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

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OIL CONSERVATION DIVISION DISTRICT P.O. Box 1980, Hobbs, NM 88240 API NO. (assigned by OCD on New Wells) P.O. Box 2088 Santa Fe, New Mexico 87504-2088 えめ・02ら DISTRICT II P.O. Drawer DD, Artesia, NM 88210 5. Indicate Type of Lease DISTRICT III STATE X FEE 1000 Rio Brazos Rd., Aztec, NM 87410 6. State Oil & Gas Lease No. **VB-11** APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK 1a. Type of Work: 7. Lease Name or Unit Agreement Name DRILL X RE-ENTER DEEPEN b. Type of Well: PLUG BACK WELL | WELL X SINCE P MULTIPLE Hour Glass State Unit ZONE ZONE 2. Name of Operator Yates Petroleum Corporation 8. Well No. 3. Address of Operator 105 South Fourth Street, Artesia, NM 9. Pool name or Wildcat 88210 So. Vacuum Bone Springs 4. Well Location Unit Letter 660 North Feet From The 660 Line and East Feet From The Line 16 Section 185 Township 35E Range **NMPM** Lea County 10. Proposed Depth 11. Formation 12. Rotary or C.T. 10,200' Bone Springs 13. Elevations (Show whether DF, RT, GR, etc.) Rotary 14. Kind & Status Plug. Bond 15. Drilling Contractor 3919.0 GR 16. Approx. Date Work will start ASAP **Blanket** Undesignated 17. PROPOSED CASING AND CEMENT PROGRAM SIZE OF HOLE SIZE OF CASING WEIGHT PER FOOT SETTING DEPTH 17 1/2 SACKS OF CEMENT 13 3/8" 54.5# J-55 EST. TOP Approx. 400 12 1/4 300 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, $5\frac{1}{2}$ " casing will be run and cemented.

Approx.

3800'

TD

1600 sacks

300 sacks

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

J-55

17# N-80 & S-95

BOP PROGRAM: BOP'S to be installed and on intermediate casing and tested;

pipe rams tested daily.

32#

8 5/8"

7/8

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRO	DI 1000000		
I hereby certify that the information above is true and complete to the best of my knowledge and belief.	DOCTIVE		
SKONATURE Landman 11-19-90)		
TYPEOR FRONT NAME KEN BEARDEMOHL			
(This space for State Use)	TELEPHONE NO.		
APPROVED BY	1990		
CONDITIONS OF APPROVAL, IF ANY:			

Permit Expires 6 Months From Approval State Unless Drilling Underway.

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-162 Revised 1-1-29

DISTRICT | P.O. Box 1980, Hobby, NM 88240

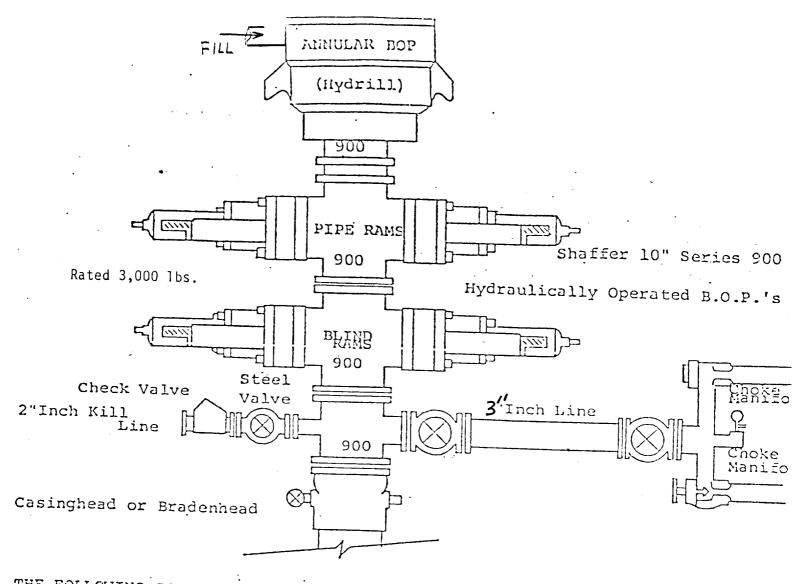
OIL CONSERVATION DIVISION P.O. Box 2088

Santa Pe, New Mexico 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

YATES PETROLEUM CORPORATION HOUR GLASS STATE UNIT 1 Township 6 1 Township 6 1 18 South 35 East NOTTH 1 Township 6 2 Township 6 2 Township 6 2 Township 7 Township 6 2 Township 7 Township 6 2 Township 6 2 Township 7 Township		All Distances must be from the outer boundaries of the section											
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THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual contro installed prior to drilling out from under casing. 2.
- Choke outlet to be a minimum of 3 " diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that . required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivale 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.



NOT A WAR