NO. OF COPIES RECEIVED	6	
DISTRIBUTION		
SANTA FE	1	
FILE	1	✓
U.S.G.S.	2	
LAND OFFICE		
OPERATOR	2	

RECEIVED
AUG - 7 1978
O. C. C.
ARTESIA, OFFICE

30-015-22652

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5A. Indicate Type of Lease: STATE ☐ FEE ☒

5. State Oil & Gas Lease No.

1a. Type of Work

b. Type of Well: DRILL ☒ DEEPEN ☐ PLUG BACK ☐
OIL WELL ☐ GAS WELL ☒ OTHER SINGLE ZONE ☒ MULTIPLE ZONE ☐

7. Unit Agreement Name

8. Farm or Lease Name: Rio Penasco "JX" Com

2. Name of Operator: Yates Petroleum Corporation ✓

9. Well No.: 1

3. Address of Operator: 207 South 4th Street - Artesia, NM 88210

10. Field and Pool, or Wildcat: Wildcat Morrow

4. Location of Well: UNIT LETTER N LOCATED 660 FEET FROM THE South LINE AND 1980 FEET FROM THE West LINE OF SEC. 35 TWP. 18S RGE. 25E NMPM

12. County: Eddy

19. Proposed Depth	19A. Formation	20. Rotary or C.T.
9200	Morrow	Rotary

21. Elevations (Show whether DF, RT, etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor	22. Approx. Date Work will start
3472' GR	Blanket	MORANCO	August 14, 1978

23.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17½"	13-3/8"	48#	Approx 350'	250	Circulate
12¼"	8-5/8"	24#	" 1150'	550	Circulate
7-7/8"	5½ or 4½"	15.5-17# or 10.5-11.6#	" 9200'	300	

We propose to drill and test the Morrow and intermediate formations. Approx. 350' of surface casing will be set for protection from gravel and cavings, and intermediate casing will be set at least 100' below the Artesian Water Sands, cement circulated on both strings. If commercial will run 5½ or 4½" casing and cement with 600' of cover.

Mud Program: - F.W. Gel & LCM to 1150', water to 6800'. Starch-Drispak-KCL mud to 8500'. Flosal-Drispak-KCL to Total Depth.

BOP Program: - BOP's and hydril on 8-5/8" casing and tested, pipe rams daily for operational, yellow jacket prior to drilling at 5500'.

Gas not dedicated.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 11-9-78

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 Eddie M. Mahood Title Engineer Date 8-7-78

(This space for State Use)

APPROVED BY W. A. Gressett TITLE SUPERVISOR, DISTRICT II DATE AUG - 8 1978

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to protect the 13-3/8" casing

Notify N.M.O.C.C. in sufficient time to witness cementing 8-5/8"

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	Lease	Well No.
YATES PETROLEUM CORPORATION	Rio Penasco JX Com.	1

Unit Letter	Section	Township	Range	County
N	35	18 South	25 East	Eddy

Actual Footage Location of Well:
1980 feet from the West line and 660 feet from the South line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3472.0	MORROW	Wildcat	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

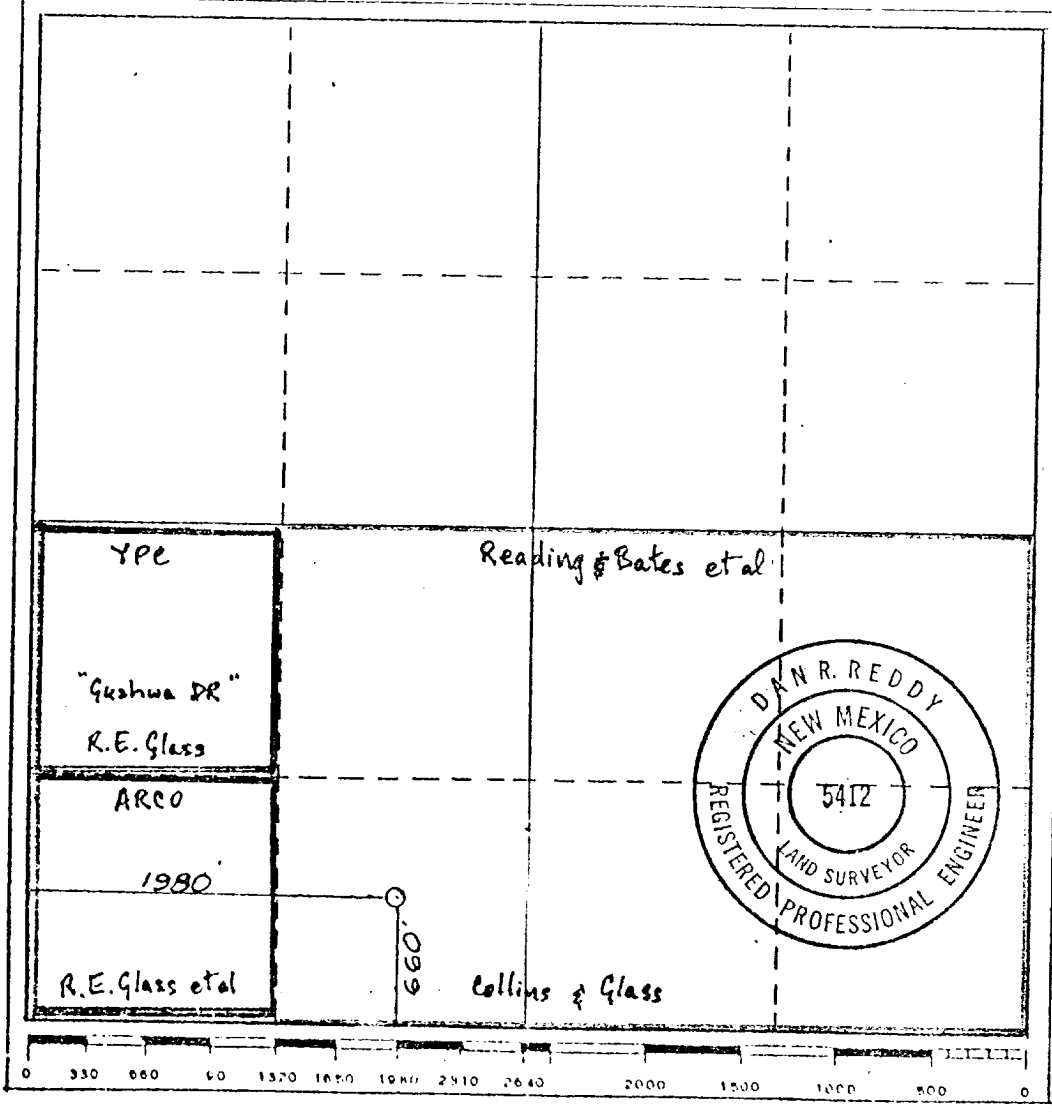
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 COMMUNITIZATION

