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NEW MEXICO OIL CONSERVATION **RECEIVED**

MAR 14 1980

O. C. D.

ARTESIA OFFICE

30-015-23227

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 Rio Penasco KD	
9. Well No. 1	
10. Field and Pool, or Wildcat Unders. Morrow	
12. County Eddy	
19. Proposed Depth 9260	19A. Formation Morrow
20. Rotary or C.T. Rotary	
21. Elevations (Show whether D.F., R.T., etc.) 3438. GR	21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor Moranco 9	
22. Approx. Date Work will start ASAP	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	
2. Name of Operator Yates Petroleum Corporation	
3. Address of Operator 207 South 4th Street, Artesia, New Mexico 88210	
4. Location of Well UNIT LETTER N LOCATED 660 FEET FROM THE South LINE AND 1980 FEET FROM THE West LINE OF SEC. 2 TWP. 19S RGE. 25E NMPM	
19. Proposed Depth 9260	
19A. Formation Morrow	
20. Rotary or C.T. Rotary	
21. Elevations (Show whether D.F., R.T., etc.) 3438. GR	
21A. Kind & Status Plug. Bond Blanket	
21B. Drilling Contractor Moranco 9	
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"	48#	approx. 400'	325	circulate
12 1/4	8 5/8"	24#	approx. 1200'	900	circulate
7 7/8"	5 1/2" or 4 1/2"	15.5-17# or 10.5-11.6#	TD	500	

We propose to drill and test the Morrow and intermediate formations. Approx. 400' of surface casing will be set at least 100' below the Artesian Water sand with cement circulated on both strings. If commercial, will run 5 1/2" or 4 1/2" casing and cement with 600' of cover.

MUD PROGRAM: F.W. Gel and LCM to 1200', water to 5900', starch-driscopak-KCL mud to 8100' flosal-driscopak-KCL to TD.

BOP PROGRAM: BOP's and hydril on 8 5/8" casing and tested, pipe rams daily for operational, Yellow jacket prior to drilling Wolfcamp (5490)

GAS NOT DEDICATED.

**APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,**

6-19-80
EXPIRES

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 Blaine Kelly Title Geographer Date 3/13/80

(This space for State Use)

APPROVED BY W.A. Gussert TITLE SUPERVISOR, DISTRICT II DATE MAR 19 1980

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to surface behind 13 3/8" + 8 7/8" casing

Notify N.M.O.C.C. in sufficient time to witness cementing the 8 7/8" casing

**N 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.

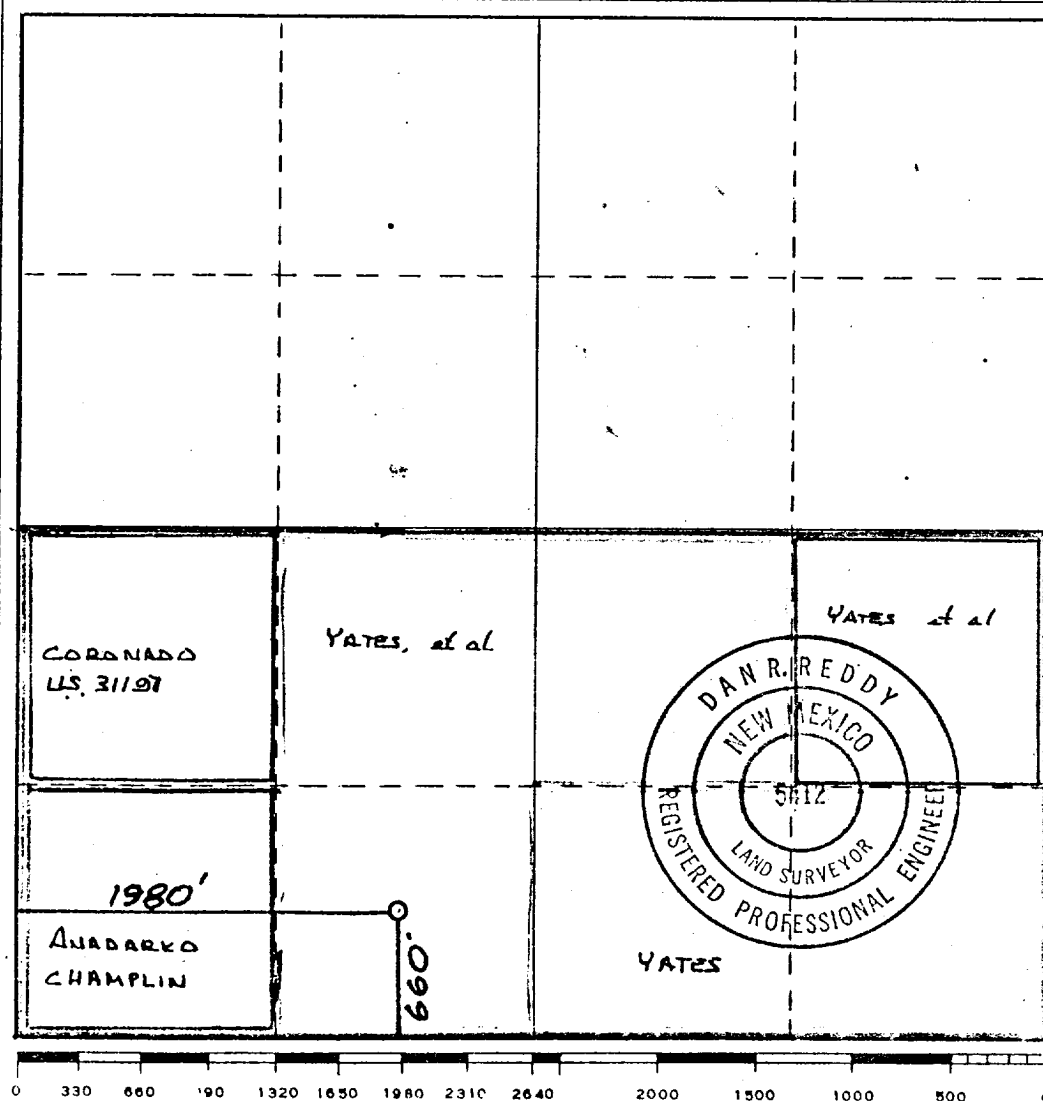
Operator YATES PETROLEUM CORPORATION			Lease Rio Penasco KD		Well No. 1
Unit Letter N	Section 2	Township 19 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the West line					
Ground Level Elev. 3438.0	Producing Formation MORROW		Pool Boyd UNDES. MORROW	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 Comm

