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P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

OCT 22 1981

O. C. D.  
ARTESIA, OFFICE

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

DRILL ☒DEEPEN ☐PLUG BACK ☐

Type of Well

OIL ☐GAS WELL ☒

OTHER

SINGLE ZONE ☐MULTIPLE ZONE ☐

Name of Operator

Yates Petroleum Corporation

Address of Operator

207 S. 4th Street, Artesia, NM 88210

Location of Well

UNIT LETTER H

LOCATED 1980

FEET FROM THE North LINE

660

FEET FROM THE

East

LINE OF SEC. 32

TWP. 5s

RGE. 25e

NMPM

17. County

Chaves

19. Proposed Depth

Approx. 4500'

19A. Formation

Abo

20. Rotary or C.T.

Rotary

Reservoirs (Show whether DF, KT, etc.)

3773.7 GL

21A. Kind &amp; Status Plug. Bond

Blanket

21B. Drilling Contractor

LaRue #1

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
15"	10 3/4"	40.5# J-55	Approx. 975'	800 sx.	circulated
7 5/8" or 6 1/4"	4 1/2" or 5 1/2"	10.5# or 15.5#	TD	350 sx.	

We propose to drill and test the Abo and intermediate formations. Approximately 975' of surface casing will be set and cement circulated to shut off gravel and casing. If needed (first circulation) 7 5/8" intermediate casing will be run to 1650' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

CEMENT PROGRAM: FW gel and LCM, 1650' Brine to 3500', Brine & KCL water to TD, MW 10-10.2.

LOG PROGRAM: BOP's will be installed at approximately 1650' and tested daily.

WELLS NOT DEDICATED:

APPROVAL VALID FOR 180 DAYS  
PERMIT EXPIRES 4-26-82  
UNLESS DRILLING UNDERWAY

BEFORE SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION 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.

*Mark R. K...*  
(This space for State Use)

Title Regulatory Manager

Date 10-19-81

RECEIVED BY

*W. A. Gressett*

TITLE

SUPERVISOR, DISTRICT II

DATE

OCT 26 1981

REVISIONS OF APPROVAL, IF ANY:

Posted ID-1  
API + NL Book  
10-30-81

**NEW 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.

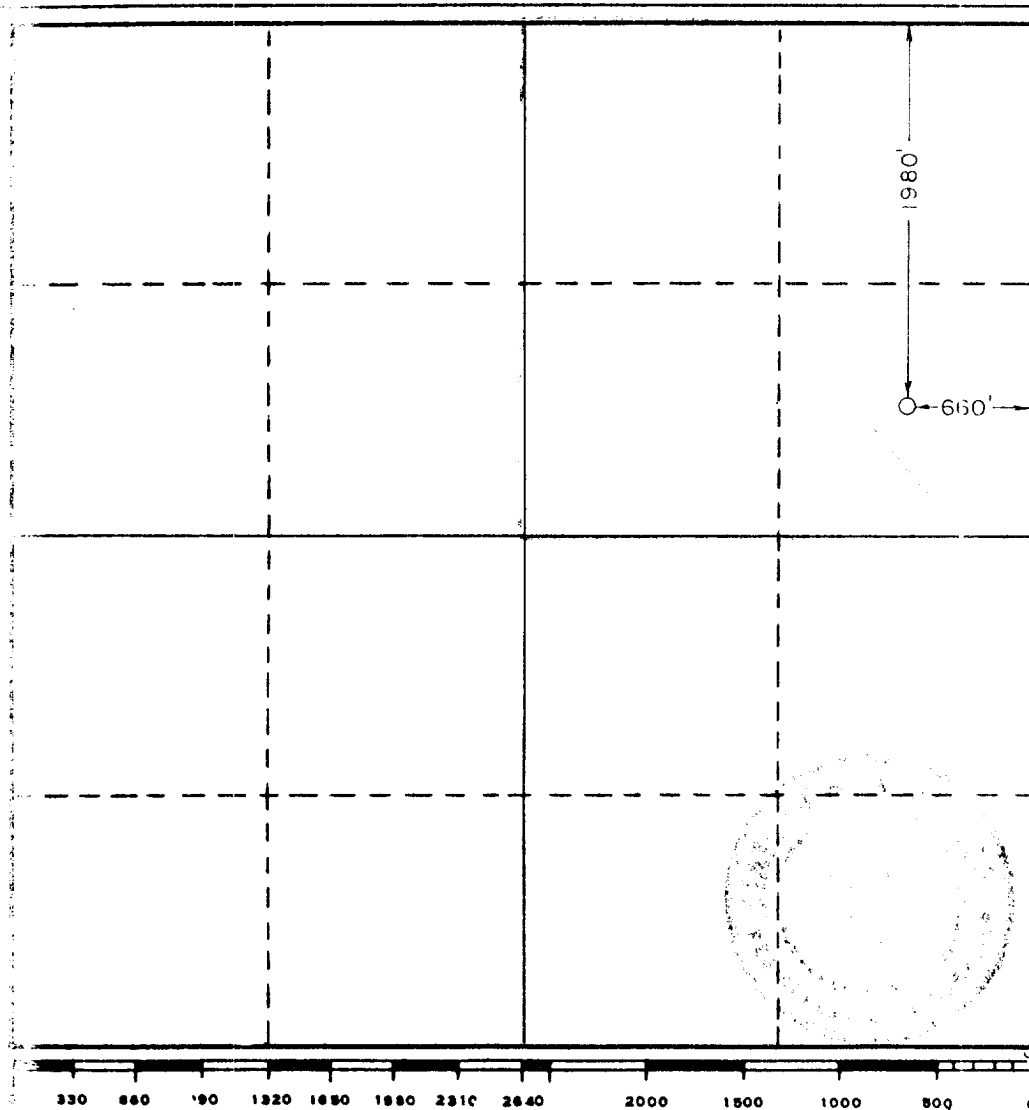
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Dec 00 State</b>		Well No. <b>3</b>
Well Letter <b>H</b>	Section <b>32</b>	Township <b>5 South</b>	Range <b>25 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well:					
<b>1980</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>East</b> line					
Sound Level Elev. <b>3773.7</b>	Producing Formation <b>Uco</b>	Pool <b>Uco</b>	Dedicated Acreage:  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 \_\_\_\_\_

