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NEW MEXICO OIL CONSERVATION COMMISSION
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APR 14 1980

O. C. D.

30-005-6701

Form C-101
Revised 1-1-65

| |
|--|
| 5A. Indicate Type of Lease |
| STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| 5. State Oil & Gas Lease No. |
| LG-4340 |

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | | |
|--|--|--|----------------------------|
| 1a. Type of Work | | 7. Unit Agreement Name | |
| b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 8. Farm or Lease Name Selman Draw ^{NS} 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 | |
| 4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE OF SEC. 9 TWP. 7S RGE. 24E NMPM | | 12. County Chaves | |
| 21. Elevations (Show whether DF, RT, etc.) 3923.5 | | 19. Proposed Depth approx. 4060 | 19A. Formation Wolfcamp |
| 21A. Kind & Status Plug. Bond Blanket | 21B. Drilling Contractor LaRue Drilling | 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 |
|--------------|----------------|-----------------------------|---------------|-----------------|-----------|
| 17½" | 13 3/8" | 48# | approx. 450' | 330 | circulate |
| 12½" | 8 5/8" | 24# | approx. 1500' | 950 | circulate |
| 7 7/8" | 4½ or 5½" | 10.5 - 11.6# or 14-15.5# | 4060' | 250 | |

We propose to drill and test the Wolfcamp and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off cavings. If commercial 5½ or 4½" production casing will be run and cemented with adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1500', FW to 3300', salt gel, flosal-driskak KCL to TD.

BOP PROGRAM: BOP's will be installed on 8 5/8" casing and tested daily.

GAS NOT DEDICATED.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 7-17-80

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 Glenn R. Redding Title Geographer Date 4/10/80

(This space for State Use)

APPROVED BY W.A. Gressett TITLE SUPERVISOR, DISTRICT II DATE APR 17 1980

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient
time to witness cementing
the 8 5/8" casing

earlier before 13 3/8" + 8 5/8"

NE 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 Yates Petroleum Corporation | | | Lease Selman Draw ^{NS} State | | Well No. 1 |
| Unit Letter J | Section 9 | Township 7 South | Range 24 East | County Chaves | |
| Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line | | | | | |
| Ground Level Elev. 3923.5 | Producing Formation WOLF CAMP | Pool WILDCAT | | Dedicated Acreage: 320 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?

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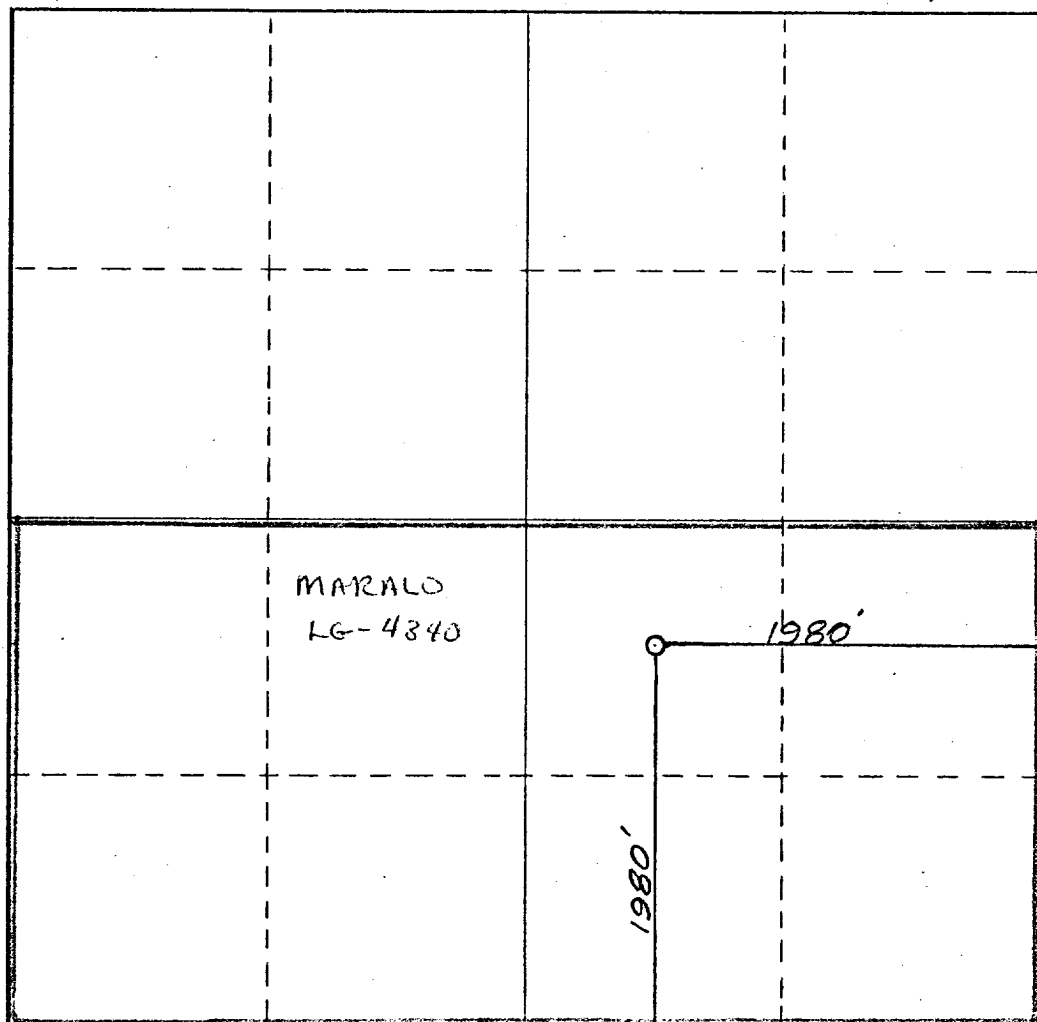
O.C.D.

