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NEW MEXICO OIL CONSERVATION COMMISSION

MAR 19 1980

O. C. D.
ARTESIA, OFFICE

30-015-23237

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
10486 L-122	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work		7. Unit Agreement Name	
b. Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name	
DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		Penasco "IW" Shallow	
2. Name of Operator		9. Well No.	
Yates Petroleum Corporation		3	
3. Address of Operator		10. Field and Pool, or Wildcat Area	
207 S. 4th Street, Artesia, New Mexico 88210		Penasco Draw (YesoSA)	
4. Location of Well		12. County	
UNIT LETTER N LOCATED 330 FEET FROM THE South LINE		Eddy	
AND 2310 FEET FROM THE West LINE OF SEC. 31 TWP. 18S RGE. 25E NMPM			
19. Proposed Depth		19A. Formation	
3100		Yeso	
20. Rotary or C.T.		Rotary	
21. Elevations (Show whether DF, RT, etc.)		21B. Drilling Contractor	
3643		Cactus Drilling Co.	
21A. Kind & Status Plug. Bond		22. Approx. Date Work will start	
Blanket		ASAP	

23.

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"	32.75	approx 320'	275	circulated
9 5/8"	7"	20#	approx 950'	500	circulated
6 1/4"	4 1/2"	9.5	approx 3100'	200	circulated

Propose to drill a Yeso test well. Approximately 320' of surface casing will be set to shut off gravel and caving, and intermediate casing will be set 100' below the Artesian Water Zone. A 4 1/2" production string will be run to TD and all strings circulated. Well will be perforated and stimulated for production.

MUD PROGRAM: F. W. gel and LCM to 950' fresh water to TD.

BOP PROGRAM: BOP's will be installed on the 7" casing and tested, pipe rams daily blind rams on trips.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED

EXPIRES 6-21-80

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 Glenn R. Bly Title Geographer Date 3-14-80

(This space for State Use)

APPROVED BY W. A. Gressett TITLE DIRECTOR, DISTRICT 1 DATE MAR 21 1980

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to
surface behind all 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.

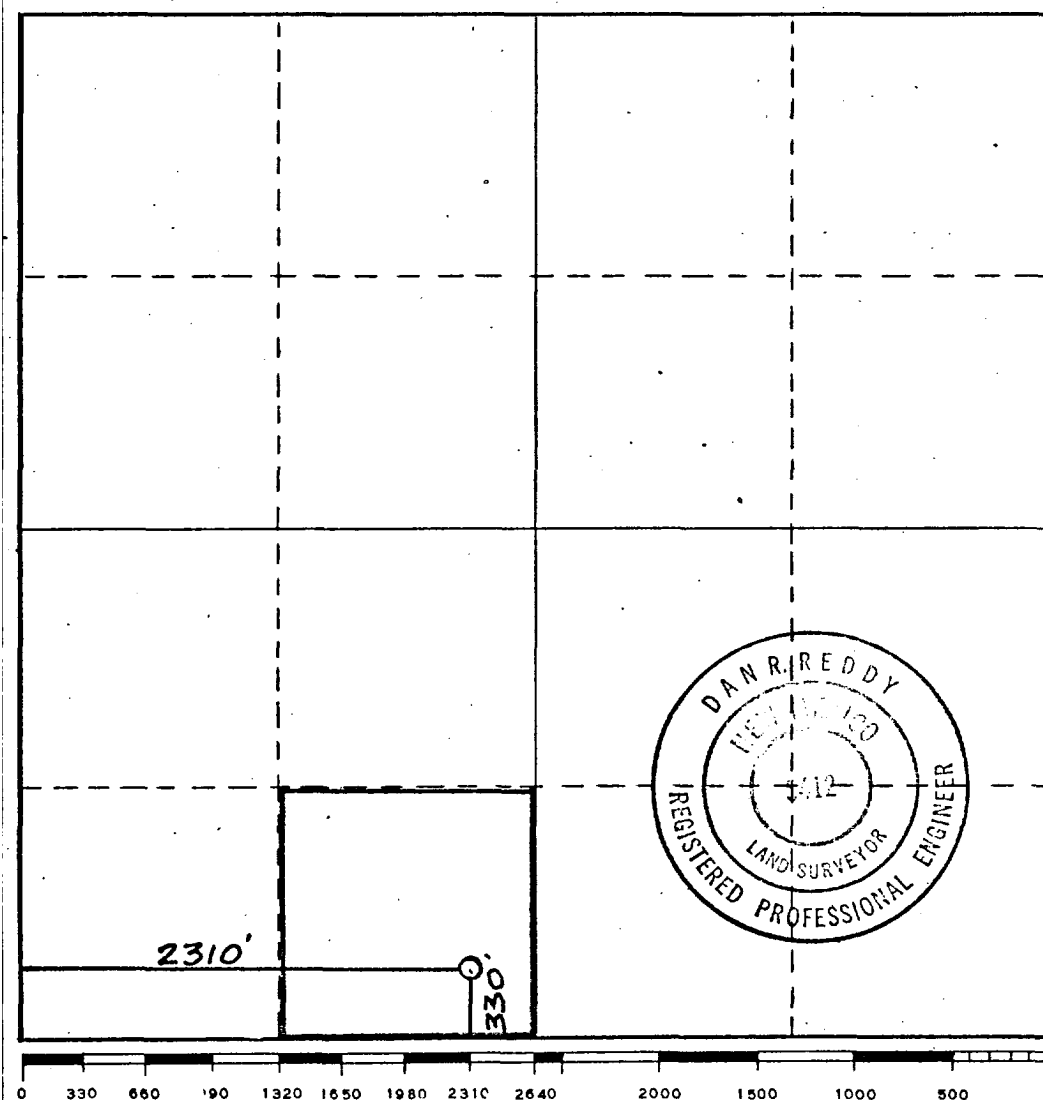
Operator Yates Petroleum Corporation			Lease Penasco IW Shallow		Well No. 3
Unit Letter N	Section 31	Township 18 South	Range 25 East	County Eddy	
Actual Footage Location of Well:					
330 feet from the South line and		2310 feet from the West line			
Ground Level Elev. 3643.0	Producing Formation Yeso	Pool Penasco Draw (Yeso-SA)		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.

