

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)

30-025-31073

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

VB-11

7. Lease Name or Unit Agreement Name

Hour Glass State Unit

8. Well No.

1

9. Pool name or Wildcat

So. Vacuum Bone Springs

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒

RE-ENTER ☐

DEEPEN ☐

PLUG BACK ☐

b. Type of Well:

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
ZONE ☐

MULTIPLE  
ZONE ☐

2. Name of Operator

Yates Petroleum Corporation

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

4. Well Location

Unit Letter A : 660 Feet From The North Line and 660 Feet From The East Line

Section 16

Township

18S

Range

35E

NMPM

Lea

County

10. Proposed Depth

10,200'

11. Formation

Bone Springs

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3919.0 GR

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Undesignated

16. Approx. Date Work will start

ASAP

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# J-55	Approx. 400'	300 sacks	Circulate
12 1/4	8 5/8"	32# J-55	Approx. 3800'	1600 sacks	Circulate
7 7/8	5 1/2"	17# N-80 & S-95	TD	300 sacks	

We propose to drill and test the Bone Springs and intermediate formations. Approximately 400' of surface casing will be set with cement circulated to shut off gravel and cavings. Intermediate casing will be set to approximately 3800' with cement circulated. If productive, 5 1/2" casing will be run and cemented.

MUD PROGRAM: Native mud to 400', Salt Water Gel to 3000', cut Brine to TD.

BOP PROGRAM: BOP'S to be installed and on intermediate casing and tested; pipe rams tested daily.

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 KEN BEARDENPHL TITLE Landman DATE 11-19-90

TYPE OR PRINT NAME KEN BEARDENPHL TELEPHONE NO. \_\_\_\_\_

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE NOV 20 1990

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway.

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-182  
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I  
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DISTRICT III  
1000 Rio Arriba 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>HOOR GLASS STATE UNIT</b>		Well No. <b>1</b>
Unit Letter <b>A</b>	Section <b>16</b>	Township <b>18 South</b>	Range <b>35 East</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>East</b> line					
Ground level Elev. <b>3919.0</b>	Producing Formation <b>Bone Spring</b>		Pool <b>So. Vacuum Bone Springs</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to this 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, force-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.

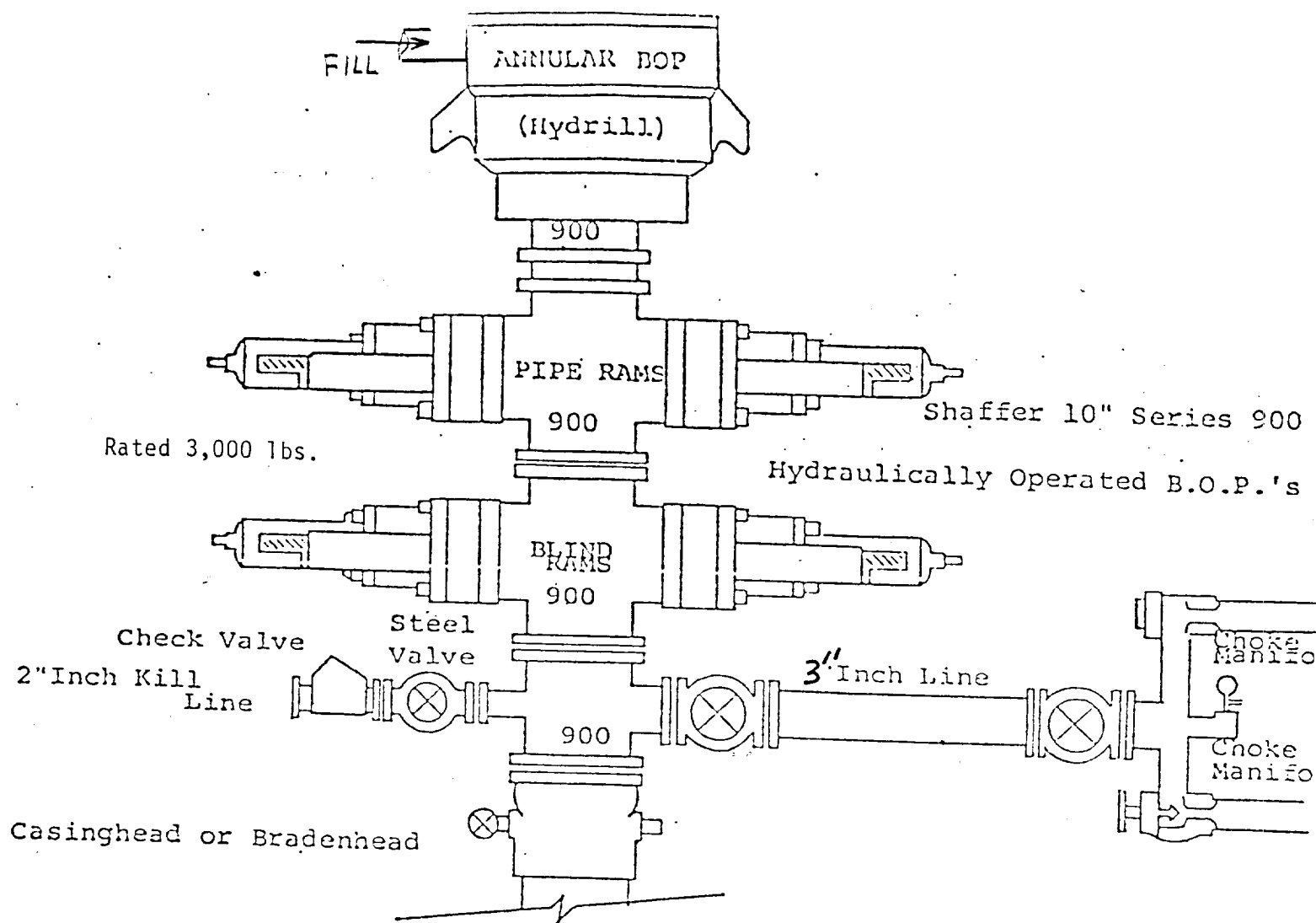
Signature  
*Ken Beardemph*  
Printed Name  
**Ken Beardemph**  
Position  
**Landman**  
Company  
**Yates Petroleum Corp.**  
Date  
**11-19-90**

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  
**11/15/90**  
Signature & Seal of Professional Surveyor  
*[Signature]*  
Certificate No. **363640**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control 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 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  
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