

P.O. DRAWER 1857
ROSWELL, NEW MEXICO 88201

January 25, 1983

RECEIVED

JAN 27 1983

O. C. D.
ARTESIA, OFFICE

Yates Petroleum Corporation
207 South 4th Street
Artesia, NM 88210

Lease No. NM-19657
Well No. 6-Gardner Draw Unit
Sec. 5, T. 20 S., R. 21 E.
Eddy County, New Mexico

Gentlemen:

The Application for Permit to drill the subject well was approved for a one year period. Since drilling operations were not commenced within the one year period the Permit to Drill is terminated.

If you decide to drill this well at a future date, you should resubmit the Application for Permit to Drill.

Sincerely yours,

(ORIG. SSS.) ARMANDO A. LOPEZ

James A. Gillham
District Supervisor
Oil and Gas

cc:

BLM-Carlsbad
District Lease File
Sub-District-Artesia
Regional File

✓ NMOCD-Artesia

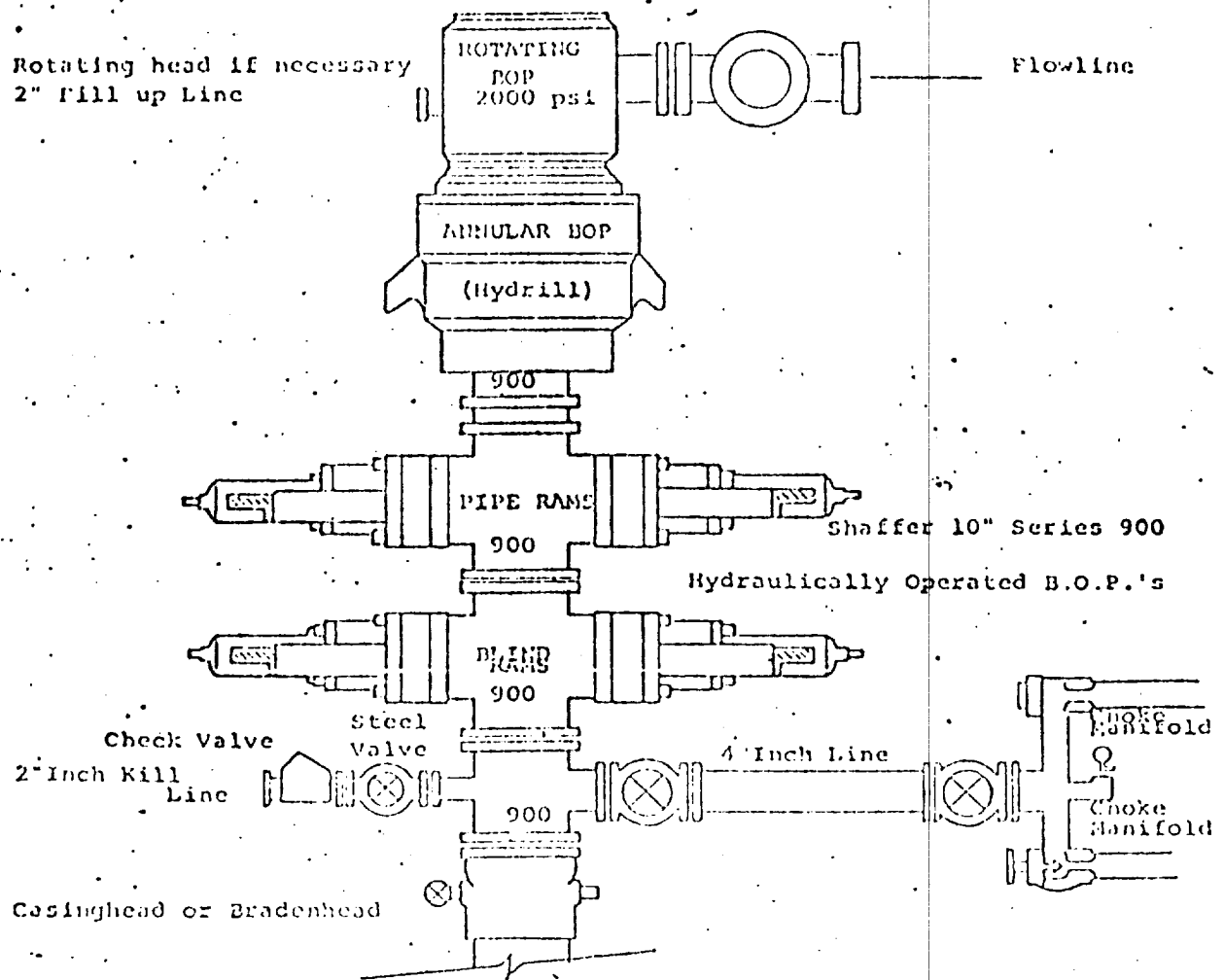
RCF

Jack Bryan

AALopez/1a/1-25-83

Post ID-2
1-28-83
Exp. Int.

EXHIBIT B



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.