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RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

30-015-21892
Form C-101
Revised 1-1-65

AUG 20 1976

O. C. C.
ARTESIA, OFFICE

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|--|--|---|
| 1a. Type of Work b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> 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"/> | | 7. Unit Agreement Name |
| 2. Name of Operator Yates Petroleum Corporation | | 8. Farm or Lease Name Gissler "AV" |
| 3. Address of Operator 207 South 4th Street - Artesia, NM 88210 | | 9. Well No. 15 |
| 4. Location of Well UNIT LETTER B LOCATED 330 FEET FROM THE North LINE AND 2310 FEET FROM THE East LINE OF SEC. 23 TWP. 17S RGE. 25E NMPM | | 10. Field and Pool, or Wildcat Eagle Creek S.A. |
| 12. County Eddy | | |
| 19. Proposed Depth approx. 1500' | 19A. Formation San Andres | 20. Rotary or C.T. Rotary |
| 21. Elevations (Show whether DF, RT, etc.) 3485' GR | 21A. Kind & Status Plug. Bond Blanket | 21B. Drilling Contractor Byrd Drilling Co. |
| | | 22. Approx. Date Work will start As soon as approved |

23. 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" | 32# | Approx. 300' | Circulate | |
| 9-7/8" | 7" | 20# | " 1180' | Circulate | |
| 6 1/4" | 4 1/2" & 5 1/2" | 10.5# & 15.5# | " 1500' | 175 sacks | |

Propose to drill a San Andres test. Approximately 300' of 10-3/4" casing will be run and cemented to the surface to shut off surface gravel and casing, and 7" casing will be run 100' below the Artesian Zone, cemented to the surface. A tapered oil string will be run and cemented, perforated and Sand Frac'd for production.

Mud Program: - Fresh water mud w/LCM from surface to 1180', fresh water to total depth.

BOP Program: - BOP's to be installed on 7" casing and tested daily for operational.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 11-23-76

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 Christine Tombrun Title Geol. Secty Date 8-19-76

(This space for State Use)

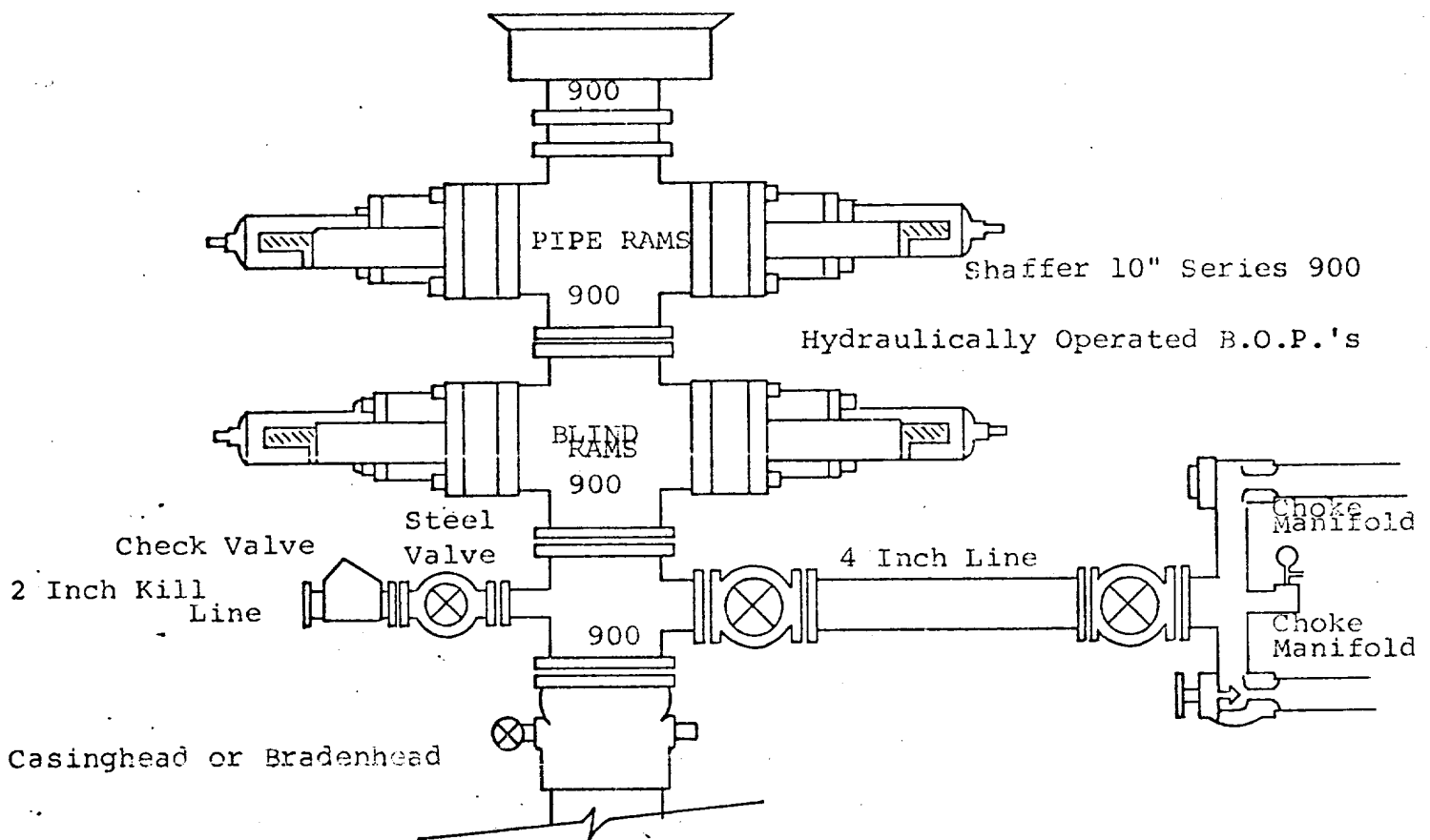
APPROVED BY W. A. Gussert TITLE SUPERVISOR, DISTRICT II DATE AUG 23 1976

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to
surface behind 10 3/4" & 7" casing

Notify N.M.O.C.C. in sufficient
time to witness cementing
the 7" casing

| | | |
|--------------|----|--|
| T 17 S | 23 | Yates Petroleum Corp. |
| | | Date 8-19-76 |
| | | I hereby certify that the well location shown on this plot 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. <u>Eddie M. Walby</u> |
| | | Date Surveyed August 12 1976 |
| | | Registered Professional Engineer |



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.