Gliserio Rodriguez
Name

Gliserio Rodriguez

Position
Geographer

Company
Yates Petroleum Corporation

Date
3/19/80

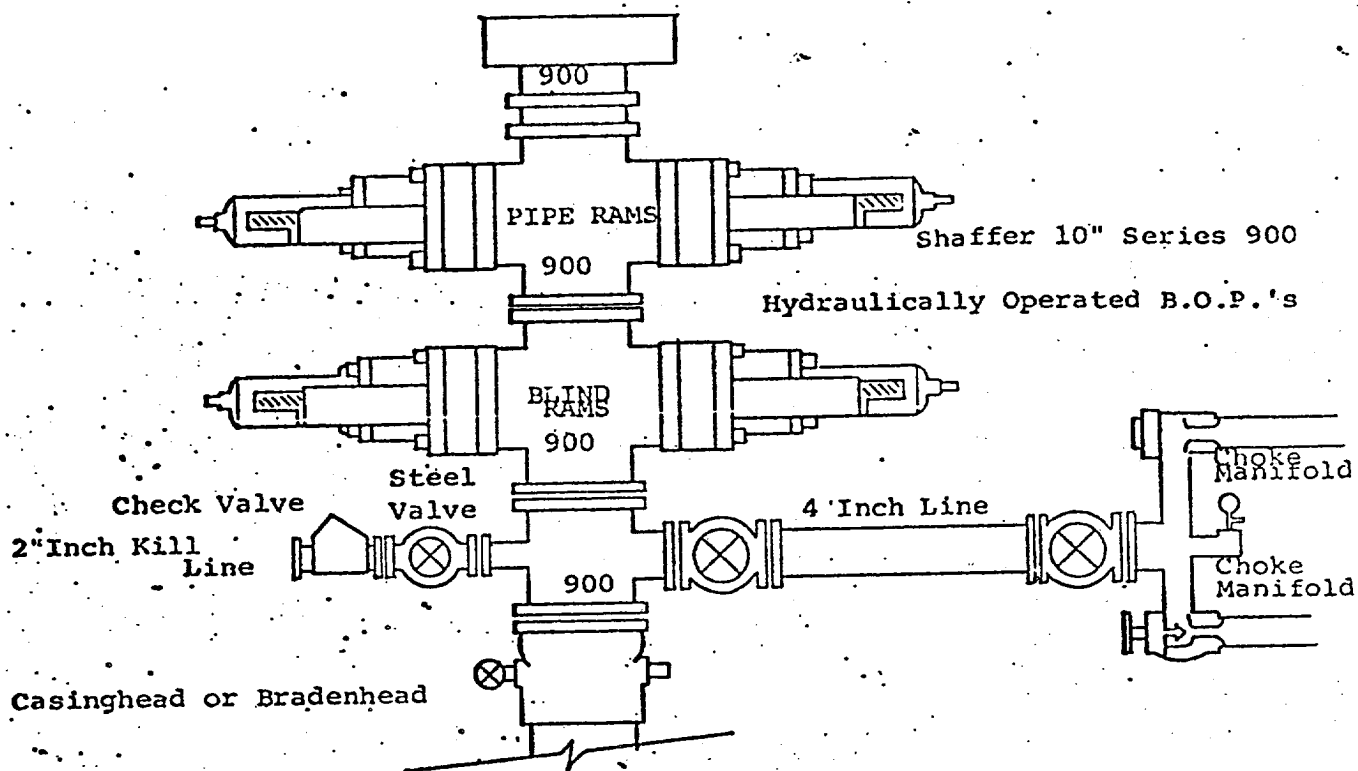
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
March 6, 1980

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.

NMPE&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.