

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

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

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)
30-025-31606
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. V-3211

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Lease Name or Unit Agreement Name Scratchy Ranch State Unit			
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Well No. 2			
2. Name of Operator Yates Petroleum Corporation		9. Pool name or Wildcat East Feather Wildcat Upper Penn			
3. Address of Operator 105 South Fourth Street, Artesia, New Mexico 88210					
4. Well Location Unit Letter <u>P</u> : <u>660</u> Feet From The <u>South</u> Line and <u>660</u> Feet From The <u>East</u> Line Section <u>14</u> Township <u>15 South</u> Range <u>32 East</u> NMPM Lea County					
10. Proposed Depth 11,200'		11. Formation Upper Penn			
12. Rotary or C.T. Rotary					
13. Elevations (Show whether DF, RT, GR, etc.) 4255' GR		14. Kind & Status Plug. Bond Blanket			
15. Drilling Contractor Undesignated		16. Approx. Date Work will start ASAP			
17. 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"	54.5#	400'	610 sx	Circulate
12 1/4"	9 5/8"	36#	4,200'	2100 sx	Circulate
7 7/8"	5 1/2"	17#	TD	1900 sx	

Yates Petroleum Corporation proposes to drill and test the Upper Penn and intermediate zones. Approximately 400' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4200' and cement circulated. If commercial, production casing will be run to TD and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 400'; 4200' Native/paper; 10000' cut Brine; TD SW/DPAC/Starch.

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing 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 R. May TITLE Permit Agent DATE May 26, 1992
TYPE OR PRINT NAME Clifton R. May TELEPHONE NO. 748-1471

(This space for State Use)

APPROVED BY ORIGINAL SIGNED BY JERRY SEXTON TITLE DISTRICT SUPERVISOR DATE MAY 29 1992

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.