

N. M. CIV. CONS. COMMISSION
P. O. BOX 1000
NEW MEXICO 88240
SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYForm approved.
Budget Bureau No. 42-R1425.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. LC-065128	
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 207 South Fourth Street - Artesia, NM 88210			8. FARM OR LEASE NAME Sweeney ADU Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2310' FSL and 2310' FEL At proposed prod. zone Same			9. WELL NO. 1	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 10 miles south of Maljamar, New Mexico			10. FIELD AND POOL, OR WILDCAT Querecho Plains	
10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 660'		16. NO. OF ACRES IN LEASE 160		17. NO. OF ACRES ASSIGNED TO THIS WELL 40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 660'		19. PROPOSED DEPTH 8900'		20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3744.2' GR			22. APPROX. DATE WORK WILL START* ASAP	

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"	48# H-40	Approx. 300'	350 sacks - circulate
12-1/4"	8-5/8"	24# K-55 & S-80	" 2850'	1000 sacks - circulate
7-7/8"	5-1/2"	15.5# K-55 & 17# K-55 & N-80	TD	400 sacks

We propose to drill and test the Lower Bone Springs and intermediate formations. Approximately 300' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel & LCM to 300'; brine, drispac, starch and prehydrated bentonite to TD

BOP PROGRAM: BOP's will be installed at the offset and 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. 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 Cy Cowan TITLE Regulatory Agent DATE Feb 10, 1986
(This space for Federal or State office use)

PERMIT NO. Orig. Sgd. Charles S. Dahlan APPROVAL DATE 4-10-86
APPROVED BY Area Manager TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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All distances must be from the outer boundaries of the Section.

Operator YATES PETROLEUM CORPORATION			Lease SWEENEY ADU FEDERAL		Well No. 1
Unit Letter J	Section 26	Township 18S	Range 32E	County Lea	

Actual Footage Location of Well:
2310 feet from the South line and 2310 feet from the East line

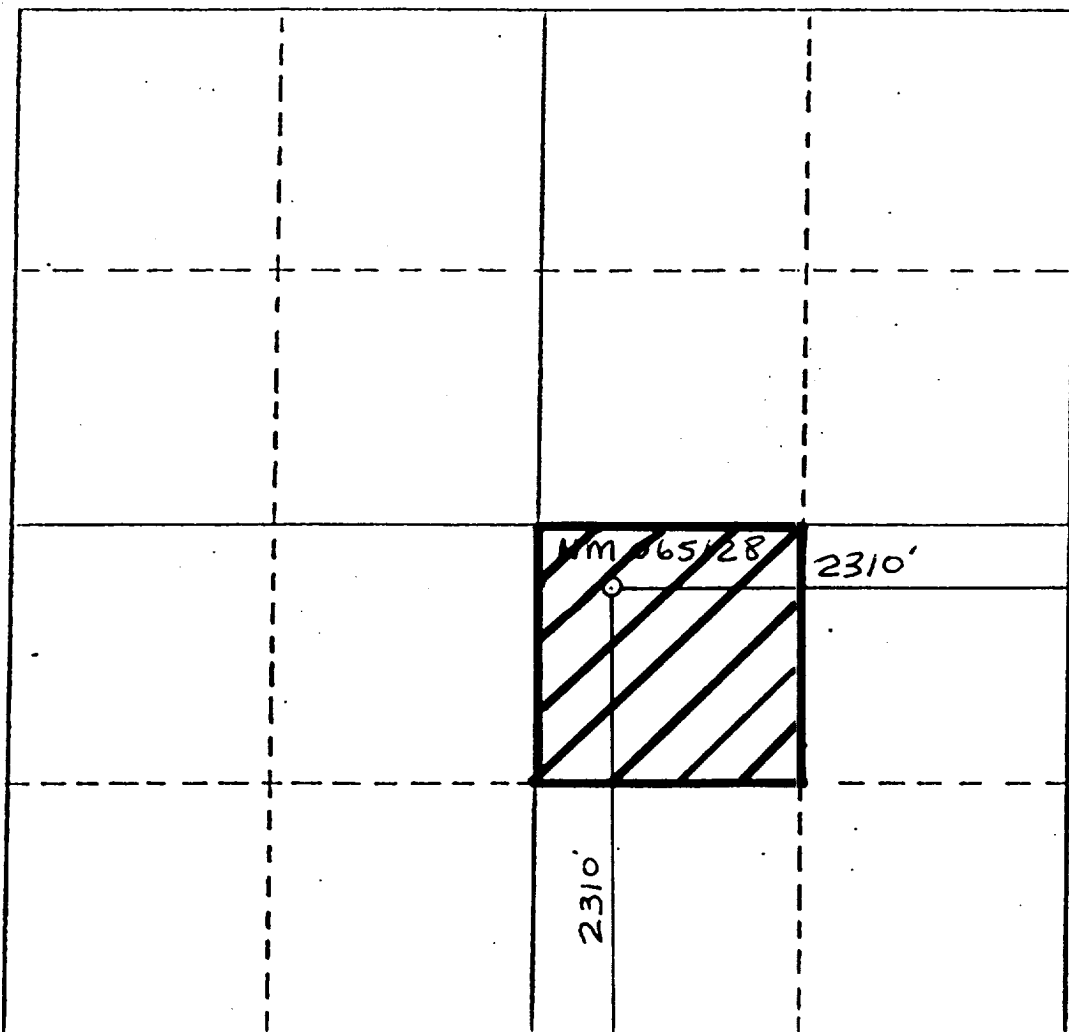
Ground Level Elev. 3744.2'	Producing Formation Lower Bone Springs	Pool Querecho Plains	Dedicated Acreage: 40 Acres
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1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☒ No If answer is "yes," type of consolidation NONE

