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LAW OFFICES OF
SANDERS, BRUIN, COLL & WORLEY, P.A.
600 UNITED BANK PLAZA
400 NORTH PENNSYLVANIA AVENUE
POST OFFICE BOX 550
ROSWELL, NEW MEXICO 88202-0550

T. T. SANDERS, JR.
OF COUNSEL

TELEPHONE
505-622-5440

TELECOPIER
505-622-5853

February 24, 1992

Oil Conservation Division
NM Dept. of Energy & Minerals
310 Old Santa Fe Trail
Room 206
Santa Fe, New Mexico 87504

Attention: Mr. Mike Stogner

Re: Letter of Application
Unorthodox Location - Mojave "AJY" Com. #1
Township 20-1/2 South, Range 23 East, N.M.P.M.
Section 35: All
Eddy County, New Mexico

Case 10453

Dear Mr. Stogner:

Yates Petroleum Corporation has drilled the Mojave "AJY" Com. #1 Well in the following described lands in Eddy County, New Mexico, to-wit:

Township 20-1/2 South, Range 23 East, N.M.P.M.

Section 35: All

The foregoing lands comprise approximately 344.92 acres, more or less. The mineral ownership interest is comprised of fee and federal acreage. The well was drilled 990 F.N.L and 660 F.E.L. of Section 35 to a total depth of 9,700 feet. Yates desires to complete the well in the Morrow Formation.

Please set for hearing the unorthodox location of the Mojave "AJY" Com. #1 Well on March 19, 1992.

Yours very truly,

SANDERS, BRUIN, COLL & WORLEY, P. A.

Kelly Casals for:
Damon Richards

It

cc: Mr. Mecca Mauritsen
Yates Petroleum Corporation

dr/ltr/ocd03

Submit to Appropriate
District Office
State Lease - 6 copies
Fee Lease - 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Box 1980, Hobbs, NM 88240
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

21-015-26916

5. Indicate Type of Lease

STATE ☐ FEE ☒

6. State Oil & Gas Lease No.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator

Yates Petroleum Corporation

7. Lease Name or Unit Agreement Name

Mojave "AJY" Com

3. Address of Operator

105 South Fourth Street, Artesia, NM 88210

8. Well No.

1

9. Pool name or Wildcat

South Dagger Draw Upper Penn

4. Well Location

Unit Letter A : 990 Feet From The North Line and 660 Feet From The East Line

Section 35 Township 20 1/2S Range 23E NMPM Eddy County

10. Proposed Depth
8,100'

11. Formation
Canyon

12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3700'

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

Not Designated

16. Approx. Date Work will start

ASAP

17.

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4"	9 5/8"	36# J-55	1100'	1100 sx	Circulated
8 3/4"	7"	23# & 26#	TD	As warranted	
		J-55; N-80			

Yates Petroleum Corporation proposes to drill and test the Canyon in intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel/LCM to 1100'; FW to 5200'; cut Brine to TD.

BOP PROGRAM: BOP's and hydril will be installed on 9 5/8" casing and tested daily.

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.

SIGNATURE

Ken Beardemphl

TITLE

Landman

DATE

1-6-92

TYPE OR PRINT NAME

Ken Beardemphl

TELEPHONE NO.

748-1471

(This space for State Use)

SUPERVISOR, DISTRICT II

JAN 7 1992

APPROVED BY

Mr. R. W. [Signature]

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NOTICE TO THE PUBLIC
THE STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
JAN 7 1992

