

S. P. YATES PRESIDENT MARTIN YATES. III VICE PRESIDENT JOHN A. YATES VICE PRESIDENT B. W. HARPER SEC. TREAS.

207 SOUTH FOURTH STREET ARTESIA. NEW MEXICO 88210 TELEPHONE (503) 746-3558

TELEPHONE (505) 746.3558 September 12, 1980 Mr. W. A. Gressett, District Supervisor New Mexico Oil Conservation Division Drawer DD Artesia, New Mexico 88210

Re: Gas Blowout on Nine Mile "OB" State No. 1 Unit F, Section 32-14S-28E, Chaves County

Dear Sir:

About 5:00 p.m. on September 2, 1980, the Contractor, Capitan Drilling Company, Rig 14, reported a drilling break at 1649-1654' and that the well was unloading drilling water and gas. The rig motors were killed immediately and the standby pump hooked up to continue circulating the hole. Brine was hauled to location but only slowed down the blowout.

During the night a rotating head rubber was located and installed on the drill pipe and lowered into the flow nipple thereby diverting the well effluent to the working pits. Meanwhile heavy mud was mixed (with barite) bringing mud weight to 10.8 ppg and the well was drilled down to 1698', 8-5/8" casing run and cemented.

It is not known how much gas was flared except that a hazardous condition did exist for a time, but the well was contained and the gas flow was successfully shut off. The 10.8 ppg mud restrained the flow but did not shut it off.

Sincerely yours,

YATES PETROLEUM CORPORATION

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Eddie Mahfood, Engineer

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