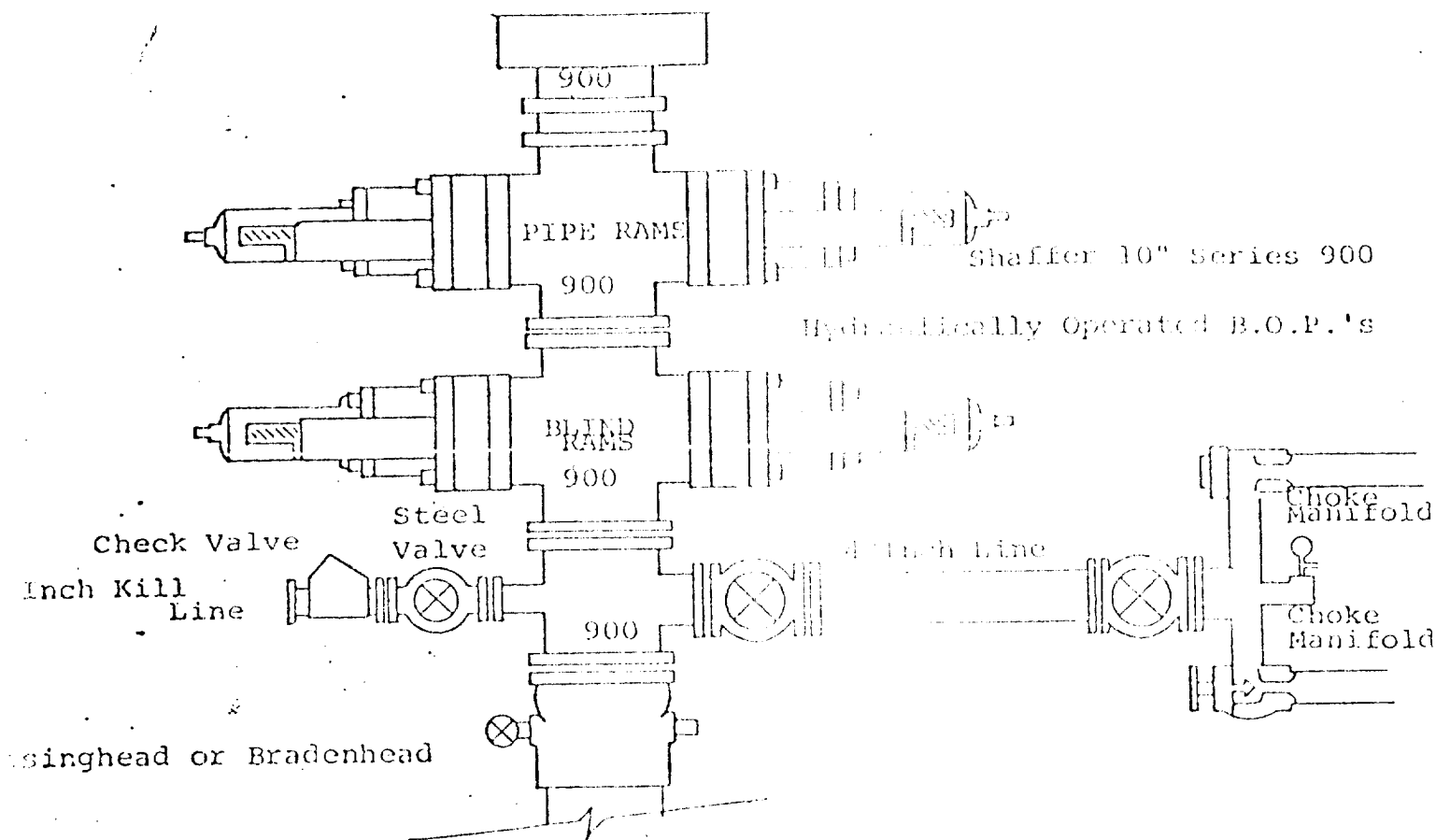
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

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.



<b>CERTIFICATION</b>	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	<i>[Signature]</i>
Position	<i>[Signature]</i>
Company	<i>[Signature]</i>
Date	<i>[Signature]</i>
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	<b>October 13, 1981</b>
Registered Professional Engineer and/or Land Surveyor	
<i>[Signature]</i>	
Certificate No.	<b>3640</b>

# EXHIBIT B



## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 4" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- D. P. float must be installed and used below zone of first gas intrusion.