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.



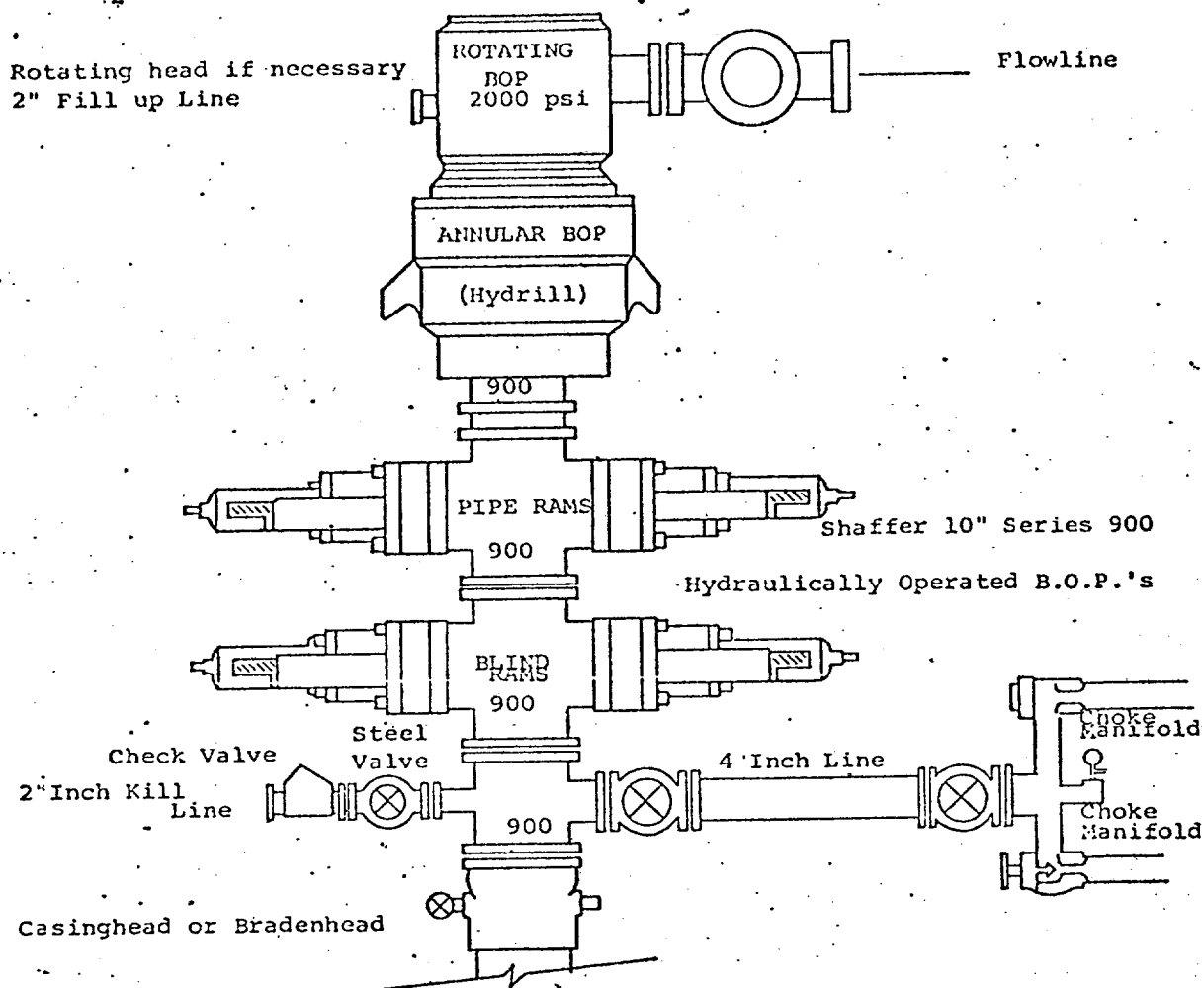
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Glisario Rodriguez
Name
GLISARIO RODRIGUEZ
Position
GEOGRAPHER
Company
YATES PETROLEUM CORP
Date
3-13-80

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
Feb. 29, 1980
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.