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NEW MEXICO OIL CONSERVATION COMMISSION

JUL 25 1980

O. C. P.

30-015-23426

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.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>	7. Unit Agreement No.
b. Type of Well	OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	8. Name of Lease Name
2. Name of Operator	Yates Petroleum Corporation	9. Well No.
3. Address of Operator	207 South 4th Street, Artesia, New Mexico 88210	10. Field and Lease Name (Assoc)
4. Location of Well	UNIT LETTER F LOCATED 1980 FEET FROM THE North LINE	Penasco Draw SA-Yeso
AND 1980 FEET FROM THE West LINE OF SEC. 35 TWP. 18 RGE. 25 NMPM		11. County
		Eddy
12. Proposed Depth	Approx. 9160'	13A. Formation
		Morrow
14. Kind & Status Plug. Bond	Blanket	15. Rotary
21. Elevation, show whether DI, RI, etc.)	3493' GL	22. Approx. Date Work will start
		ASAP

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13 3/8"	42# J-55	350'	300	Circulate
12 1/4"	8 5/8"	32# J-55	1150'	700	Circulate
7 7/8"	5 1/2 or 4 1/2"	17 & 15.5# or 10.5 or 11.6#	TD 9160'	300	

We propose to drill and test the Morrow and intermediate formations. Approximately 350' of surface casing and 1150' of intermediate casing will be set and cemented to the surface. If commercial pay is encountered, will run 5 1/2" or 4 1/2" casing, cement with a minimum of 600' cover, perforate and stimulate as needed for production.

MUD PROGRAM: F.W. Gel & LCM to 1150'; fresh water to 6000'. Starch-Drispak-KCL mud to 8200', Flosal-Drispak-KCL to TD.

BOP PROGRAM: BOP's on 8 5/8" casing, tested daily, yellow jacket prior to drilling Wolfcamp (5525).

GAS NOT DEDICATED

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 10-30-80

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 [Signature] Title Regulatory Coordinator Date July 25, 1980

(This space for State Use)

APPROVED BY [Signature] TITLE OIL AND GAS INSPECTOR DATE JUL 30 1980

CONDITIONS OF APPROVAL, IF ANY: Cement must be circulated to surface behind 13 3/8" casing. Notify N.M.O.C.C. in sufficient time to witness Cementing 8 5/8"

NE. EXICO 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.

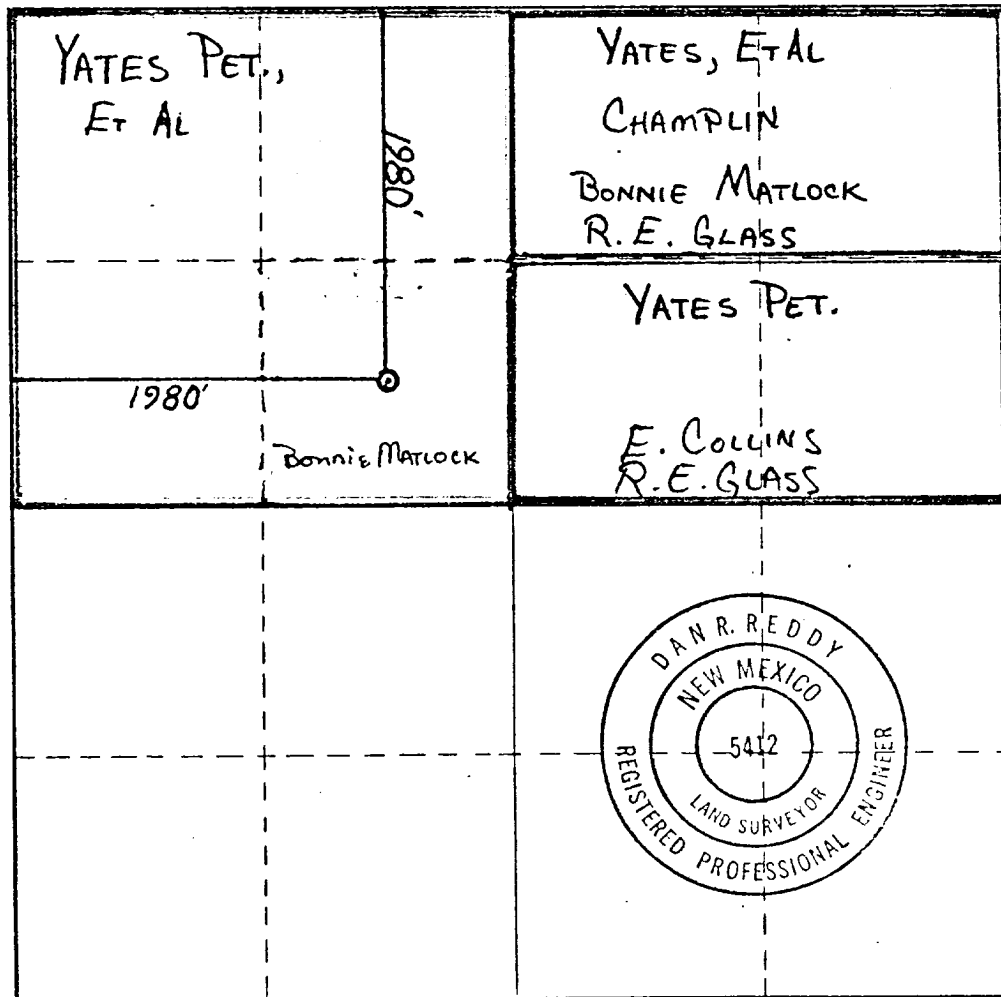
Operator YATES PETROLEUM CORPORATION			Lease Gushwa DR		Well No. 3
Unit Letter F	Section 35	Township 18 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line					
Ground Level Elev. 3493.	Producing Formation MORROW		Pool Peñasco Draw	Dedicated Acreage: 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 _____

