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NEW MEXICO OIL CONSERVATION COMMISSION

SEP 26 1977

O. C. C.
ARTESIA, OFFICE

30-015-22306
Form C-101
Revised 1-1-55

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
1a. Type of Work b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		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 Yates IQ 9. Well No. 1 10. Field and Pool, or Wildcat - Undesignated Penasco Draw (Yates S - A)	
2. Name of Operator Yates Petroleum Corporation		12. County Eddy	
3. Address of Operator 207 South 4th Street - Artesia, NM 88210		19. Formation Yeso	
4. Location of Well UNIT LETTER E LOCATED 2310 FEET FROM THE North LINE AND 990 FEET FROM THE West LINE OF SEC. 28 T.18S R.26E S.40E		20. Rotary or C.T. Rotary	
21. Elevations (Show whether DE, RT, etc.) 3410 GR		21A. Kind & Material Plug, Bond Blanket	
21B. Drilling Contractor Verna Drilling Co.		22. Approx. Date Work will start As soon as approved	

PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
9-5/8"	7"	20#	Approx 1200'	550 sx - Circulate	
6 1/4"	4 1/2 & 5 1/2"	9.5 & 14#	" 3100'	175 sacks - Circulate	

Propose to drill and test the Yeso and San Andres Formations. Casing will be set 100' below the Artesian Water Zone and cement circulated. A tapered string of production casing will be run if productive (4 1/2 & 5 1/2") and cemented to the surface.

Mud Program: - F.W. Gel and LCM to casing point and fresh water to TD.

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

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 12-27-77

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 9-26-77

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE SEP 27 1977

CONDITIONS OF APPROVAL, IF ANY:
Cement must be circulated to surface behind 7" casing
Notify N.M.O.C.C. in sufficient time to witness cementing the 7" casing

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.

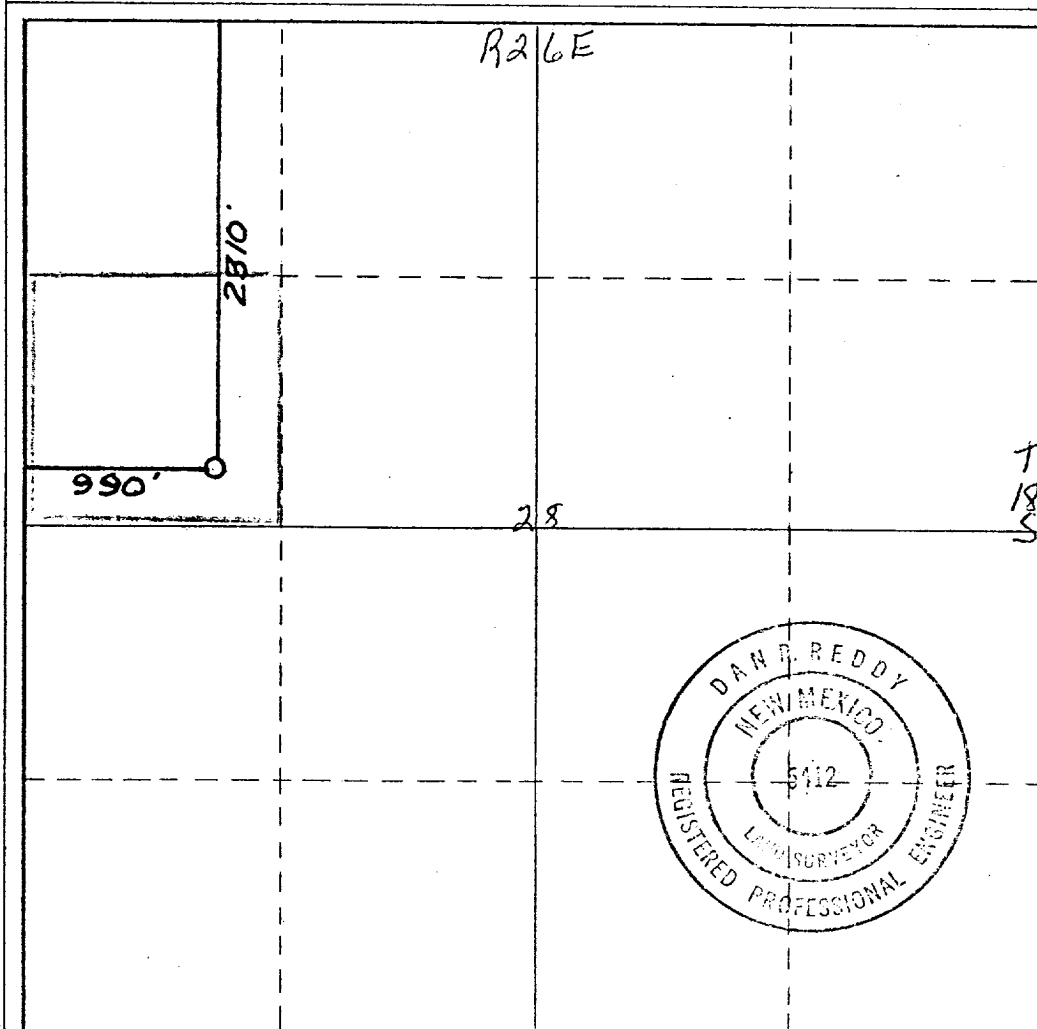
Operator YATES PETROLEUM CORPORATION			Lease YATES 1Q		Well No. 1
Unit Letter E	Section 28	Township 18 South	Range 26 East	County Eddy	
Actual Footage Location of Well: 2310 feet from the North line and 990 feet from the West line					
Ground Level Elev. 3410	Producing Formation Yeso	Pool Undesignated		Dedicated Acreage: 40 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 Petroleum Corp.

