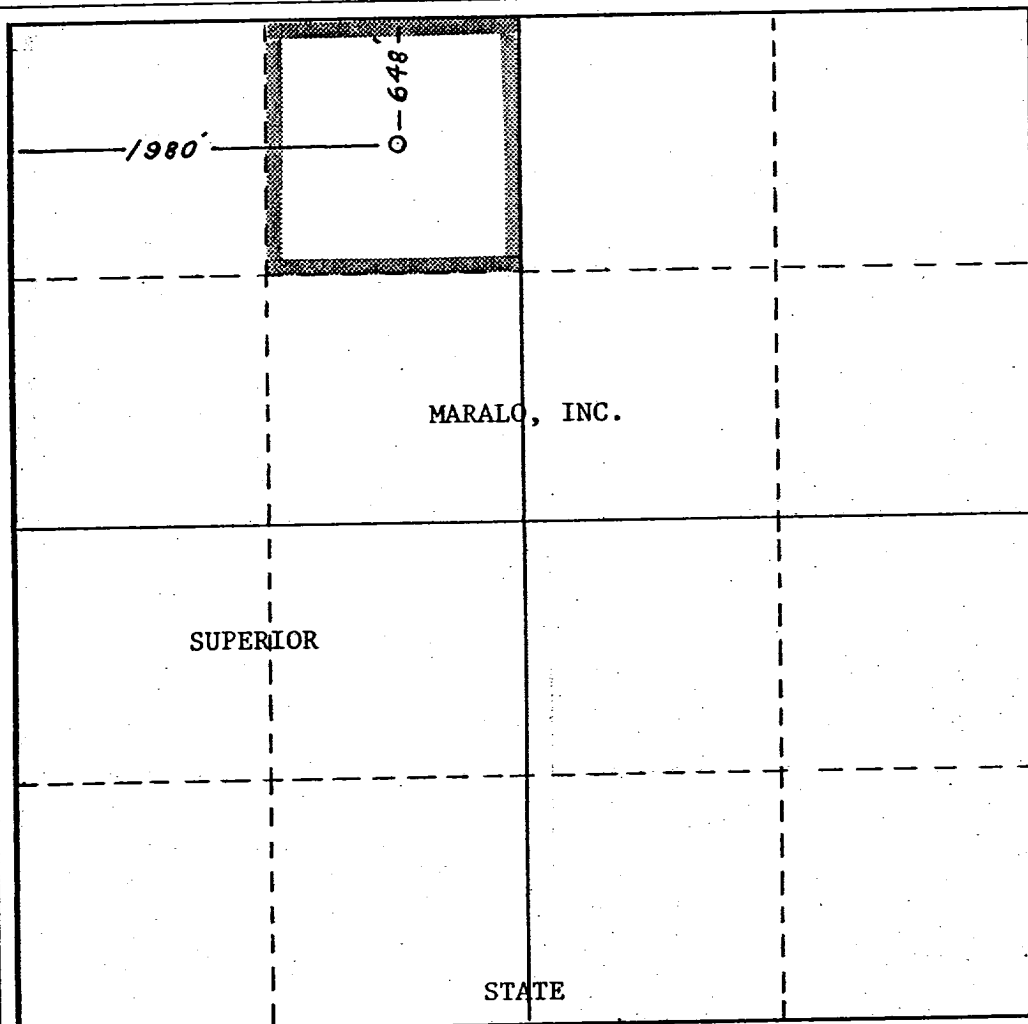
Operator MARALO, INC.			Lease State of New Mexico		Well No. 1
Unit Letter C	Section 1	Township 13-S	Range 34-E	County Lea	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 648.8 feet from the North line and 1980 feet from the West line </div>					
Ground Level Elev: 4127.9'	Producing Formation Bough (?)		Pool Wildcat		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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.

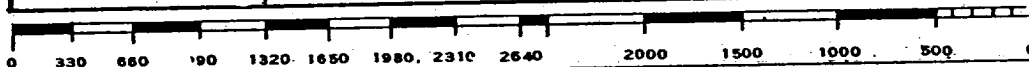
Name *Jack D. Semon*
 Jack D. Semon
 Position
 Manager - Engineer
 Company
 Maralo, Inc.
 Date
 22 September 1976

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

Registered Professional Engineer
 and/or Land Surveyor

Certificate No.



NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

Section A.

