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NEW MEXICO OIL CONSERVATION COMMISSION

MAY 15 1980

O. C. D.
ARTESIA, OFFICE

30-005-60714

Form C-101
Revised 11-1-65

5A. Indicate Type of Lease	STATE <input checked="" type="checkbox"/>	FREE <input type="checkbox"/>
5. State Oil & Gas Lease No.	LG 4347	

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 West Dixon NX 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 E LOCATED 1980 FEET FROM THE North LINE AND 660 FEET FROM THE West LINE OF SEC. 27 TWP. 7S RGE. 24E NMPM		12. County Chaves	
16. Proposed Depth Approx. 5300'		16A. Formation Penn	
21. Elevations (Show whether DF, RT, etc.) 3697.0		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
17 1/2"	13 3/8"	48#	approx. 450'	500	circulate
12 1/4"	8 5/8"	24#	approx. 1500'	650	circulate
7 7/8"	4 1/2" or 5 1/2"	10.5 - 11.6# or 14-15.5#	5300'	350	

We propose to drill and test the Penn and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off cavings; 8 5/8" casing will be run 100' below the water zones and cemented to surface. If commercial 5 1/2" or 4 1/2" 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-driskpak 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 8-19-80

POSTED
5-19-80
APR 19 1980
ID-1

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 Johnny A. Lopez Title Regulatory Coordinator Date May 15, 1980

(This space for State Use)

APPROVED BY W.A. Gussert TITLE SUPERVISOR, DISTRICT II DATE MAY 19 1980

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to surface behind 13 3/8" & 8 5/8" casing

Not to be drilled in sufficient time to allow cementing 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.

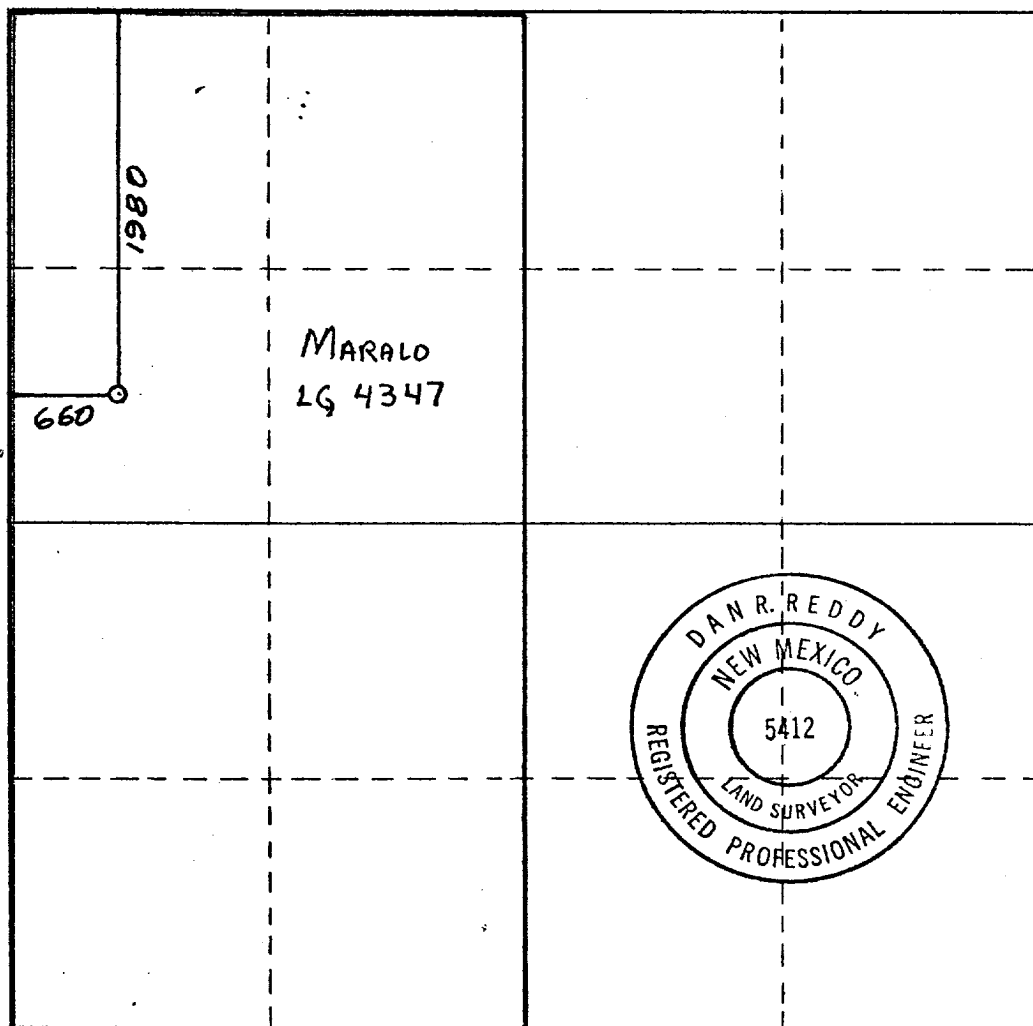
Operator YATES PETROLEUM CORPORATION			Lease West Dixon NX State		Well No. 1
Unit Letter E	Section 27	Township 7 South	Range 24 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line					
Ground Level Elev: 3697.0	Producing Formation PENN		Pool 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?

