

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/> <b>PLUG BACK</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. LC - 068882 -A
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"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Flood "AFN" Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 330' FSL and 660' FWL At proposed prod. zone same		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 44 miles East of Artesia, New Mexico 88210		10. FIELD AND POOL, OR WILDCAT West Lusk Delaware
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 30-T19S-R32E
16. NO. OF ACRES IN LEASE		12. COUNTY OR PARISH Lea
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 7300'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3517.5'		22. APPROX. DATE WORK WILL START* As soon as possible

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	54.5#	Approx. 800'	700 sacks <u>Circulated</u>
12-1/4"	8-5/8"	32#	Approx. 3750'	1000 sacks <u>Circulated</u>
7-7/8"	5-1/2"	17# N-80	TD	500 sacks

We propose to drill and test the Delaware and intermediate formations. Approximately 350' of surface casing will be set and cement circulated to shut off gravel and cavings. Approximately 3750' of intermediate casing will be set and cement circulated. If commercial production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel to 800'; brine to 3750'; FW to TD.

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

GAS NOT DEDICATED.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED [Signature] TITLE Landman DATE 6-18-90

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 7-9-90

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>FLOOD "AFN" FEDERAL</b>		Well No. <b>1</b>
Unit Letter <b>M</b>	Section <b>30</b>	Township <b>19 SOUTH</b>	Range <b>32 EAST</b>	County <b>NMFM LEA</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>WEST</b> line and <b>330</b> feet from the <b>SOUTH</b> line					
Ground level Elev. <b>3517.5</b>	Producing Formation <b>Delaware</b>	Pool <b>West Lusk Delaware</b>		Dedicated Acreage: <b>40</b> 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 interest 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 interest, has been approved by the Division.

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature

Printed Name

Position

Company

Date

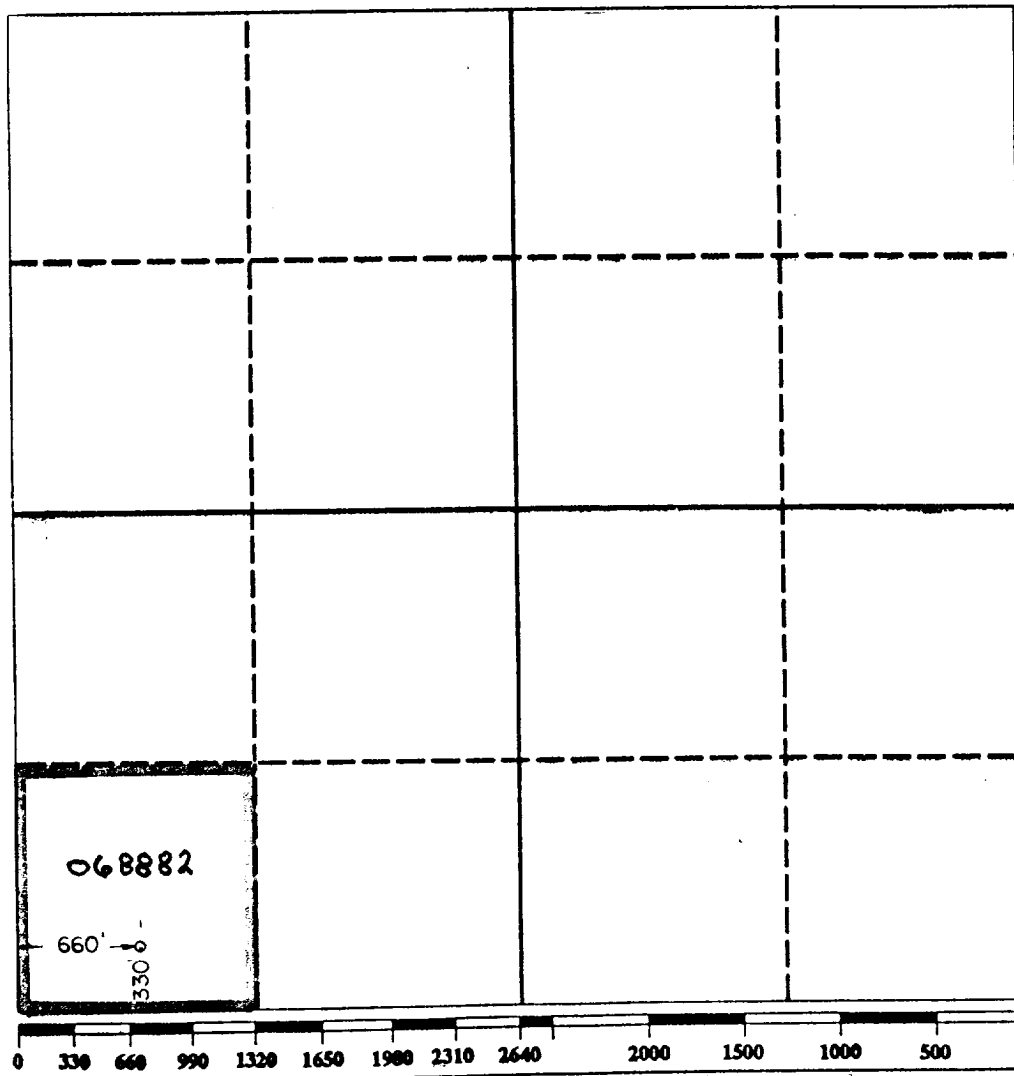
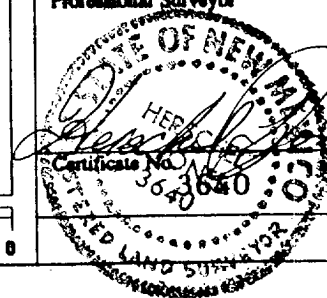
SURVEYOR CERTIFICATION

