

N. M. OIL CONS. COMMISSION
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-025-31412
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

Unit J; 1980' FSL and 1980' FEL

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

40 mile NE of Loving, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

1240

19. PROPOSED DEPTH

8650'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3685 GL

Roller Potash

Secretary's Potash

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

Capitan Controlled Water Basin

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|----------------------------|
| 17 1/2" | 13 3/8" | 54.5# | 1170' | Circulate - 850 sacks |
| 11" | 8 5/8" | 32.0# | 4600' | Circulate -2500 sacks |
| 7 7/8" | 5 1/2" | 17 & 20# | TD | Adequate cover- SEE STIPS. |

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 650' of surface casing will be set and cement circulated. Approximately 4100' 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: Native mud to 1170'; Brine to 4600'; cut Brine to TD.

BOP PROGRAM: BOP will be installed at the offset and tested daily for operational.

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

Clifton R. May

TITLE

Permit Agent

DATE

9-18-91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

Clifton R. May

TITLE

Permit Agent

DATE

10-9-91

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 YATES PETROLEUM CORPORATION | | | Lease UNION AJS FEDERAL | | Well No. 1 |
| Unit Letter J | Section 8 | Township 21 SOUTH | Range 32 EAST | County LEA COUNTY, N.M. | |
| Actual Footage Location of Well: 1980 feet from the SOUTH line and 1980 feet from the EAST line | | | | | |
| Ground level Elev. 3685. | Producing Formation DELAWARE | | Pool WILDCAT DELAWARE | Dedicated Acreage: 40 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.?

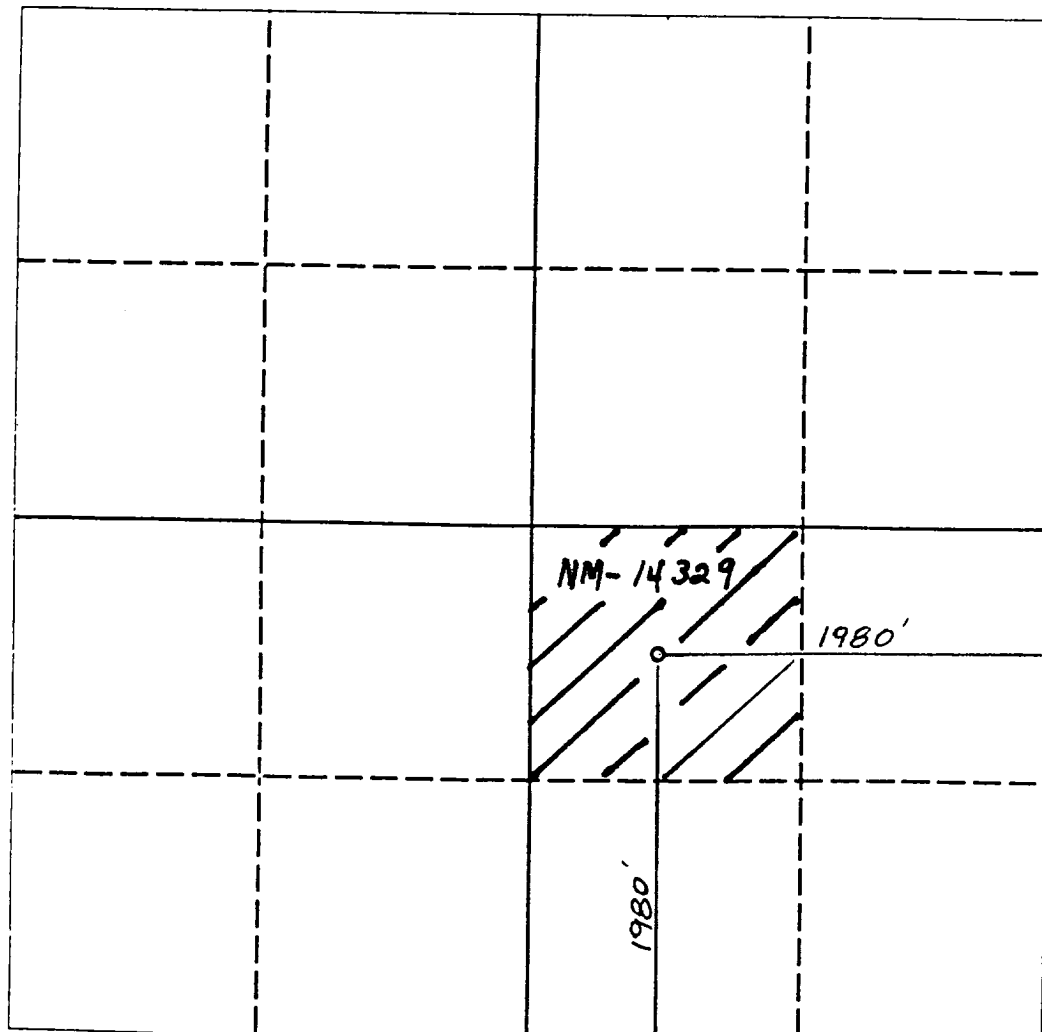
☐ Yes

☐ 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

Clifton R. May

Printed Name

Clifton R. May

Position

Permit Agent

Company

Yates Petroleum Corporation

Date

9-18-91

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

SEPTEMBER 6, 1991

Signature & Seal of
Professional Surveyor