Operator Slick Oil Corporation et al Lease Slick Unit #1 State of NM 8-18457
Well No. 1 Unit Letter C Section 1 Township 13 South Range 36 East NMPN
Located 648.8 Feet From North Line, 1980 Feet From West Line
County Lea G. L. Elevation 4127.9 Dedicated Acreage 48 Acres
Name of Producing Formation Wildcat Pool --

1. Is the Operator the only owner* in the dedicated acreage outlined on the plat below?
Yes No X
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes X No . If answer is "yes," Type of Consolidation Slick Unit Agreement covering unit area dated 7-19-57.
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

See Exhibit "B", Slick Unit Area attached.

Section B

<p>← 1980'</p> <p>Lot 4 39.30</p>	<p>648.8'</p> <p>Lot 3 39.28</p>	<p>Lot 2 39.28</p>	<p>Lot 1 39.26</p>

This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief.

Slick Oil Corporation et al
(Operator)

J. E. Teddlie, Jr.
(Representative)

J. E. Teddlie, Jr., Asst. Pres.
1030 Bk. SW Bldg. Mgr.

Address
Houston, Texas.

This is to certify that the well location shown on the plat in Section B 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 July 19, 1957

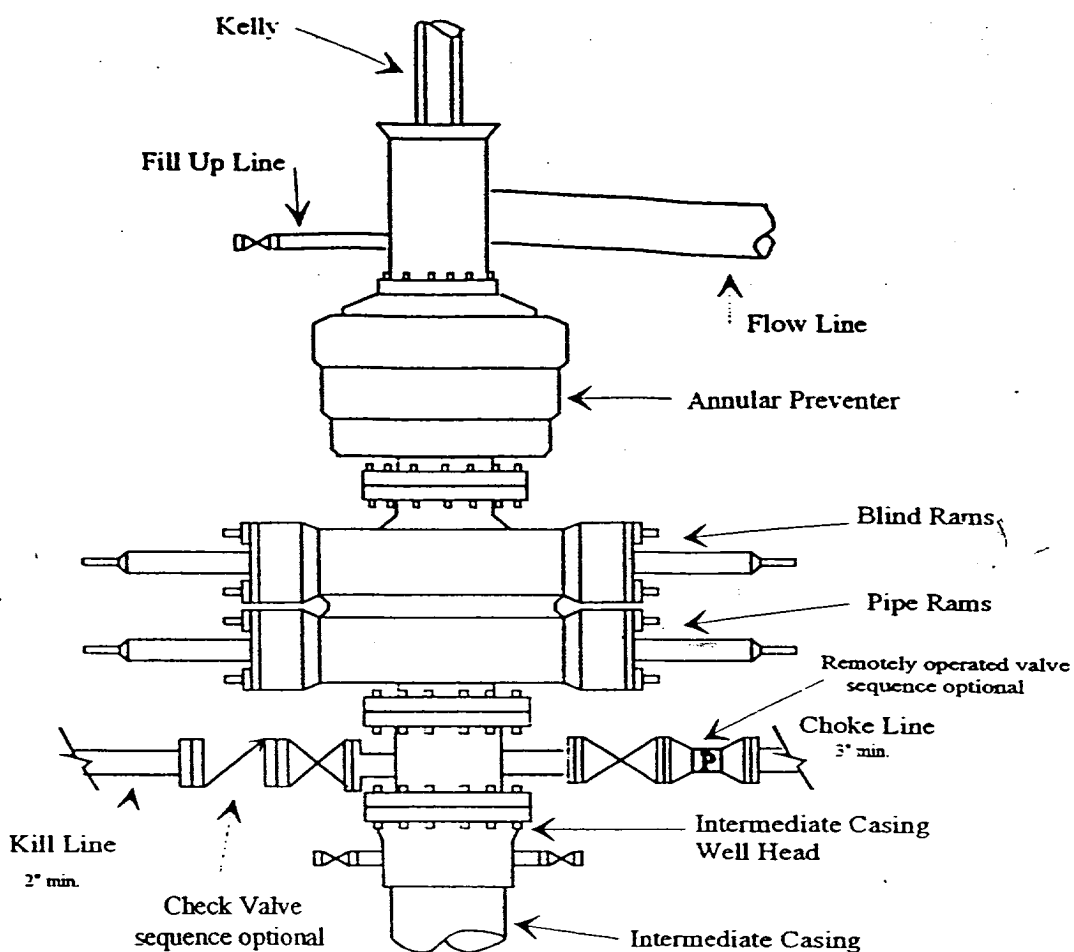
Alvin W. Stearns
Registered Professional
Engineer and/or Land Surveyor.



Yates Petroleum Corporation

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these minimum features