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

6/6/90

Signature & Seal of  
Professional Surveyor



YATES PETROLEUM CORPORATION

Flood "AFN" Federal #1  
660' FWL and 330' FSL  
Section 30-T19S-R32E  
Lea County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

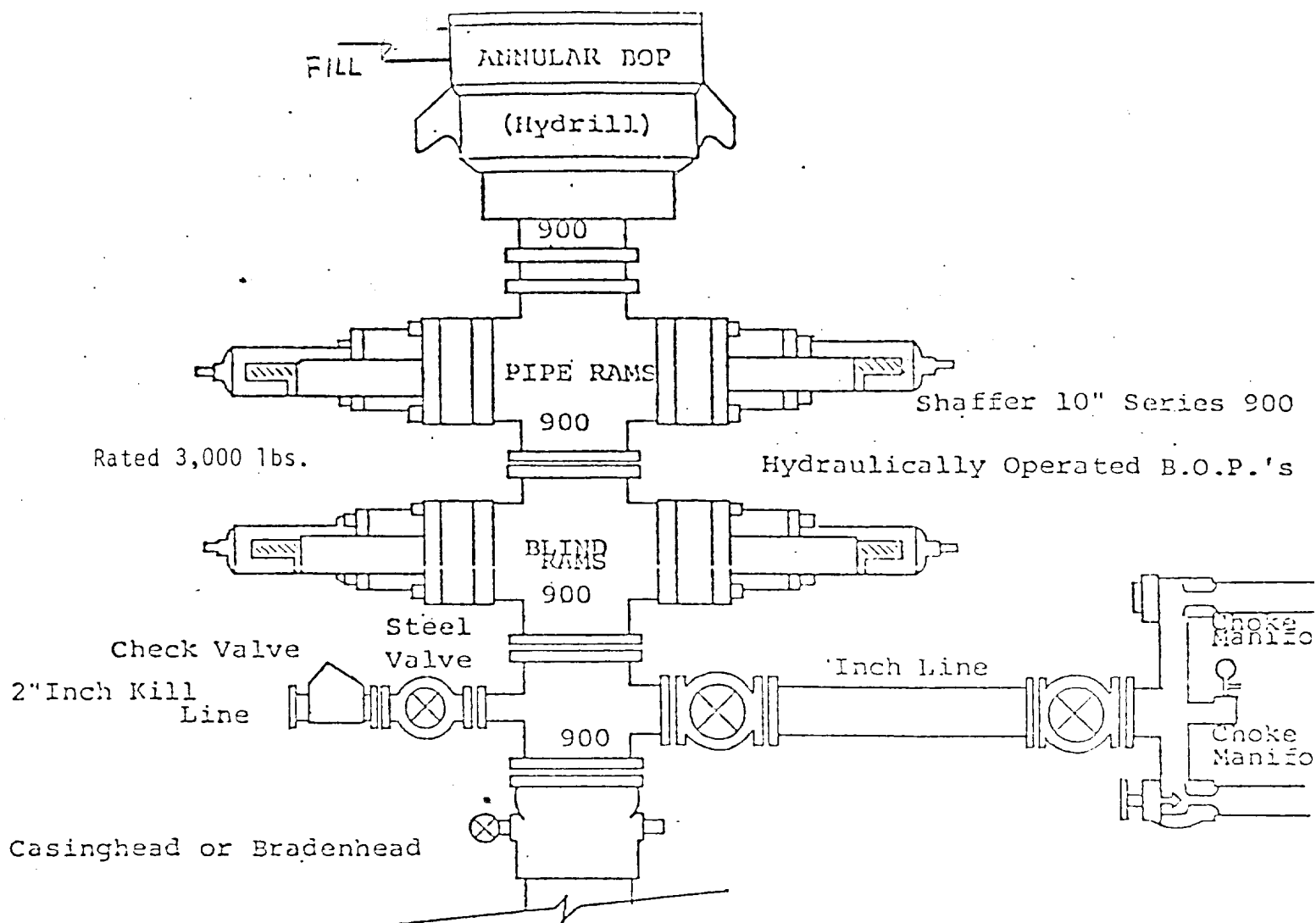
1. The geological surface formation is sand dunes.
2. The estimated tops of geologic markers are as follows:

Rustler	815'
Yates	2615'
Seven Rivers	2936'
Delaware	4320'
Lower Delaware	5666'
Bone Spring	7195'
TD	7300'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 150'

Oil or Gas: Bone Springs
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples:	10' samples from under surface casing.
DST's:	As warranted
Coring:	None
Logging:	CNL-LDT from TD to casing with GR-CNL on to surface; DIL from TD to casing with RxO over select intervals.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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 2" 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.

EXHIBIT  
B

Rec'd 9-7-90

EFF

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JUL 11 1990

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