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5A. Indicate Type of Lease  
STATE ☒ FEE ☐  
5. State Oil & Gas Lease No.  
LG-3726

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work  
DRILL ☒ DEEPEN ☐ PLUG BACK ☐  
b. Type of Well  
OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐  
c. Name of Operator  
Yates Petroleum Corporation  
d. Address of Operator  
105 South Fourth Street--Artesia, New Mexico 88210  
e. Location of Well  
UNIT LETTER E LOCATED 2310' FEET FROM THE North LINE  
NO 330' FEET FROM THE West LINE OF SEC. 16 TWP. 15S RGE. 35E NMPM  
19. Proposed Depth  
13,200'  
19A. Formation  
Austin Lime  
20. Rotary or C.T.  
Rotary  
21. Elevations (Show whether D.F., K.T., etc.)  
4019' GL  
21A. Kind & Status Plug. Bond  
Blanket  
21B. Drilling Contractor  
Undesignated  
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
17 1/2"	13 3/8"	48# H-40	450'	450 sacks	Circulate
12 1/4"	8 5/8"	32# J-55	4650'	1500 sacks	Circulate
7 7/8"	5 1/2"		TD	600 sacks	

We propose to drill and test teh Morrow and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut-off gravel and cavings. Intermediate casing will be set at approximately 4650' with cement circulated. If productive, 5 1/2" casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

Mud Program: Spud mud to 450', Native mud and oil to 4700', Fresh Water to 10,200', Fresh water get to TD.

BOP Program: BOP's to be installed on intermediate casing and tested daily.

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODC ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

ereby certify that the information above is true and complete to the best of my knowledge and belief.

igned Clifton R May Title Regulatory Agent Date 7-23-86

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

PROVED BY DISTRICT 1 SUPERVISOR TITLE  DATE JUL 24 1986

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval  
Date Unless Drilling Underway.

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

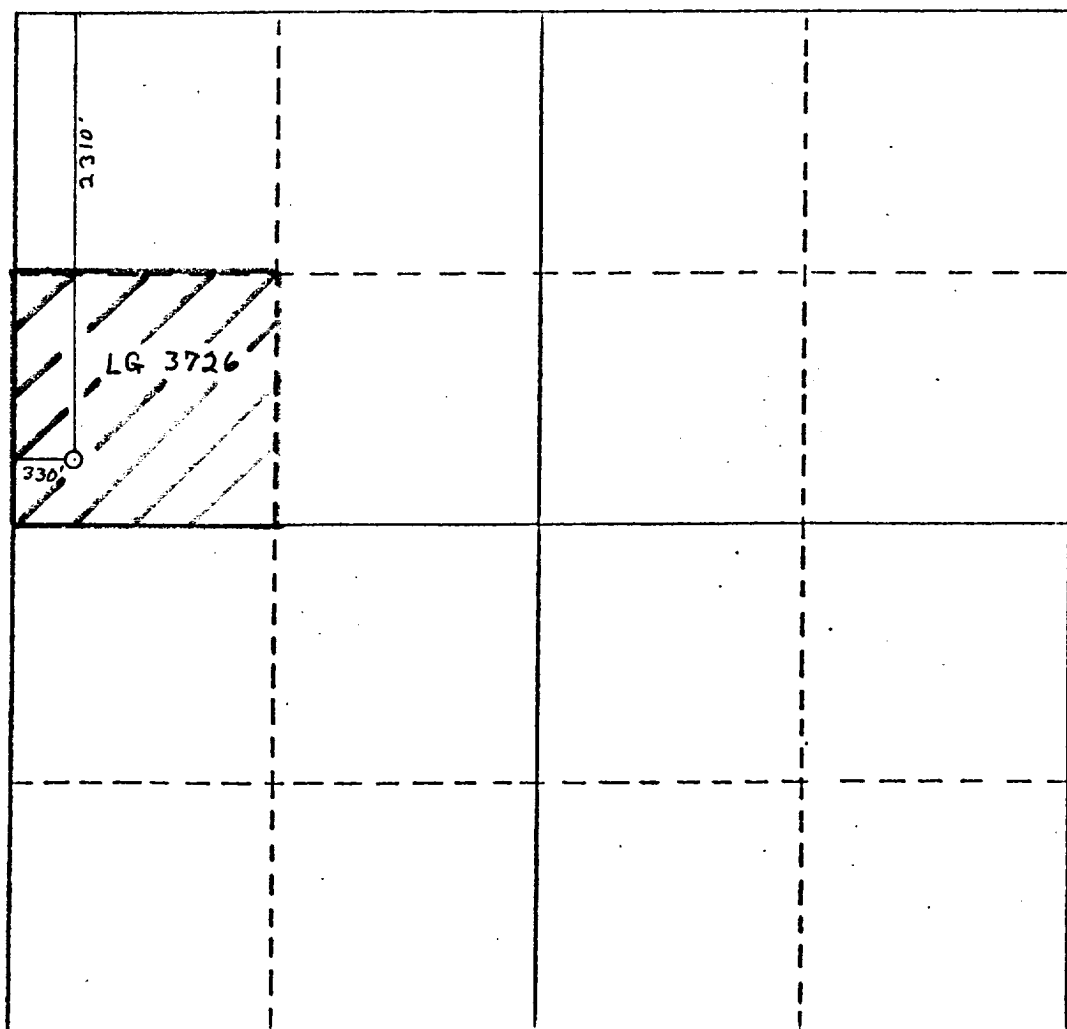
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Sandsage State Unit</b>		Well No. <b>1</b>
Unit Letter <b>E</b>	Section <b>16</b>	Township <b>15S</b>	Range <b>35E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>2310'</b> feet from the <b>North</b> line and <b>330'</b> feet from the <b>West</b> line					
Ground Level Elev. <b>4019' GL</b>	Producing Formation <b>MORROW</b>		Pool <b>WILDCAT</b>	Dedicated Acreage: <b>40</b> Acres	

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 **UNITIZATION** **R-8252**

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.