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 interests, has been approved by the Division.



CERTIFICATION

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

Cy Cowan

Name
Cy Cowan

Position
Regulatory Agent

Company
Yates Petroleum Corporation

Date
February 10, 1986

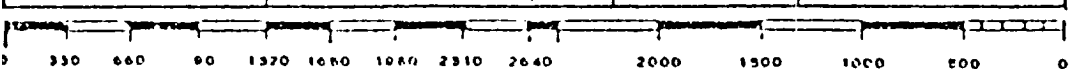
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

February 5, 1986

Date Surveyed

Registered Professional Engineer and/or Land Surveyor

HERSCHEL
Certificate No. 3640



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YATES PETROLEUM CORPORATION
Sweeney ADU Federal #1
2310' FSL and 2310' FEL of
Section 26-T18S-32E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Company submits the following ten items of pertinent information in accordance with BIM requirements.

1. The geologic surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

Rustler	1200'	Delaware	5020'
Base of Salt	2576'	Bone Springs	6991'
Seven Rivers	3174'	1st Bone Springs Sand	8398'
Queen	3960'	TXO Pay	8530'
Penrose	4206'	TD	8900'
San Andres	4432'		

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 150-300'

Oil or Gas: Queen 3970'; Lower Bone Springs 8430'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
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 out from under surface casing
DST's: As warranted
Coring: None anticipated
Logging: CNL/FDC from TD to casing with GR/CNL on to surface; DLL from TD to casing with minimum Rxo.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

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- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BIM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. Waterways: None
- C. Surface Ownership: Federal surface and minerals.