☐ 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.

Johnny A. Lopez
Name

JOHNNY A. LOPEZ

Position
REGULATORY COORDINATOR

Company
YATES PETROLEUM CORPORATION

Date
5/15/80

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.

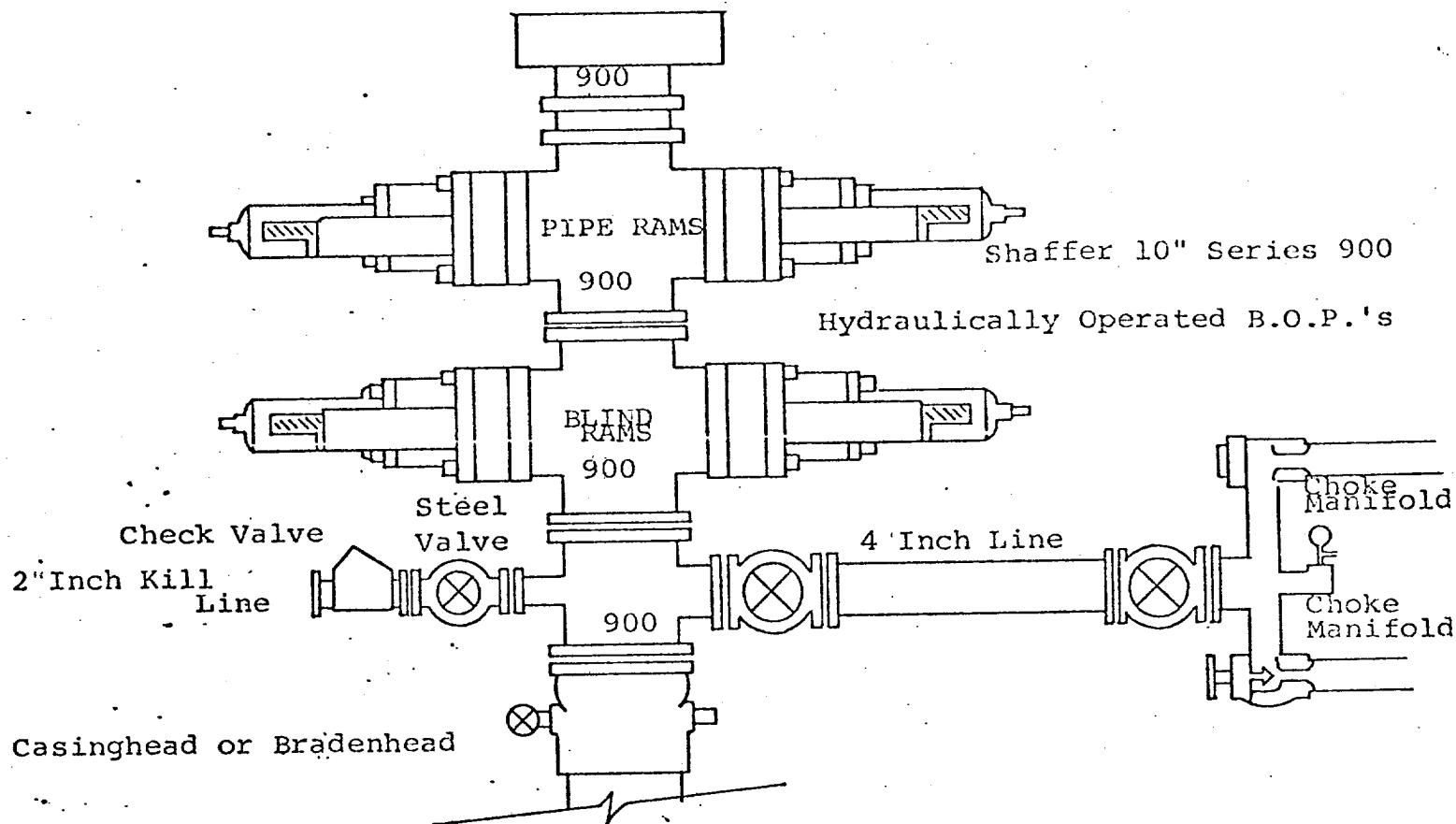
Date Surveyed
May 11, 1980

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&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.