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NEW MEX CO OIL CONSERVATION COMMISSION

MAR 20 1981

C. C. P.
ARTESIA, NM

30-015-23716
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

Type of Work		7. Unit Agreement Name	
Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> OTHER <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Davis "NC" Com	
Name of Operator Yates Petroleum Corporation ✓		9. Well No. 12	
Address of Operator 207 S. 4th, Artesia, NM 88210		10. Field and Pool, or Wildcat Undesignated Boyd Morrow	
Location of Well UNIT LETTER L LOCATED 1980 FEET FROM THE South LINE 660 FEET FROM THE West LINE OF SEC. 11 TWP. 19S RGE. 24E NMPM		12. County Eddy	
19. Proposed Depth 9300'		19A. Formation Morrow	
21A. Kind & Status Plug. Bond Blanket		22. Approx. Date Work will start As soon as approved	

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. 400'	400 sx	circulate
12½	8 5/8"	24#	approx. 1000'	600 sx	circulate
7 7/8"	5½ or 4½"	15.5 - 17# 10.5 - 11.6#	approx. 9300'	400 sx	

We propose to drill and test the Morrow and intermediate horizons. Will set approximately 400' surface casing to shut off gravel and caving, and will set intermediate casing at least 100' below the Artesian water zone, both strings to be circulated. If commercial will run 5½ or 4½ and cement with at least 600 ft. of cover.

MUD PROGRAM: FW gel & LCM to 1000' fresh water to 4000', starch-driscopak-KCL to 7400' starck-driscopak-KCL saltwater gel to TD.

BOP PROGRAM: BOP's and hydril on 8 5/8" casing and tested, pipe rams tested daily, blind rams on trips. Yellow Jacket, pit level control and flow sensor on at 5200'.

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 9-24-81
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION 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.

Gustavo Robles Title: Geographer Date: 3/20/81
(This space for State Use)

APPROVED BY W. A. Gresser TITLE: SUPERVISOR, DISTRICT II DATE: MAR 24 1981

REASONS OF APPROVAL, IF ANY:

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

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.

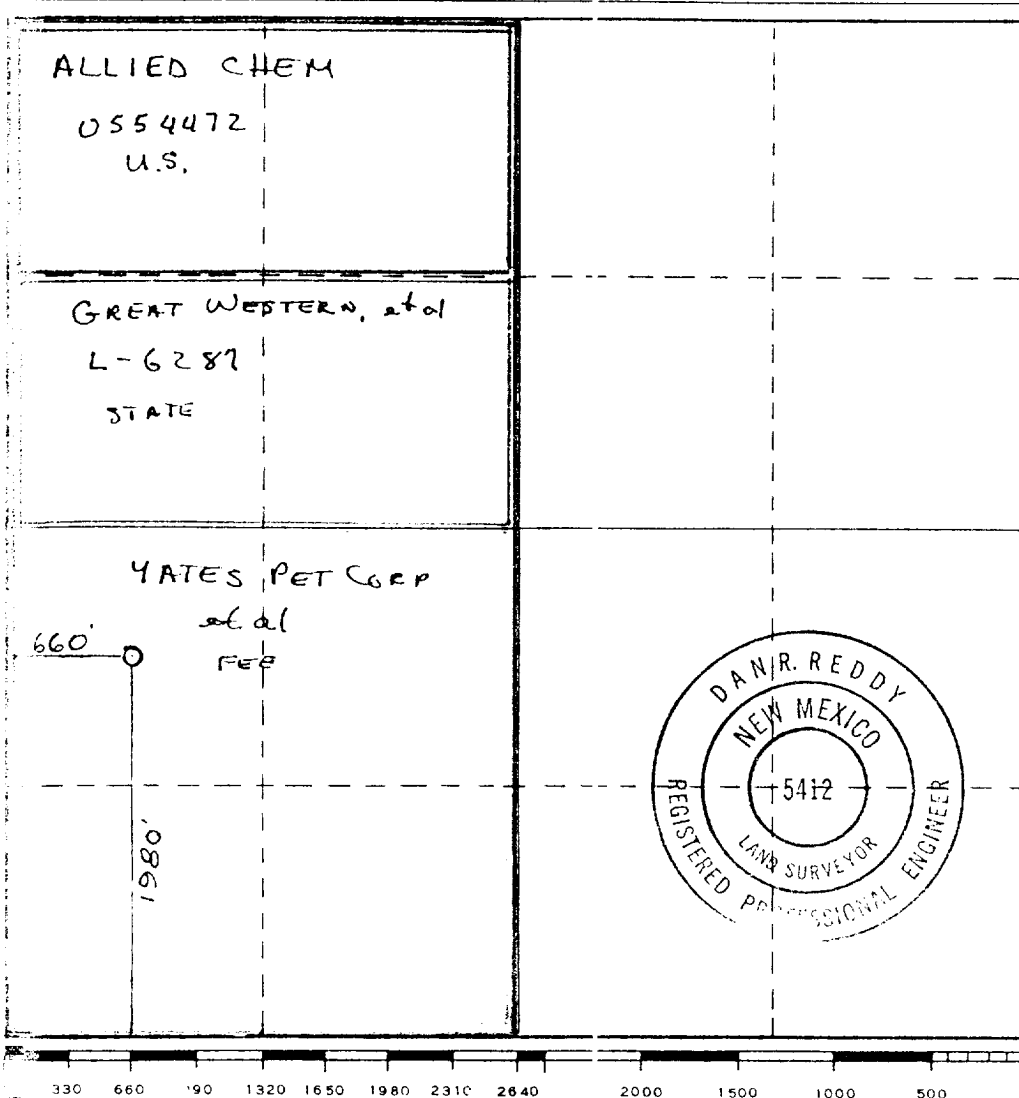
Operator YATES PETROLEUM CORPORATION			Lease Davis NC Com		Well No. 2
Section Letter L	Section 11	Township 19 South	Range 24 East	County Eddy	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line					
Land Level Elev. 3636.	Producing Formation MORROW		Pool Und. B. & M. Morrow	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 CORP

Date
3-9-81

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 7, 1981

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&LS #5412

Rotating head if necessary
2" Fill up Line

ROTATING
BOP
2000 psi

Flowline

ANNULAR BOP

(Hydrill)

EXHIBIT B

900

PIPE RAMS

Shaffer 10" Series 900

900

Hydraulically Operated B.O.P.'s

BLIND RAMS

900

Check Valve

Steel
Valve

Annular Kill
Line

4' Inch Line

900

Drillinghead or Bradenhead

Choke
Manifold

Choke
Manifold

THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 4" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- B. P. float must be installed and used below zone of first gas intrusion