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NEW MEXICO OIL CONSERVATION COMMISSION

SEP - 8 1976

O. C. C.
ARTESIA, OFFICE

30-015-21905
Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name Peon "GK"
9. Well No. 1
10. Field and Pool, or Wildcat Atoka (S.A.) <i>Unit</i>
12. County Eddy
19. Proposed Depth Approx. 1800'
19A. Formation San Andres
20. Rotary or C.T. Rotary
21. Elevations (Show whether D.P., R.T., etc.) 3355' GR
21A. Kind & Status Plug Bond Blanket
21B. Drilling Contractor Byrd Drilling Co.
22. Approx. Date Work will start As soon as approved

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	2. Name of Operator Yates Petroleum Corporation ✓	3. Address of Operator 207 South 4th Street - Artesia, NM 88210	4. Location of Well UNIT LETTER <u>D</u> LOCATED <u>330</u> FEET FROM THE <u>North</u> LINE AND <u>330</u> FEET FROM THE <u>West</u> LINE OF SEC. <u>27</u> TWP. <u>18S</u> RGE. <u>26E</u> NMDM
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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"	32#	Approx. 400'	Circulate	
9-1/2"	7"	20#	1230'	Circulate	
6 1/4"	4 1/2" & 5 1/2"	9.5 & 15.5#	1800'	Circulate	

We propose to drill a San Andres test and if needed, will run approx. 400' of surface casing to shut off gravel and cavings. Intermediate casing will be set 100' below the Artesian zone and cement circulated. A tapered string of 4 1/2" and 5 1/2" production casing will be run and cemented to the surface, perforated and stimulated for production, if productive.

Mud Program: - FW gel & LCM to 1230', fresh water to TD.

BOP Program: - BOP's will be installed on the 7" casing and tested daily.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 12-10-76

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 Christine Tomlinson Title Geol. Secty Date 9-8-76

(This space for State Use)

APPROVED BY W. A. Grossett TITLE SUPERVISOR, DISTRICT II DATE SEP 9 1976

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to
surface behind 10 3/4" & 7" casing

Notify N.M.O.C.C. in sufficient
time to witness cementing
the 7" casing

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.

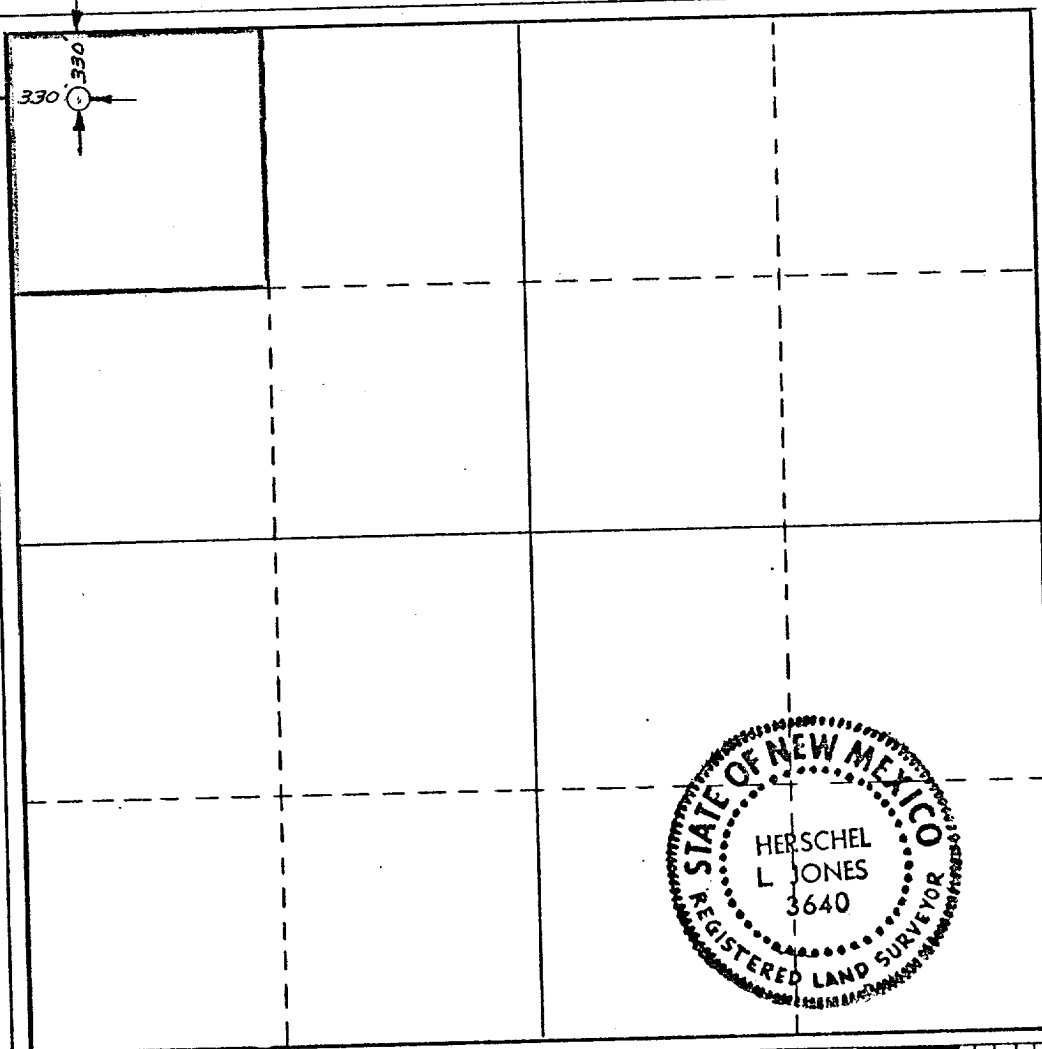
Operator YATES PETROLEUM CORPORATION		Lease Peon "GK"		Well No. 1
Unit Letter "D"	Section 27	Township 18 South	Range 26 East	County Eddy
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the West line				
Ground Level Elev. 3355	Producing Formation San Andres	Pool Atoka (S.A.)	Dedicated Acreage: 90 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.

