

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

OIL CONSERVATION DIVISION

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

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

API NO. (assigned by OCD on New Wells)

30-025-32315

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

V-2792

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, New Mexico 88210

7. Lease Name or Unit Agreement Name

Quail Ridge "AOA" State

8. Well No.

1

9. Pool name or Wildcat

Wildcat Delaware

4. Well Location

Unit Letter B : 990 Feet From The North Line and 2310 Feet From The East Line
Section 16 Township 20 South Range 34 East NMPM Lea County

10. Proposed Depth
8,200'

11. Formation
Delaware

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3,638' GR

14. Kind & Status Plug. Bond
Blanket

15. Drilling Contractor
Undesignated

16. Approx. Date Work will start
ASAP

17.

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#	1,700'	1,700 sacks	Circulate
12 1/4"	9 5/8"	36.0#	3,450'	1,500 sacks	Circulate
7 7/8"	5 1/2"	17#	TD	As Warranted	

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 1,700' of surface casing will be set and cement circulated. Approximately 3,450' of intermediate casing will be run and cement circulated. If the well is commercial, production casing will be run and cement with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 1,700'; Brine to 3,450'; cut Brine to TD.

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing and tested daily for operational.

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

Clifton R. May

TITLE

PERMIT AGENT

DATE

11/19/93

TYPE OR PRINT NAME

Clifton R. May

TELEPHONE NO. 748-4347

(This space for State Use)

Orig. Signed by
Paul Kautz
Geologist

APPROVED BY

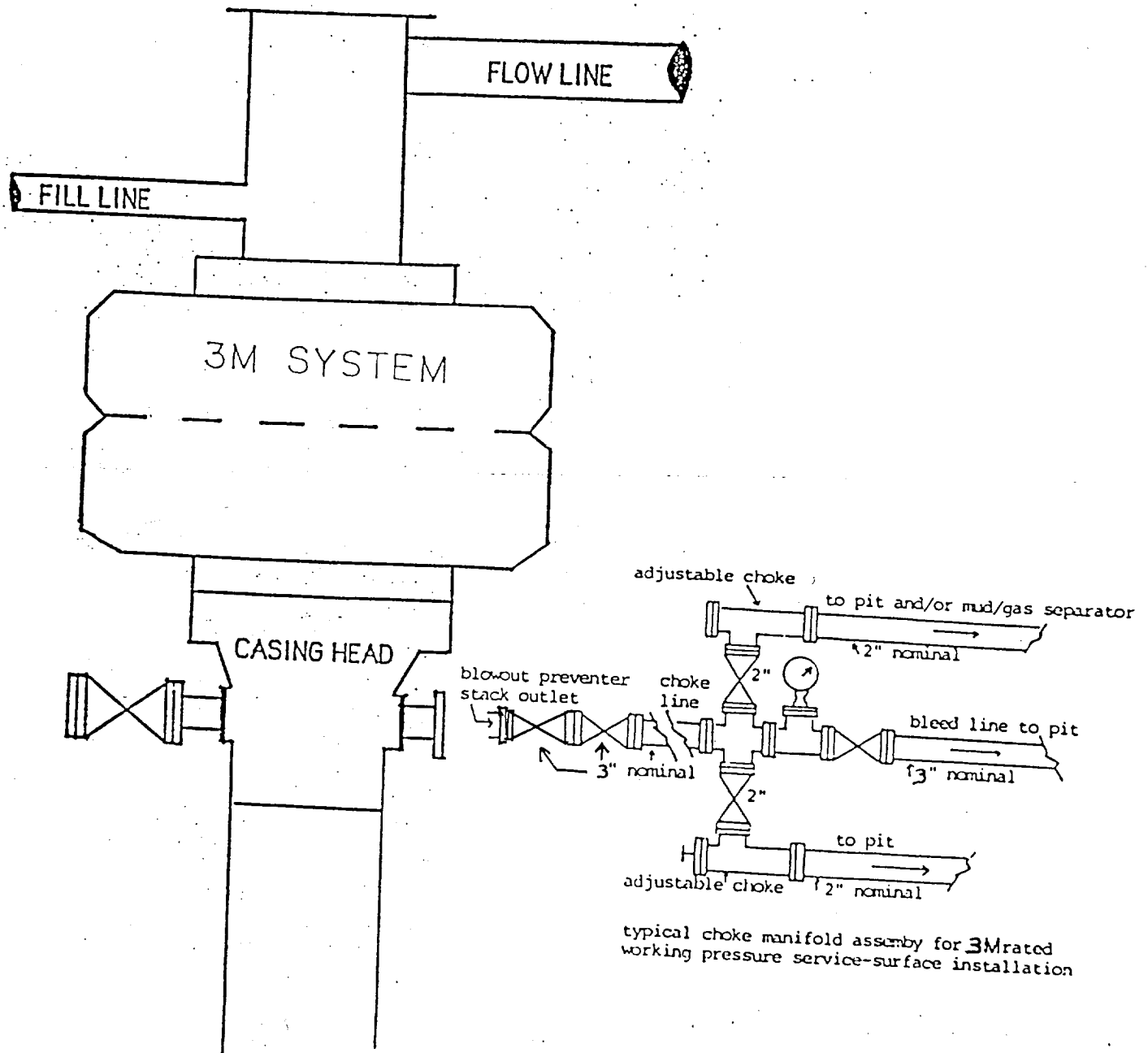
TITLE

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

DEC 02 1993

YATES PETROLEUM CORPORATION



MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

November 19, 1993

105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210
TELEPHONE (505) 748-1471

Eddy Potash, Inc.
Marvin Watts, General Manager
P.O. Box 31
Carlsbad, New Mexico 88220

Dear Mr. Watts:

Yates Petroleum Corporation is the operator of the Oil & Gas Lease V-3426. We have staked the following location:

Quail Ridge "AOA" St. #1
990' FNL and 2310' FEL
Sec. 16-T20S-R34E
Lea County, New Mexico

An Application to Drill is being filed with Oil Conservation District.

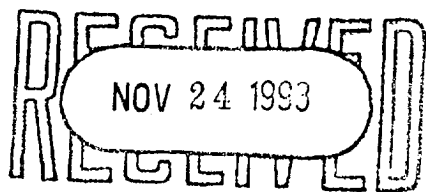
We have been advised that your company is the owner of record of certain potash leases in the area. We would respectfully request that you waive any objection you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated. Should you have any questions, please call me at 748-4347.

Sincerely,

YATES PETROLEUM CORPORATION

Clifton R. May
Clifton R. May
Permit Agent



NO OBJECTIONS OFFERED
EDDY POTASH INC.
~~MISSISSIPPI CHEMICAL CORPORATION~~

By: *Robert A. Krenf*
Title: *CHIEF MINE ENGR*
Date: *11-23-93*

OBJECTIONS OFFERED
EDDY POTASH INC.
~~MISSISSIPPI CHEMICAL CORPORATION~~

By: _____
Title: _____
Date: _____