ADJUTANT OFFICE

☐ 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

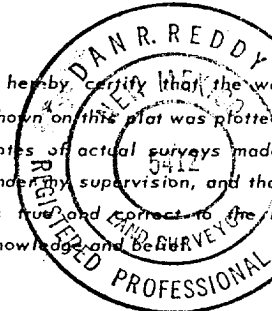
Company

YATES PETROLEUM CORP

Date

4-10-80

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

Apr 4, 1980

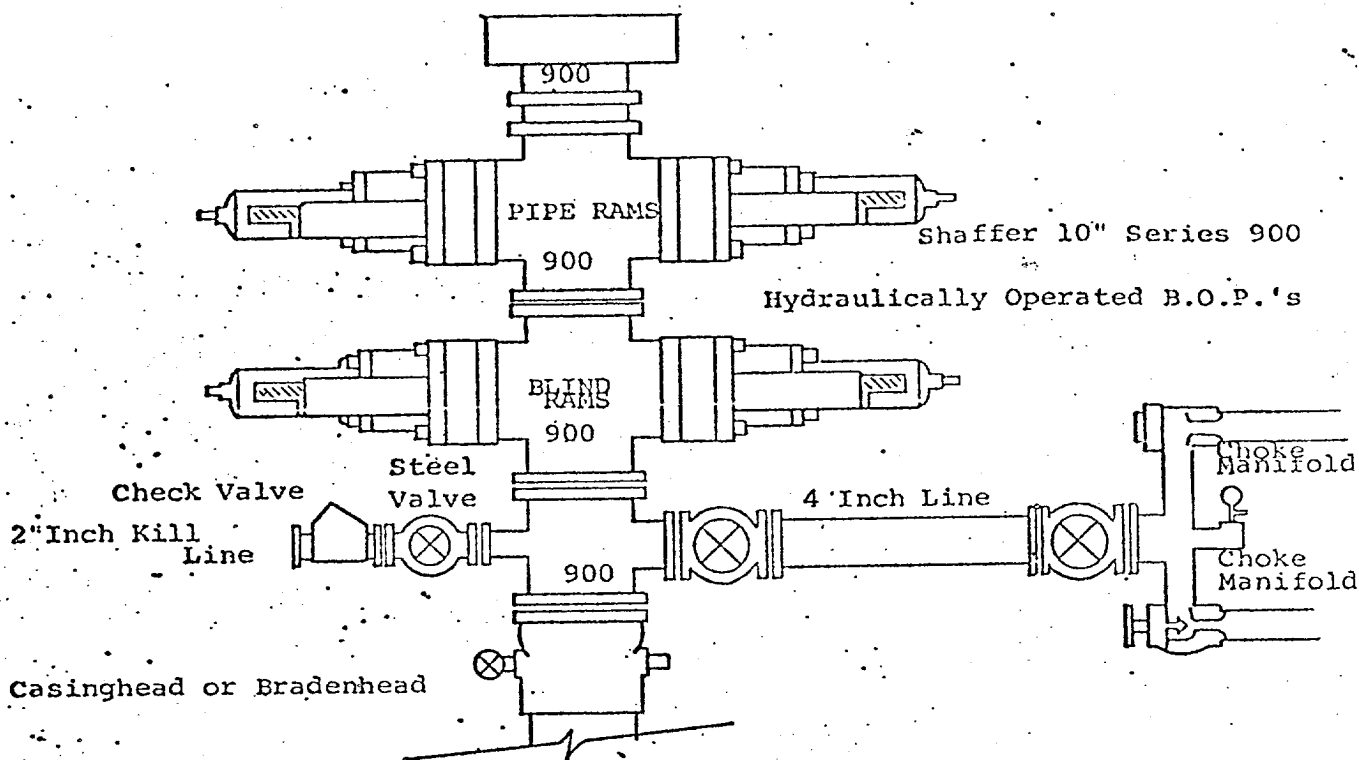
Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

NMPE&LS #5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



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.