Submit to Appropriate District Office State Lease - 6 copies

CONDITIONS OF APPROVAL, IF ANY:

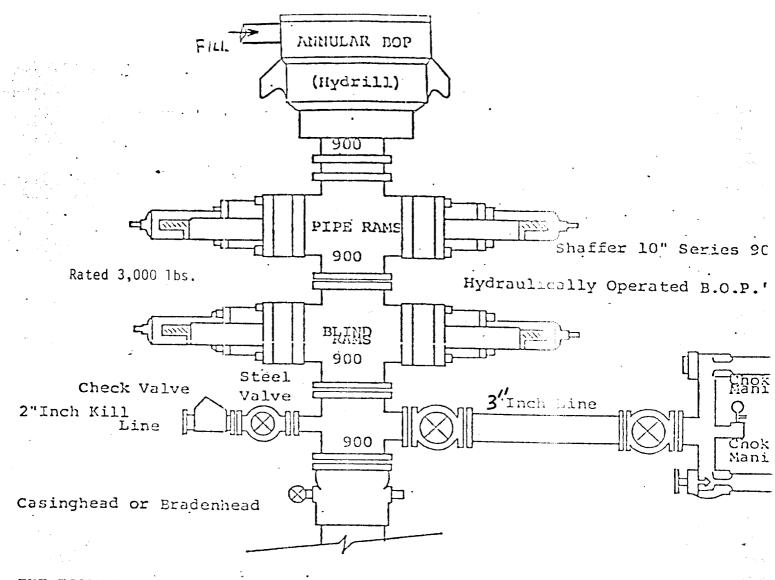
State of New Mexico Energy, Minerals and Natural Resources Department

Form	C-	10	i
Revise	d	1-1	-89

C-101 sed 1-1-89	
	N

Fee Lease - 5 copies	0.77	~~~			Keyber 1-1-89
DISTRICT I OIL CONSERVATION DIVISION				API NO. (assigned by Od	CD on New Walley
P.O. Box 1980, Hobbs, N		P.O. Box 20		3 115-	- 96/91 -
DISTRICT II P.O. Drawer DD, Artesia,	NM 88210	Santa Fe, New Mexico	_87504-2088 AH⊖ 6 ∃ 91	5. Indicate Type of Leas	_ <u> </u>
DISTRICT III		*/ !			STATE FEE X
1000 Rio Brazos Rd., Azte	ec, NM 87410	> 22	O.C. D	6. State Oil & Gas Leas	: No.
APPLICA	TION FOR PERMIT	TO DRILL, DEEPEN, (OR PLUG BACK		
la. Type of Work:		<u> </u>		7. Lease Name or Unit A	American No.
b. Type of Well:	L X RE-ENTER	DEEPEN	PLUG BACK	Om. 7	Secuent Mile
OIL GAS WELL [OTHER	SINCLE	MULTIPLE	Com - 440711	
2. Name of Operator		ZONE	ZONE	Centya "AGZ"	Com.
	leum Corporation	n 🗸		8. Well No.	
3. Address of Operator				9. Pool name or Wildcat	
	urth Street, Ar	tesia, NM 88210		I.	aw Upper Penn
4. Well Location Unit Letter) : 660 Fee F	rom The North	750		
		nom the more than	Line and750	Feet From The	West Line
Section	13 Towns	hip 20S Rar	19e 24E	IMPM Eddy	, _
					County
		10. Proposed Depth	8100'	ormation	12. Rotary or C.T.
13. Elevations (Show whether	er DF, RT, GR, etc.)	4. Kind & Status Plug. Bond	15. Drilling Contractor	Canyon	Rotary
3604 '		Blanket	Not Designa	ated ASA	Date Work will start
17.	PR	OPOSED CASING AN	ID CEMENT PROGR	AM	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4" 8 3/4"	9 5/8"	36# J-55	1200'	1100 sacks	Circulated
0 3/4		23-26# J-55 & N-80	TD	As warranted	
		1 2-33 & M-80 1			
Yates Petro	leum Corporatio	n proposes to dri	11 and took the	C = 1 .	
formations.	Approximately	1200' of surface	casing will be	Canyon and int	ermediate
to shut off	gravel and cav	ings. If commerc	vial production	set and cement	circulated
cemented, w	ill perforate a	nd stimulate as n	eeded for produc	casing will be	
					Post IP- 3-19-9
MUD PROGRAM:	: FW Gel/LCM to	o 1200'; FW to 50	00'; cut Brine	to 72001 SW Ga	Men Lac + A
BOF PROGRAM:	BOP's and hyd	drill will be ins	talled on 9 5/8'	' casing and tes	sted daily.
			APP RO9	Al, si n 28	DAYS
			PERMIT	Ex 9/2:	1/9/
			UNLESS	DAME - SEA	ŊáŸ
IN ABOVE SPACE DESCI ZONE, GIVE BLOWOUT PREVEN	RIBE PROPOSED PROGRA	AM: IF PROPOSAL IS TO DEEPEN	OR PLUG BACK, GIVE DATA ON P	RESENT PRODUCTIVE ZONE AND) PROPOSED NEW PRODUCTIVE
· · · · · · · · · · · · · · · · · · ·		to the best of my knowledge and be			
SKINATURE TW	1) NV				
	1	mue	Landman	DATI	3-25-91
TYPE OR PRENT NAME	Ken Beardemph.1			TELE	PHONE NO. 748-1471
(This space for State Use)	RIGINAL SIGNED B	IY			
	IKE WILLIAMS			eW.)	144.5
	IPPRVISOR, DISTR	ICT IF TILE		to A see	MAR 2 7 1991

NOTIFY NUMBER CO. IN SEC FIGURAL COMPATING THE



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 1. All preventers to be hydraulically operated with secondary manual continuous installed prior to drilling out from under casing.
- 2. Choke outlet to be a minimum of 3" 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.