12. OPERATOR'S REPRESENTATIVE.

- A. The field representatives responsible for assuring compliance with the approved surface use plan are:

Cy Cowan or Clifton May
Yates Petroleum Corporation
207 S. 4th Street
Artesia, New Mexico 88210
(505) 746-3558

13. CERTIFICATION.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

2-10-86

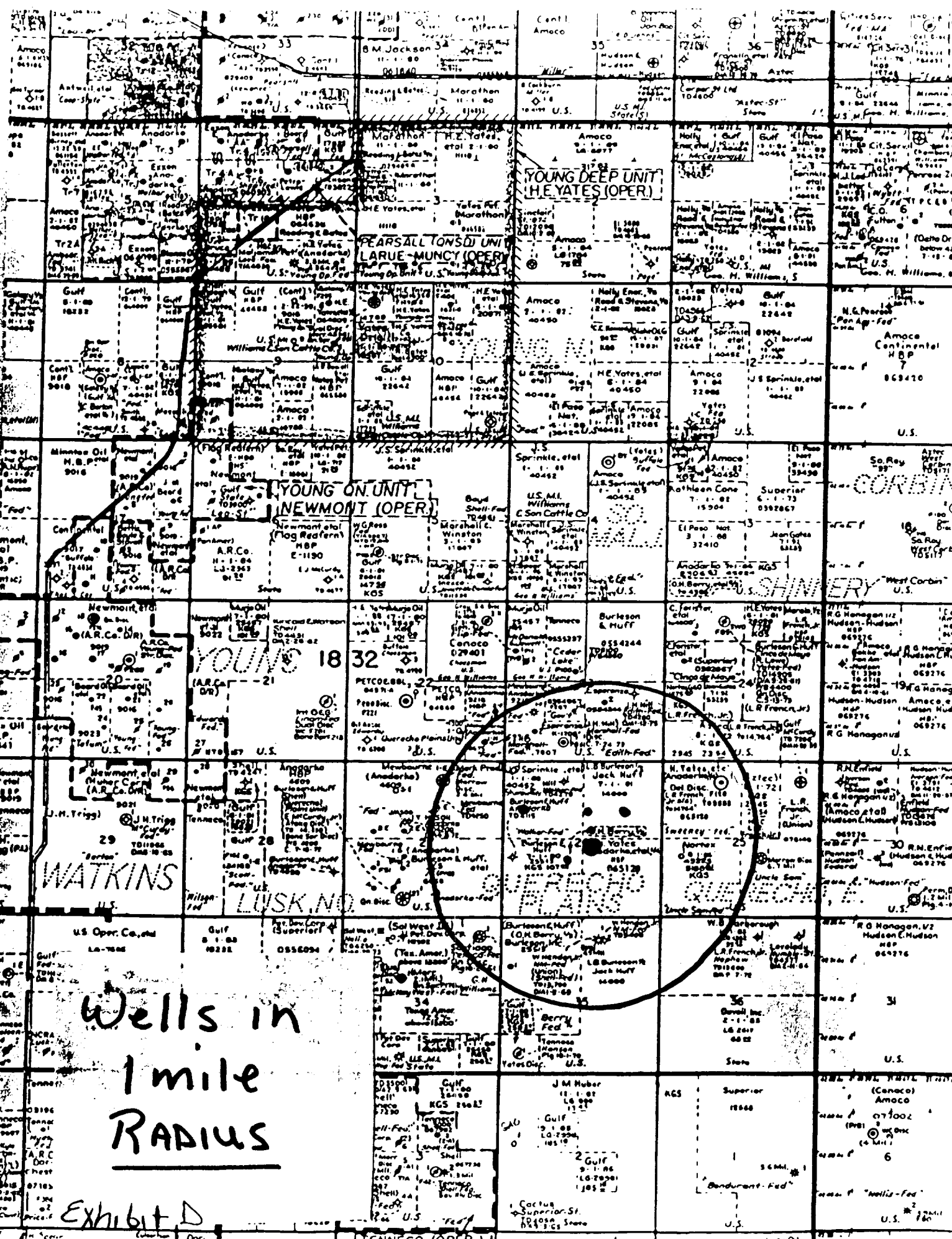
Date

Cy Cowan
Cy Cowan
Regulatory Agent

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Wells in
1 mile
RADIUS

Exhibit D

WATKINS (OPER.)
LUSK (SEV. RIV. S. UNIT)

WATKINS (OPER.)
LUSK (SEV. RIV. S. UNIT)

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