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Form C-101  
 Revised 10-1-78

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P. O. BOX 2088  
 SANTA FE, NEW MEXICO 87501

FEB 10 1982

O. C. D.  
 ARTESIA, OFFICE

5A. Indicate Type of Lease  
 STATE  FEE

5. State Oil & Gas Lease No.  
 LG-2621

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

Type of Well DRILL  DEEPEN  PLUG BACK   
 OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

Name of Operator

Yates Petroleum Corporation

Address of Operator

207 S. 4th, Artesia, New Mexico 88210

Location of Well

UNIT LETTER D LOCATED 660 FEET FROM THE North LINE  
 660 FEET FROM THE West LINE OF SEC. 32 TWP. 8 RGE. 26 NMPM

7. Unit Agreement Name

8. Farm or Lease Name

Thunderhead "TD" State

9. Well No.

1

10. Field and Pool, or Wildcat

Undesignated Abo

12. County

Chaves

Elevations (Show whether DF, RT, etc.)

3733.6 GL

21A. Kind & Status Plug. Bond

Blanket

21B. Drilling Contractor

LaRue Drilling

19A. Formation

Abo

20. Rotary or C.T.

Rotary

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   |
|--------------|------------------|-----------------|---------------|-----------------|------------|
| 15"          | 10 3/4"          | 40.5# J-55      | 1200'         | 1000 sx         | circulated |
| 7 7/8"       | 4 1/2" or 5 1/2" | 10.5# or 15.5#  | TD            | 350 sx          |            |

We propose to drill and test the Abo and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation) 8 5/8" intermediate casing will be run to approximately 2000' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM 3000', Brine to 4000', Brine & KCL water to TD, MW 10-10.2.

BOP PROGRAM: BOP's will be installed at approximately 2000' and tested daily.

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS  
 PERMIT EXPIRES 8-11-82  
 UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION 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] Title Operations Manager

Date 2/10/82

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTION

DATE 2-11-82

CONDITIONS OF APPROVAL, IF ANY:

POST ID-1  
 APR 11 1982  
 2-12-82

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedees C-100  
Effective 1-1-82

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

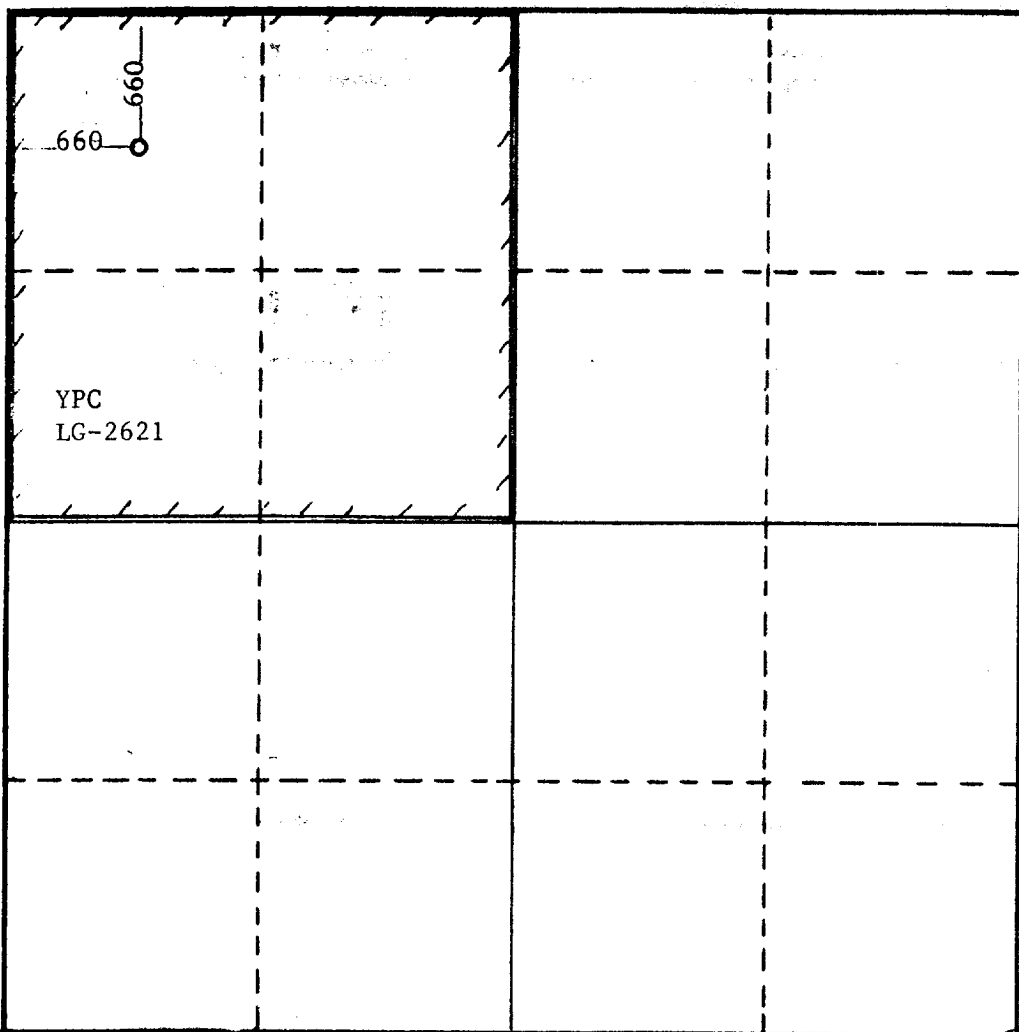
|  |                            |                                 |                          |                  |                          |
|--|----------------------------|---------------------------------|--------------------------|------------------|--------------------------|
| Operator<br>Yates Petroleum Corporation  |                            | Lease<br>Thunderhead "TD" State |                          |                  | Well No.<br>1            |
| Unit Letter<br>D   | Section<br>32              | Township<br>8S                  | Range<br>26E             | County<br>Chaves |                          |
| Actual Footage Location of Well:<br>660 feet from the North line and 660 feet from the West line |                            |                                 |                          |                  |                          |
| Ground Level Elev.<br>3733.6 GL  | Producing Formation<br>Abo |                                 | Pool<br>Undesignated Abo |                  | Dedicated Acreage<br>160 |