**Clifton R. May**

Name  
**Clifton R. May**

Position  
**Regulatory Agent**

Company  
**Yates Petroleum Corporation**

Date  
**July 23, 1986**

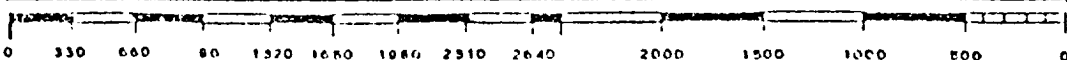
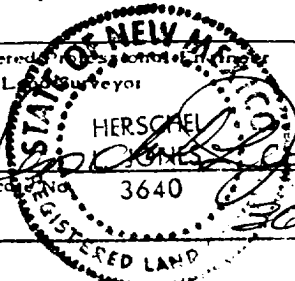
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

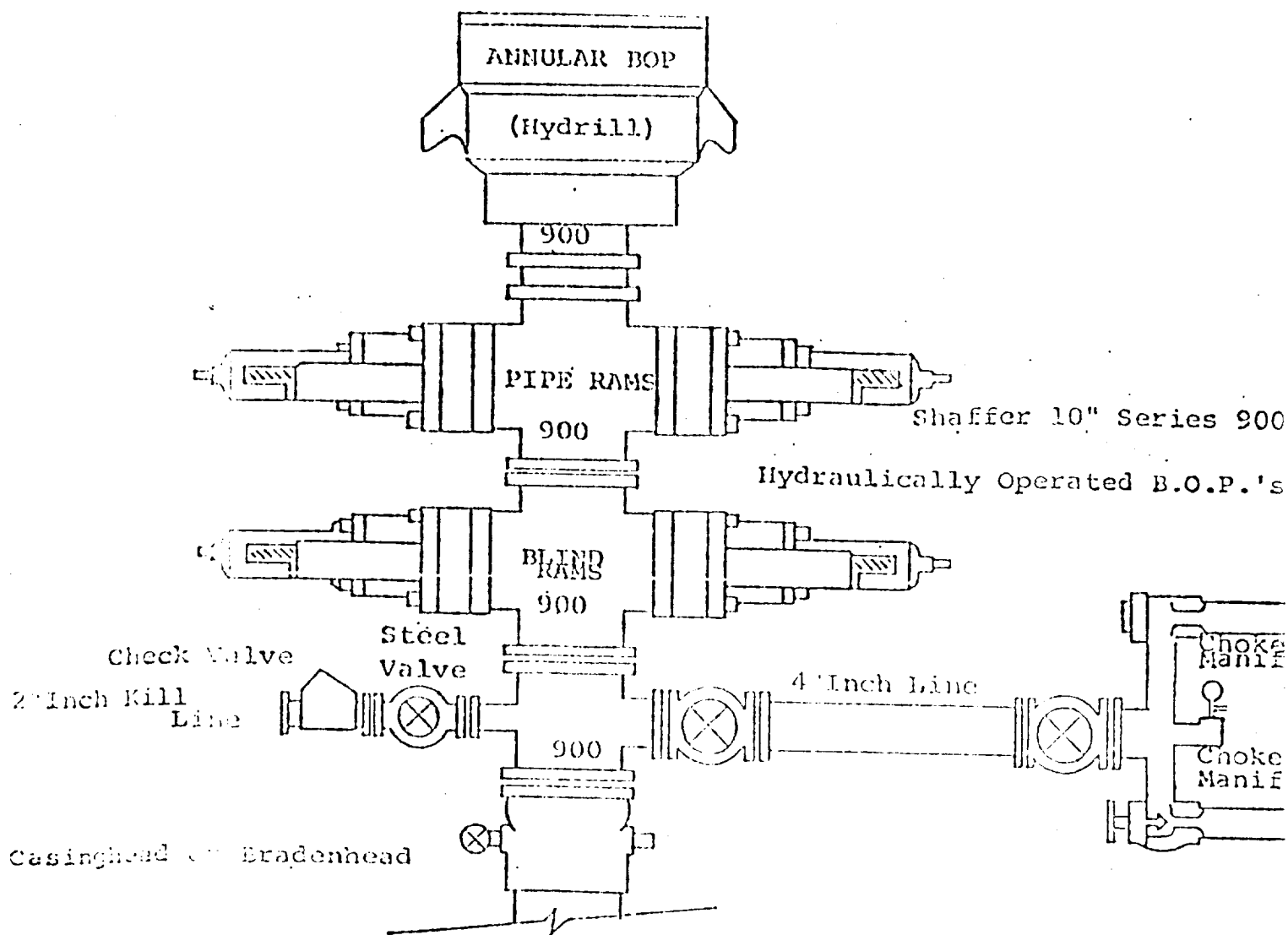
**July 22, 1986**

Date Surveyed

Registered Professional Engineer and/or Licensed Surveyor

**HERSCHEL JONES**  
Certified No. **3640**





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.
10. D. P. float must be installed and used below zone of first gas intrusion.

REC-15-87

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