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NEW MEXICO OIL CONSERVATION COMMISSION

AUG 26 1980

O. C. D.  
ARTESIA, OFFICE

30-015-23447  
Form C-101  
Revised 1-1-65

5A. Indicate Type of Lease  
STATE ☒ FEE ☒

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 Name
b. Type of Well 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"/>		8. Farm or Lease Name Nicolas BJ
2. Name of Operator Yates Petroleum Corporation		9. Well No. #2
3. Address of Operator 207 South 4th Street, Artesia, New Mexico 88210		10. Field and Pool, or Wildcat Peñasco Draw SA-Yeso (Assoc)
4. Location of Well UNIT LETTER J LOCATED 2310 FEET FROM THE south LINE AND 2310 FEET FROM THE east LINE OF SEC. 5 TWP. 19S RGE. 25E NMPM		12. County Eddy
19. Proposed Depth 3500'		19A. Formation SA-Yeso
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 3588.9	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor L & M #1
22. Approx. Date Work will start As soon as approved		

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"	32.3# J-55	approx. 350'	250 sx	circulate
9 1/2"	7"	20# J-55	approx. 1000'	550 sx	circulate
6 1/4"	4 1/2"	9.5# J-55	approx. 3500'	400 sx	circulate

We propose to drill and test the San Andres and Yeso formations. Approximately 350' of surface casing will be set to shut off gravel and caving. Intermediate casing will be set at least 100' below the Artesian Water Zone. 4 1/2" production casing will be run, perforated and possible sand frac'd for production.

MUD PROGRAM: Fresh water gel to 1000', 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 11-27-80

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 John A. Lopez Title Regulatory Coordinator Date 8/25/80  
(This space for State Use)

APPROVED BY W.A. Gussert TITLE SUPERVISOR, DISTRICT II DATE AUG 27 1980

CONDITIONS OF APPROVAL, IF ANY:

Cement must be circulated to  
surface behind 10 3/4" 7 1/2" casing

Notify N.M.O.C. to 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.

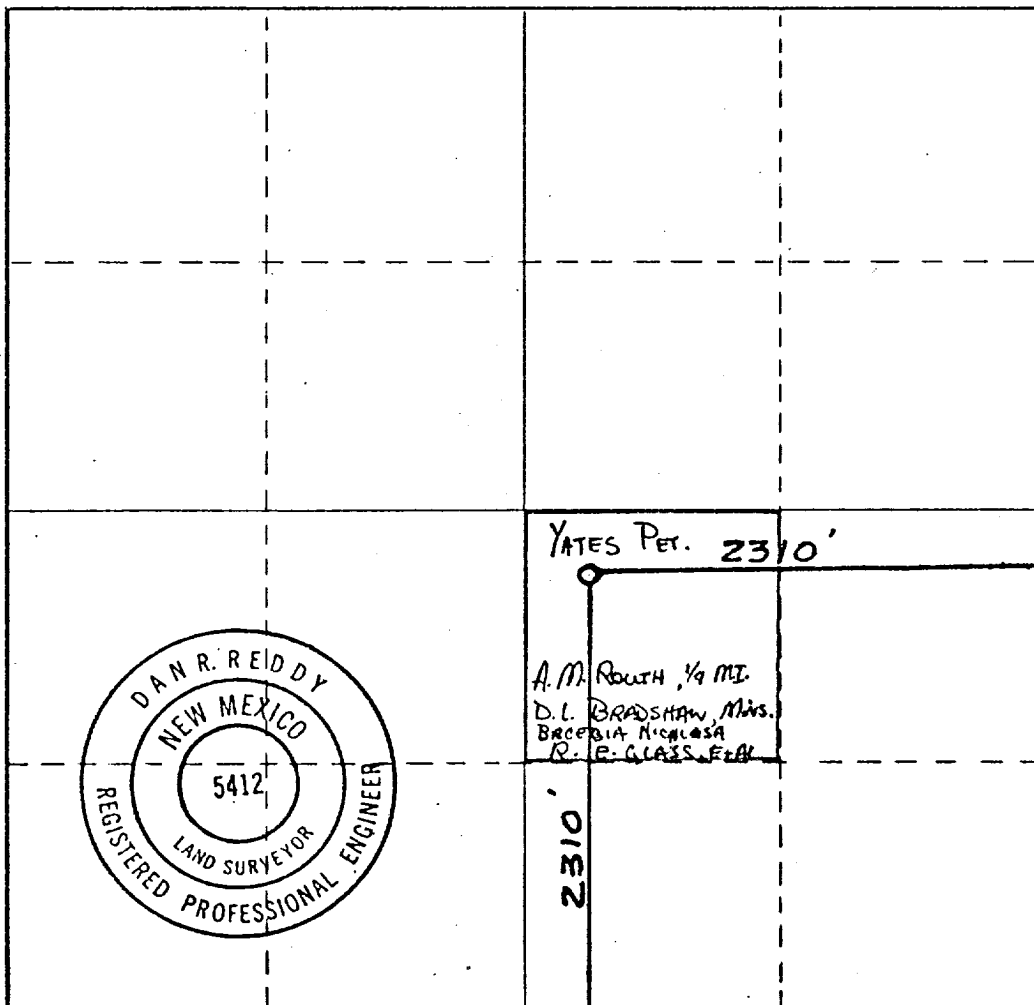
Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>Nicolas BJ</b>		Well No. <b>2</b>
Unit Letter <b>J</b>	Section <b>5</b>	Township <b>19 South</b>	Range <b>25 East</b>	County <b>Eddy</b>
Actual Footage Location of Well: <b>2310</b> feet from the <b>East</b> line and <b>2310</b> feet from the <b>South</b> line				
Ground Level Elev. <b>3588.9</b>	Producing Formation <b>SAN ANDRES - YESO</b>	Pool <b>Peñasco Draw SA-YESO (Assoc.)</b>	Dedicated Acreage: <b>40</b> 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  
**8/26/80**