Date
9-26-77

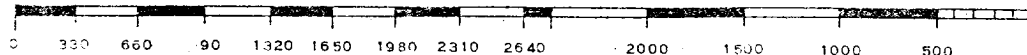
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

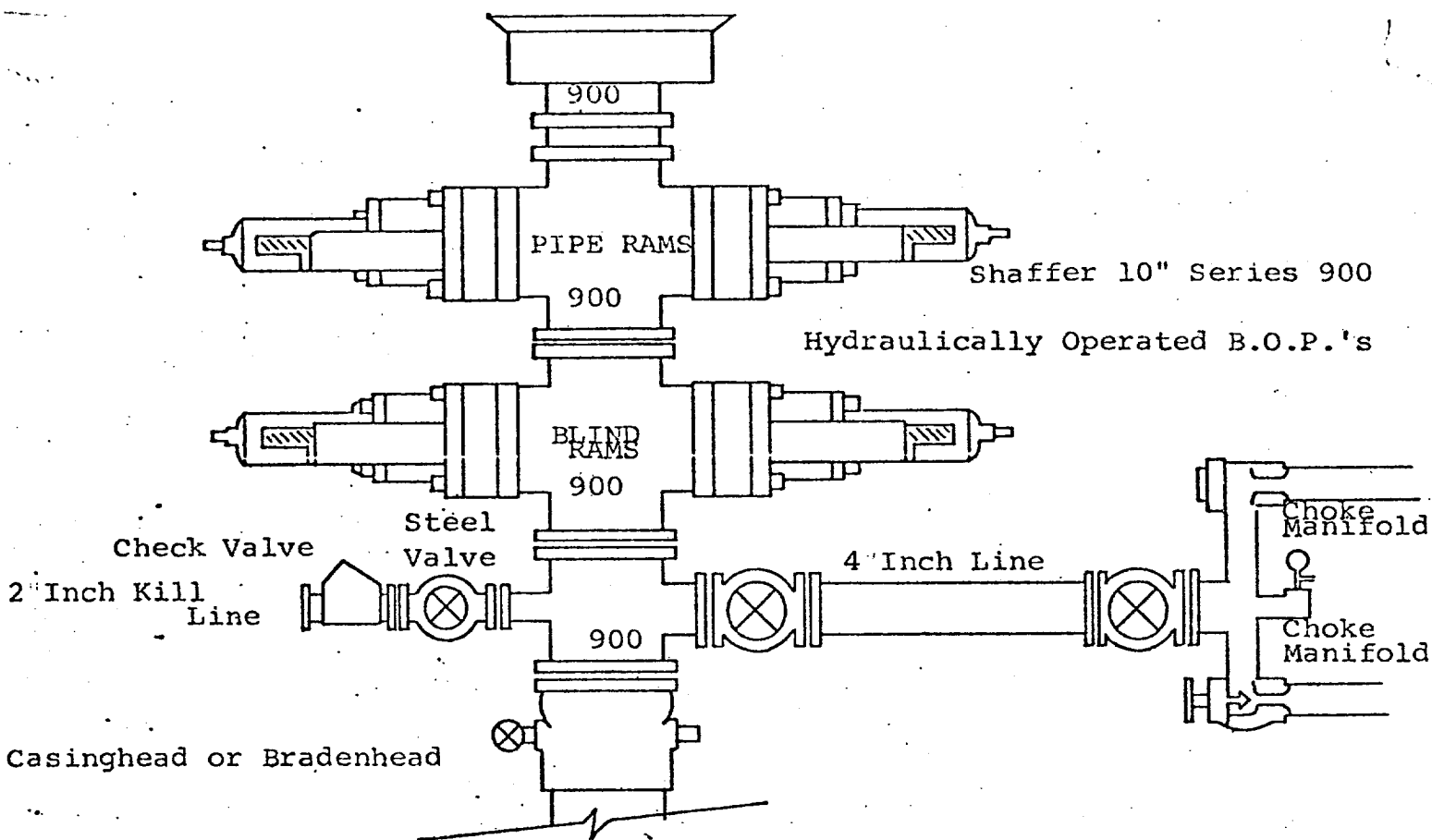
Date Surveyed
9/24/77

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.
N.M. PE&LS 5412





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.