Eddie M. Mahfood
Name

Eddie M. Mahfood

Position
Engineer

Company
Yates Pet. Corporation

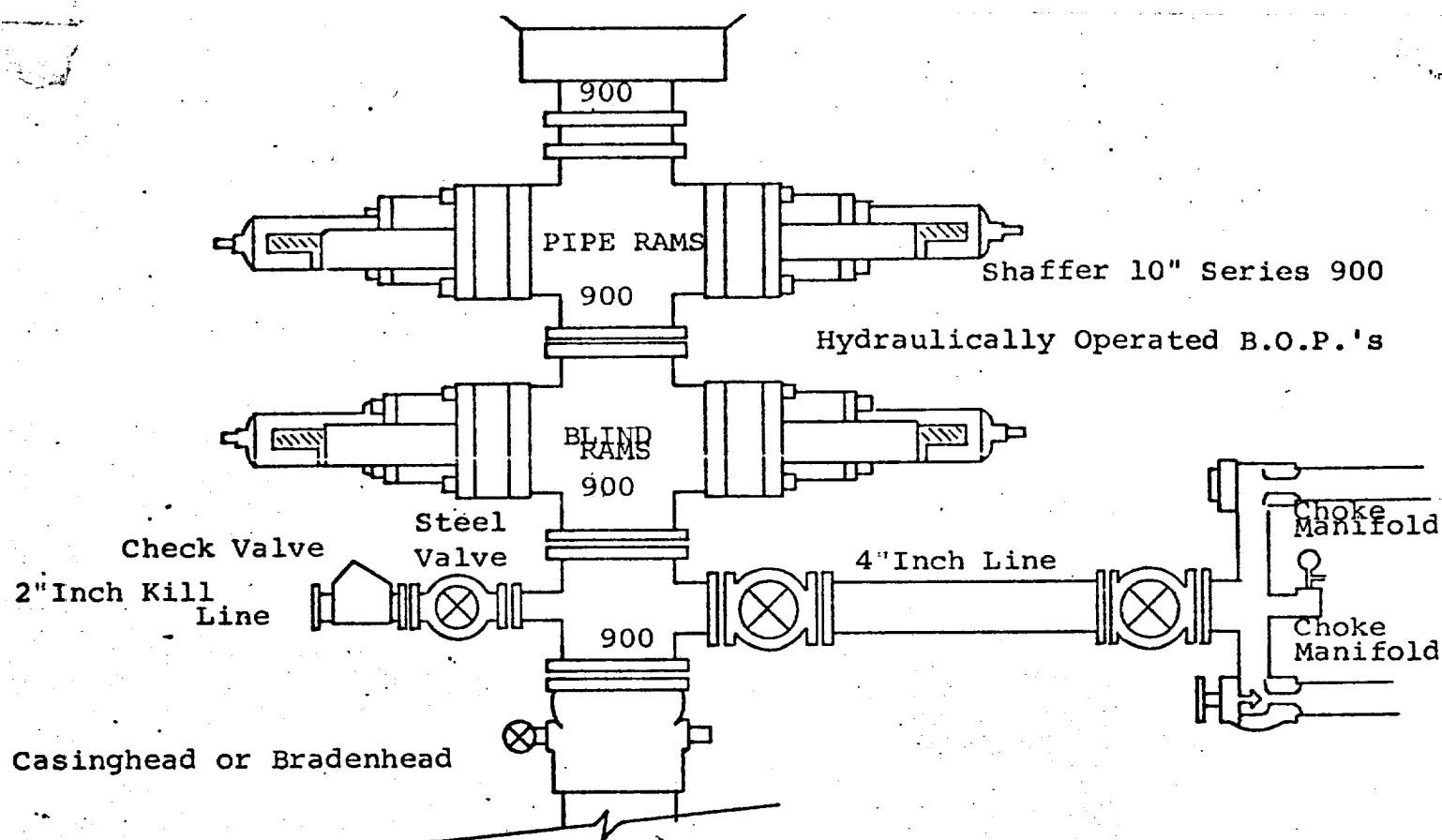
Date
9-8-76

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 September 4, 1976

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No. 3640



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.