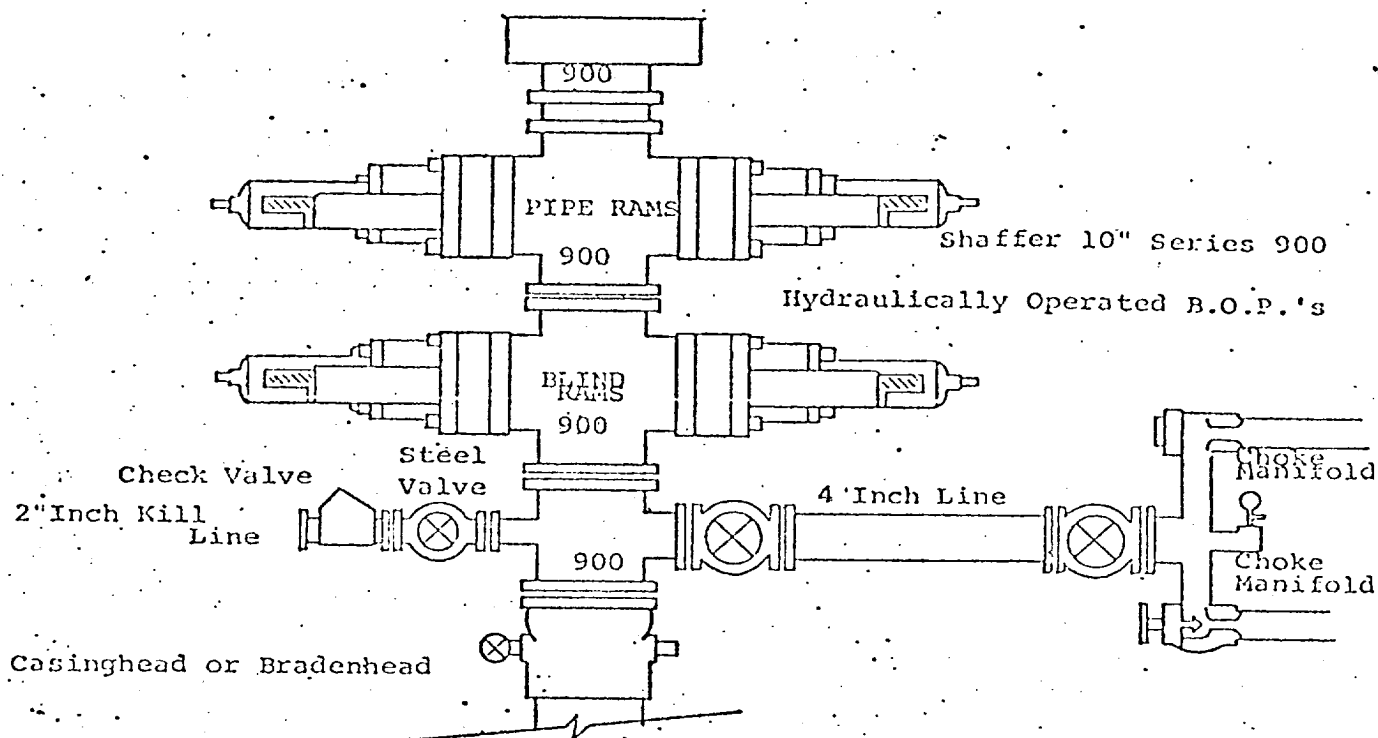
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**August 20, 1980**

Registered Professional Engineer and/or Land Surveyor

**Dan R. Reidy**

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.