Submit to Appropriate District Office State Lease - 6 copies Fee Lease - 5 copies		State of New Mex Minerals and Natural Res	ources Department		Form C-101 Revised 1-1-89
<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM	88240	CONSERVATIO P.O. Box 2088 Santa Fe, New Mexico 8	3	APIND. (assigned by OCI 30-025	
DISTRICT II P.O. Drawer DD, Artesia, N				5. Inducate Type of Lease ST	
DISTRICT III 1000 Rio Brazos Rd., Aziec,	NM 87410			6. State Oil & Gas Lease VB-131	No.
	ON FOR PERMIT	TO DRILL, DEEPEN, O	R PLUG BACK		
1. Type of Work:				7. Lease Name or Unit Ag	greement Name
DRILL b. Type of Well: OL OAS WEL X WEL	C RE-ENTE		PLUG BACK	Kemnitz South	AFL State
2. Name of Operator			· · · · · · · · · · · · · · · · · · ·	8. Well No.	
Yates Petrole	um Corporation	L		. 1	· .
3. Address of Operator		······································		9. Pool name or Wildcat (Jacuum Drayburg-
105 South Fou	rth Street - A	<u>rtesia, NM 88210</u>	-	Wi ldea t San A	ndres
4. Well Location Unit LetterO	:660 Feet	From The South	Line and 1980	Feet From The	East Line
Section 31	Town	aship <u>165</u> Ran	ge 34E N	1MPM	Lea County
		//////////////////////////////////////		ormation	
		5500'		San Andres	12. Roary or C.T. Rotary
13. Elevations (Show whether 4124.5' GR	DF, RT, GR, etc.)	14. Kind & Status Plug. Bond . Blanket	- 15. Drilling Contractor Undesignated	l 16. Approx. 1 ASAP	Date Work will start
17.	P	ROPOSED CASING AN	D CEMENT PROGE	AM	
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	Approx. 1550'		Circulate
7-7/8"	5-1/2	14# J-55	TD TD	350 sacks	Adequate cover
L		1i			,

We propose to drill and test the San Andres formation and intermediate zones. Approximately 1550' of surface casing will be set with cement circulated to shut off gravel and cavings. If productive, 5-1/2" casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 1550', brine water to TD

BOP PROGRAM: BOPE will be installed at the offset and tested daily

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR FLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE AND PRODUCTIVE ZONE

(This space for State Use) DRIGIDEAL SHORED BY JERRY SEE FOR HIS PROVED BY	TTTL P	JUL 0 2 92
TYPE OR PRINT NAME Clufton R. May		TELIJIH KOME NO.
SKONATURE K. //ay	Permit Agent	DATE June 26, 199

D - - -

Permit Expires 6 Months From Approval Date Unless Drilling Underway.

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

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

	A11 e		m the outer boundaries of			Well No.
WATES PETR	OLEUM CORPORAT		KEMNITZ SOU	TH "AFL" STAT	t	
	Town	nhip	Range 71	County		
otter Sect	31	16 South	34 East			
Footage Location	of Well:		1980	feet from the East		line
	t from the		Pool, 1 Z'acud	m Eraybu	Ded Ded	icated Acreage: 40 Acres
d Level Elev.	Producing Formation SAN ANDERS	-	Nuper -	JAN ANORES	.0	
4124.5	AN/TNUM	the subject w	Il by colored penci	il or hachure mark	s on the p	at below.
Outline the ad	creage dedicated to	o the autijett w	ell by colored penci		1.11	t (hash an to working
	and laune in dedi	cated to the wel	l, outline each and	identify the owne	rship there	of (both as to working
Interest and t		1	dedicated to the we	ell, have the inter	ests of al	l owners been consoli-
. If more than c	me leave of different	ent ownership is	ing. etc?			
dated by com	nualtization, unitiz					
		r is "yes," type	of consolidation			
Yes _] No Itanswe	, ··			onsolidate	d. (Use reverse side of
If answer is	"no," list the own	ers and tract des	criptions which hav	le actually been t		d. (Use reverse side of
which form if n	eccssary.)			111.1.1	the commu	initization, UBALLYS' Ser
No allowable	will be assigned to	o the well until a	Il interests have be ad unit eliminating	such interests,	has been a	nitization, unitization pproved by the Commis-
forced-poolin	g, or otherwise) or 1	until a non-standa	ira unit, ettatimette	,		pproved by the Commis-
sion.						CERTIFICATION
	1		l h		I hamby co	rtify that the information con-
	i				I hereby co	in is true and complete to the
			I		kest of my	knowledge and bailef.
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	1		1		Yates	Petroleum Corporat:
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	1		l.		June 2	6, 1992
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						certify that the well location
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	1		<u></u>		Contitica	10 No. 3, 941
				1000 800	Cortifica	te No. 3640

EXHIBIT B

BOP STACK

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JUL 0 1 1992