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NEW MEXICO OIL CONSERVATION COMMISSION

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30-005-60602  
Form C-101  
Revised 1-1-65

OCT 15 1979

O. C. C.  
ARTESIA, OFFICE

5A. Indicate Type of Lease  
STATE  FEE

5. State Oil & Gas Lease No.  
LG-567

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"/>		7. Unit Agreement Name	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Grynberg "LZ" State	
2. Name of Operator Yates Petroleum Corporation ✓		9. Well No. 1	
3. Address of Operator 207 South 4th Street, Artesia, New Mexico 88210		10. Field and Pool, or Wildcat Wildcat Penn	
4. Location of Well UNIT LETTER I LOCATED 660 FEET FROM THE East LINE AND 1980 FEET FROM THE South LINE OF SEC. 36 TWP. 5S RGE. 24E NMPM		12. County Chaves	
19. Proposed Depth 5075'		19A. Formation Penn	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3867.6	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor LaRue Drilling	22. 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
17½"	13 3/8"	48# J-55	Approx. 350'	350 sx	Circulate
12½"	8 5/8"	24# J-55	Approx. 1450'	775 sx	Circulate
7 7/8"	5½ or 4½"	15.5 or 10.5#	TD		

We propose to drill and test the Penn and intermediate formation. Approx. 350' of surface casing will be set and cement circulated to shut off gravel and caving. Casing will be set 100' below the water zone. If commercial, 5½ or 4½ production casing will be run and cemented with an adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1450', Brine KCL to 3200', KCL Drispak & Starch to 4250', flosal-drispak KCL to TD. NW 10 - 10.2, Vis 34 - 39, WL 14 - 7

BOP PROGRAM: BOP's will be installed on 8 5/8" casing and tested daily. FOR 90 DAYS UNLESS DRILLING COMMENCED,

GAS NOT DEDICATED.

APPROVAL VALID  
EXPIRES 1-16-80

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.

Signed Gloria Rodriguez Title Engineer Date 10/15/79

(This space for State Use)

APPROVED BY W. A. Gussett TITLE SUPERVISOR, DISTRICT II DATE OCT 16 1979

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to surface behind 13 3/8" casing

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

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

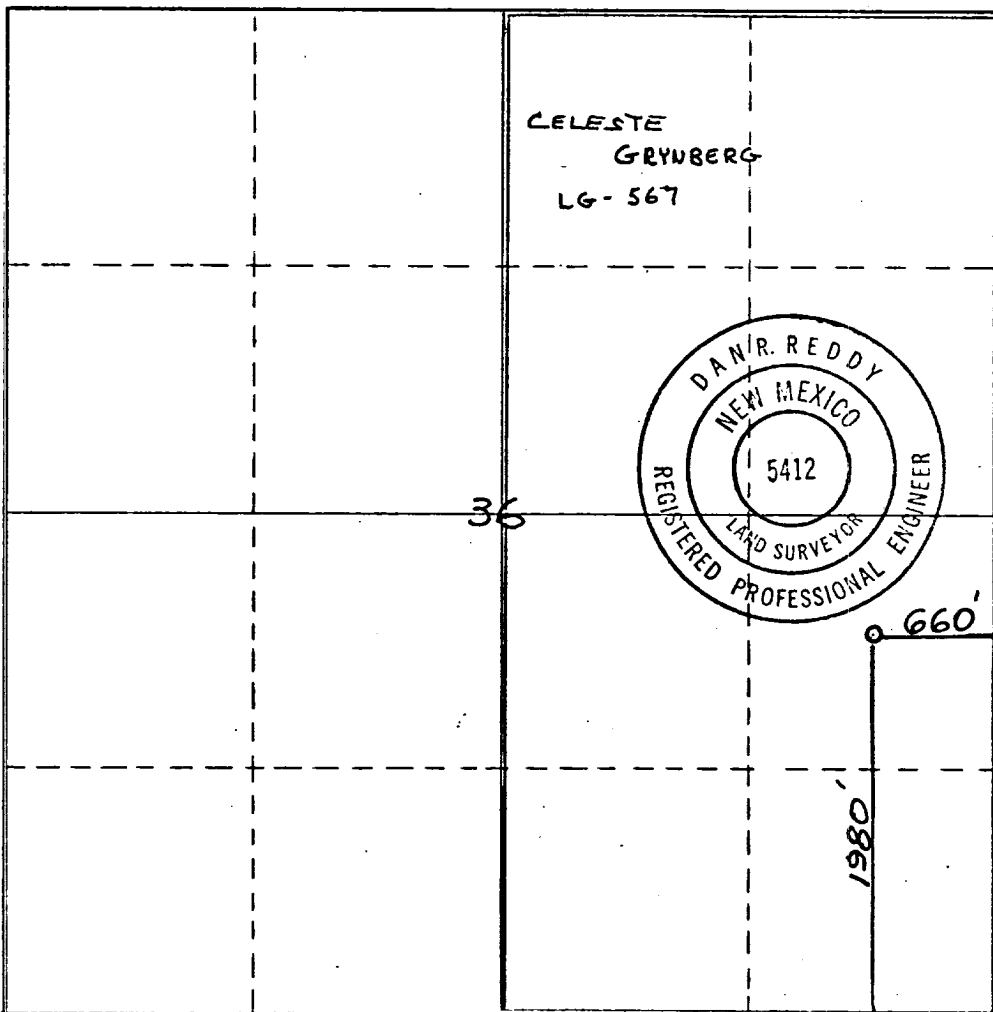
Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>Grynberg LZ State</b>		Well No. <b>1</b>
Unit Letter <b>I</b>	Section <b>36</b>	Township <b>5 South</b>	Range <b>24 East</b>	County <b>Chaves</b>
Actual Footage Location of Well: <b>660</b> feet from the <b>East</b> line and <b>1980</b> feet from the <b>South</b> line				
Ground Level Elev. <b>3867.6</b>	Producing Formation <b>PEUN</b>	Pool <b>WILDEAT</b>	Dedicated Acreage: <b>320</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 \_\_\_\_\_

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 Commission.