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 \_\_\_\_\_

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.

*[Signature]*  
Name

Mike Slater

Position

Operations Manager

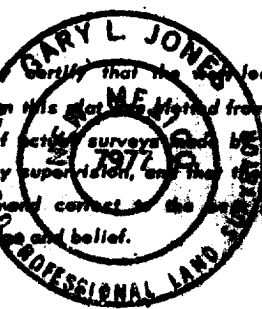
Company

Yates Petroleum Corporation

Date

2/10/82

I hereby certify that the location shown on this plat was obtained 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

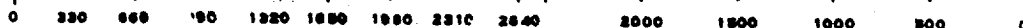
February 5, 1982

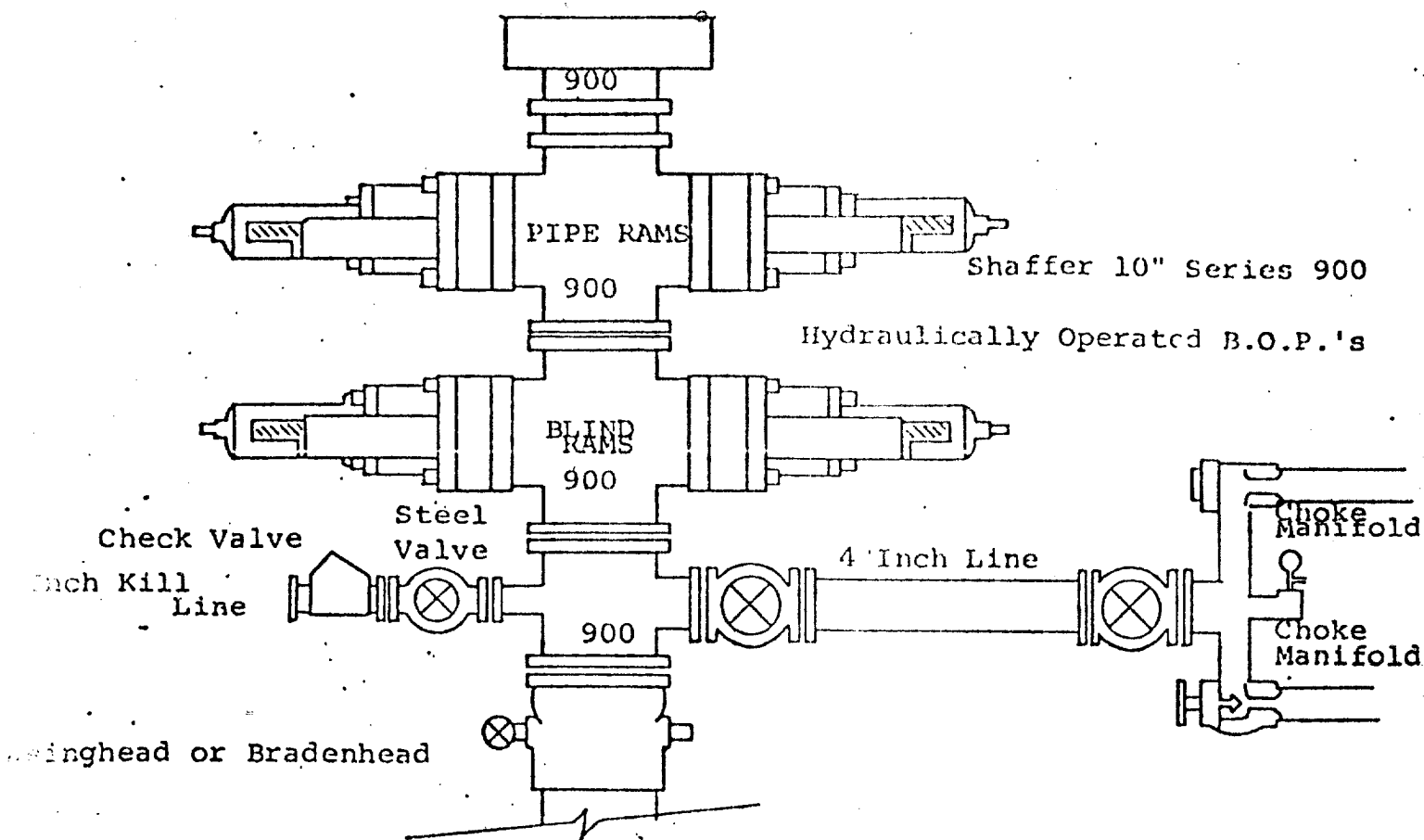
Registered Professional Engineer and/or Land Surveyor

*[Signature]*

Certificate No.

7977





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.