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. Mallard

Name: Eddie M. Mallard

Position: ENGINEER

Company: YATES PETROLEUM CORP

Date: August 4, 1978

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.

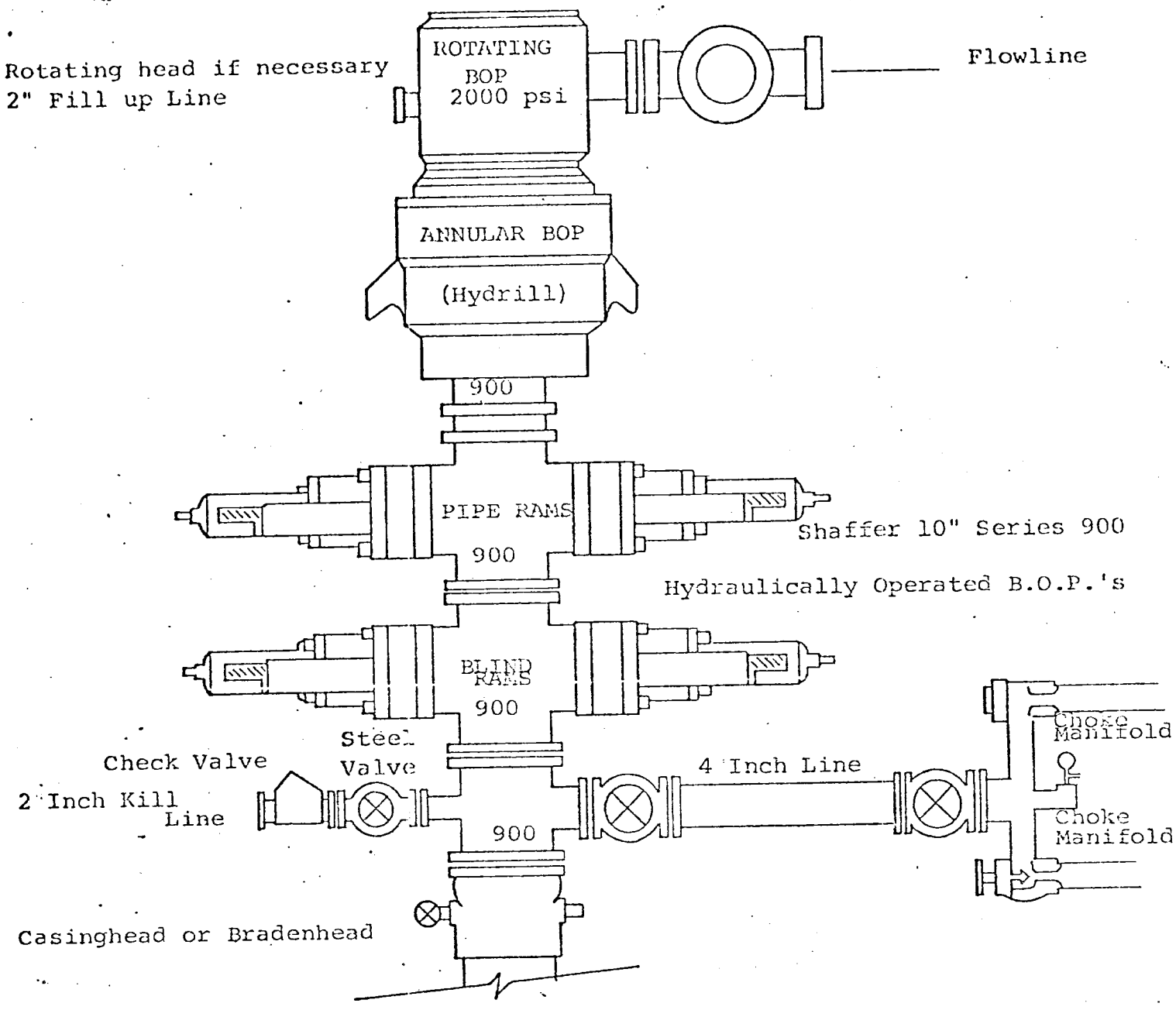
August 3, 1978
Date Surveyed

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM 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.