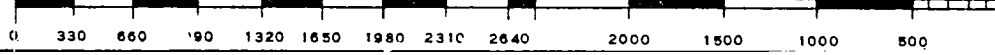
CERTIFICATION

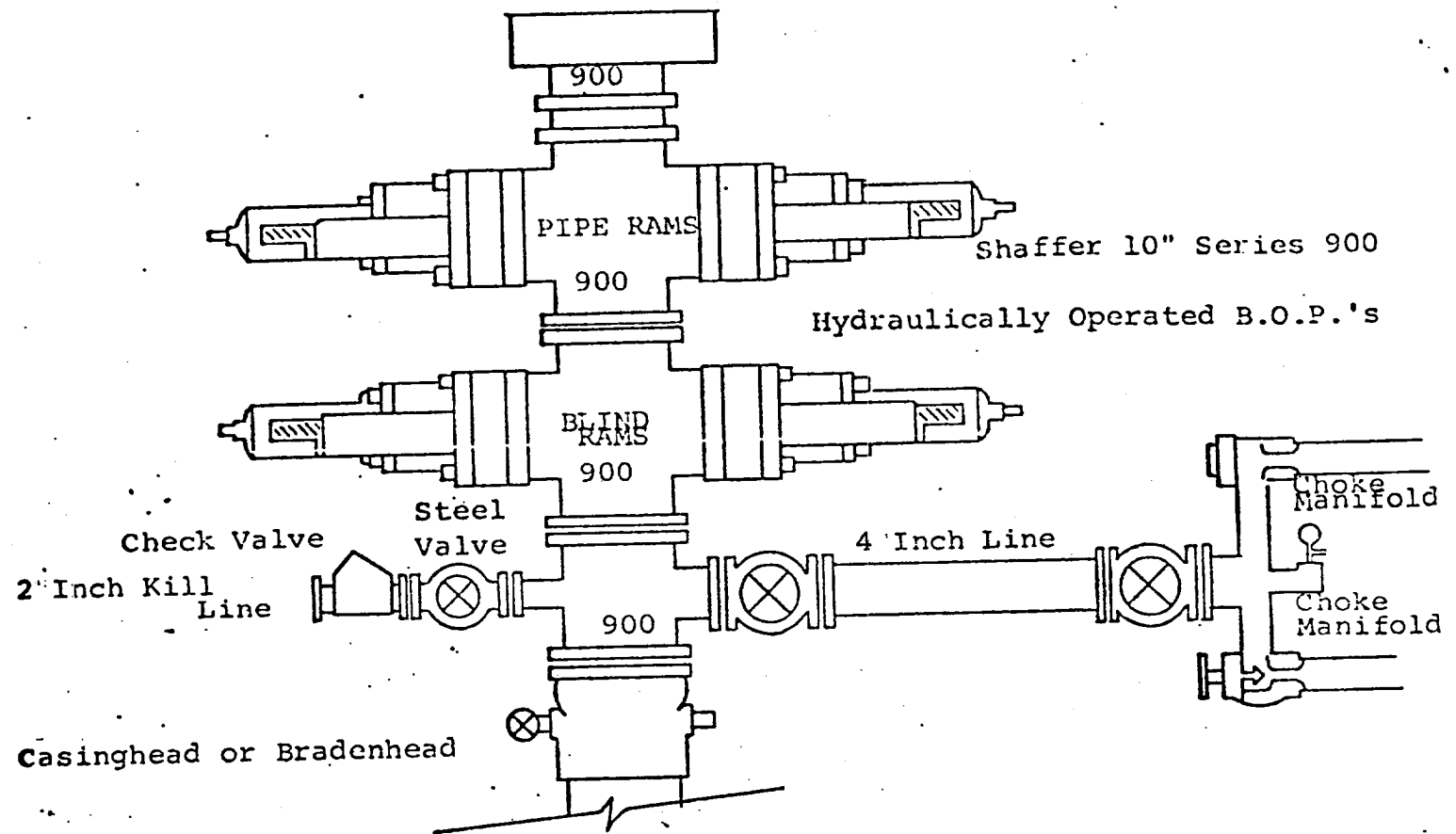
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Gliserio Rodriguez*  
Name  
**GLISERIO RODRIGUEZ**  
Position  
**GEOGRAPHER**  
Company  
**YATES PETROLEUM CORP.**  
Date  
**10-11-79**

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  
**Oct. 5, 1979**  
Registered Professional Engineer and/or Land Surveyor  
*Dan R. Reddy*  
Certificate No.  
**NM PE&LS #5412**





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS.

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" 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. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.