YATES PETROLEUM CORPORATION
YATES BUILDING – 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO – 88210

February 20, 1975

Mr. W. A. Gressett, Supervisor
New Mexico Oil Conservation Commission
Drawer DD, Artesia, New Mexico 88210

RE: Drilling Well Blowout,
Marco Polo "EA" State No. 1
Section 32-T16S-R30E
Eddy Undesiginated

Dear Sir:

The Marco Polo "EA" State #1 reached TD (11025') on February 8, 1975. The Morrow Sand had been penetrated two days previous with mud weight of 8.9 lbs/gallon or an estimated 600 psi overbalanced in the Morrow and 1000 psi overbalanced in Wolfcamp pay.

At 5:30 a.m. February 9, 1975, while Schlumberger was logging at approximately 8700', the well was observed to be overflowing and "30 seconds later was blowing mud to the crown", according to Schlumberger Engineer, Bill Marble. Both the morning tower driller and the Schlumberger crew have testified that the hole was full prior to and during the logging procedure. All heaters were extinguisned, all motors killed immediately, and the area evacuated. The undersigned was notified by Schlumberger via radio-telephone of the blowout, and arrived on location at about 6:30 a.m. The well was flowing considerable salt water and gas, and spewing rocks into the derrick.

Halliburton pump trucks and several loads of brine were moved onto location. Deputy Supervisor, Leland Mermis, was advised of the blowout. At 10:30 a.m. the BOP manifold was opened, an auxiliary air-compressor hooked up to the BOP's and the Blind Rams closed. The well was killed with 1100 barrels of brine. The radioactive logging tool was at the bottom of the hole, according to Bill Marble. No one was hurt and no fire resulted.

Today we have cleaned the hole through the Wolfcamp and are continuing to clean and fish for the logging tool.

Sincerely yours,

YATES PETROLEUM CORPORATION

Eddie M. Mahfood, Engineer