

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

Form C-101
Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ 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		¹ OGRID Number 025575
		¹ API Number 30-02533276
⁴ Property Code 18340	⁵ Property Name Papalotes	⁶ Well No. #2

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
N	2	15S	34E		330	South	1800	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 Strawn					¹⁰ Proposed Pool 2				

¹¹ Work Type Code N	¹² Well Type Code 0	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 4078'
¹⁶ Multiple No	¹⁷ Proposed Depth 12,100'	¹⁸ Formation Strawn	¹⁹ Contractor Undesignated	²⁰ Spud Date 2-1-96

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	450'	550	Circulate
11"	8 3/8"	32#	4400'	1050	Circulate
7 7/8"	5 1/2"	15.5# & 17#	TD	1350	As Required

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.
We propose to drill and test the Strawn and intermediate zones. Approximately 450' of surface casing will be set and cement circulated. An intermediate string will be set at approximately 4400' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 450'; Brine to 4400'; Cut Brine, Starch to 9800'; Salt Gel and Starch to TD.

BOPE PROGRAM: BOPE will be installed on the intermediate casing and tested daily for operational.

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Cy Cowan*

Printed name: Cy Cowan

Title: Land Technician

Date: 1-23-96

Phone: 505-748-1471

OIL CONSERVATION DIVISION

Approved by: *Orig. Signed by*
Paul Kautz
Title: Geologist

Approval Date: JAN 24 1996

Expiration Date:

Conditions of Approval:
Attached ☐

Permit Expires 6 Months From Approval
Late Unless Drilling Underway

YATES PETROLEUM CORPORATION

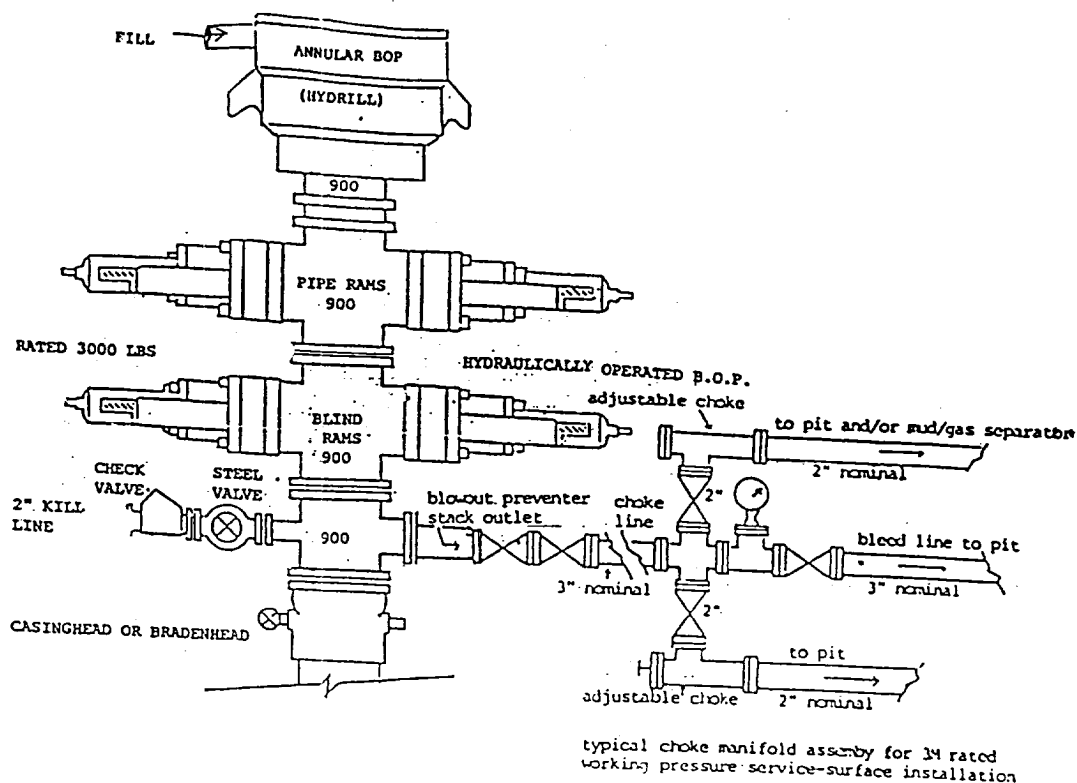


EXHIBIT B

THE FOLLOWING CONSTITUTES THE MINIMUM BLOWOUT PREVENTER REQUIREMENTS FOR 3000 PSI WP SYSTEMS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 3" diameter.
3. Kill line to be of all steel construction of 3" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. Hole or tube to be 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 to be located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing.