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.

Johnny A. Lopez

Name

JOHNNY A. LOPEZ

Position

REGULATORY COORDINATOR

Company

YATES PETROLEUM CORPORATION

Date

7/25/80

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

July 5, 1980

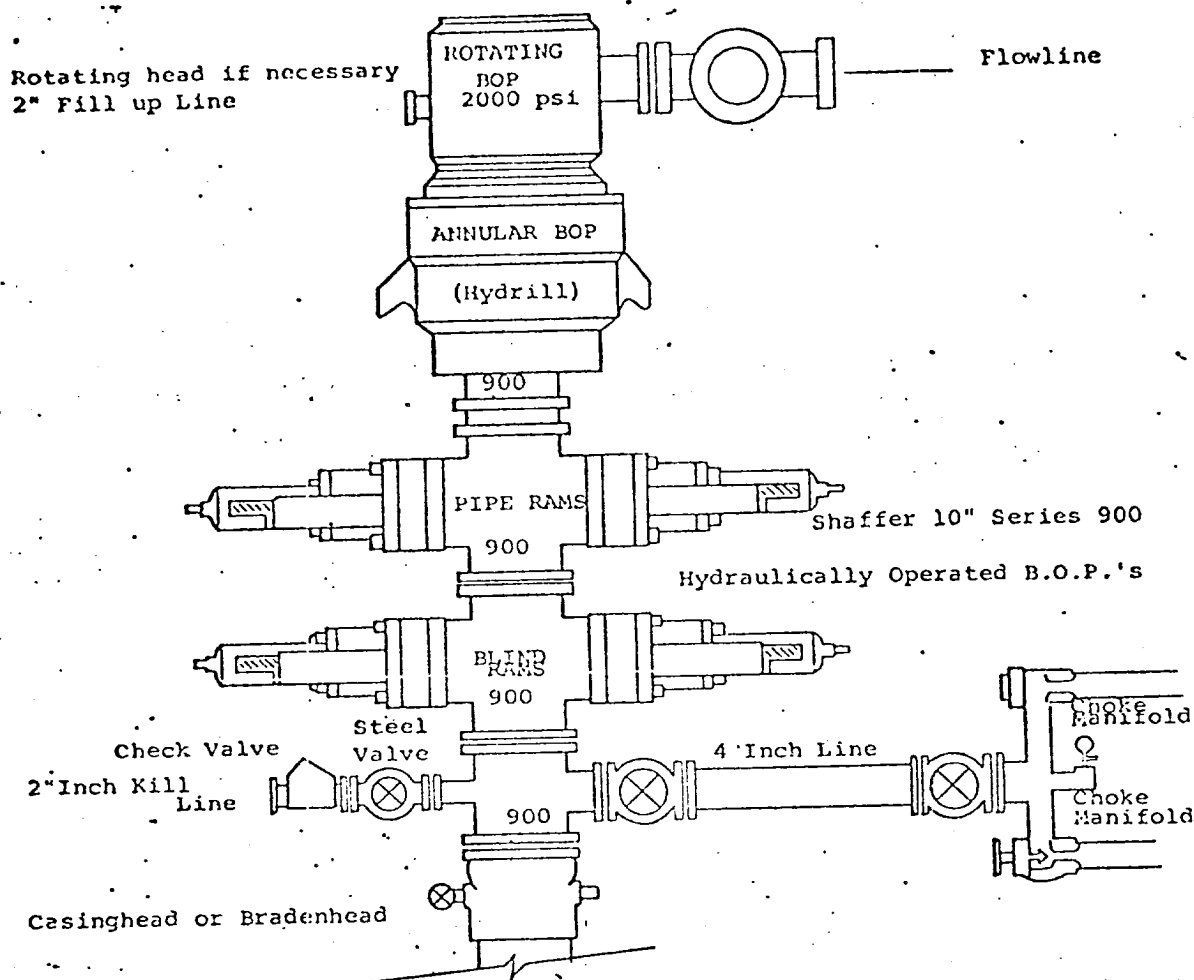
Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&LS #5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



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.