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

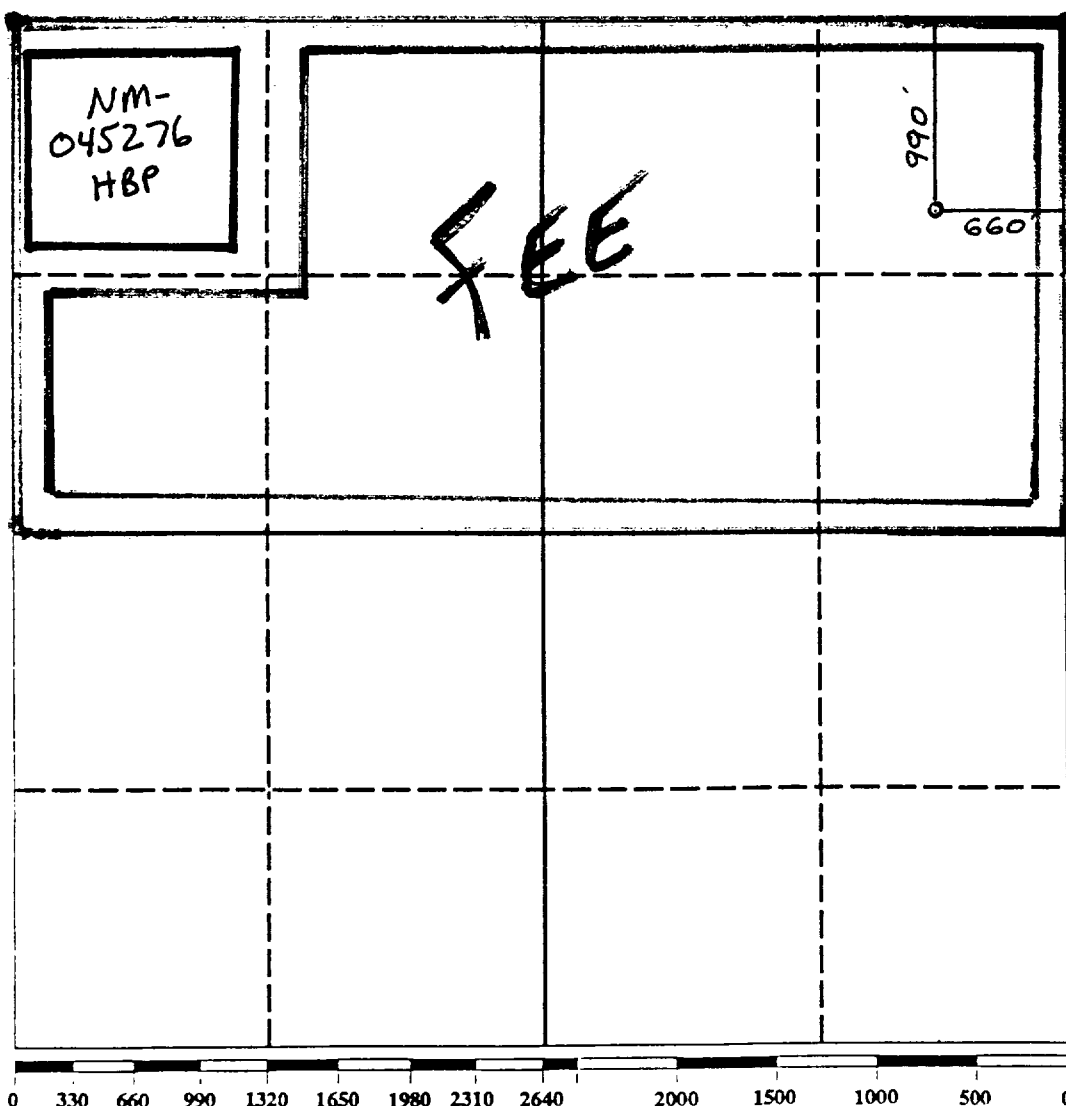
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease MOJAVE AJY COM		Well No. 1
Unit Letter A	Section 35	Township 20½ SOUTH	Range 23 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 990 feet from the NORTH line and 660 feet from the EAST line					
Ground level Elev. 3700.	Producing Formation Cisco Canyon	Pool S. Dagger Draw Upper Penn	Dedicated Acreage: 320 Acres 298.82		
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation Communitization</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary).</p> <p>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 interest, has been approved by the Division.</p>					



OPERATOR CERTIFICATION

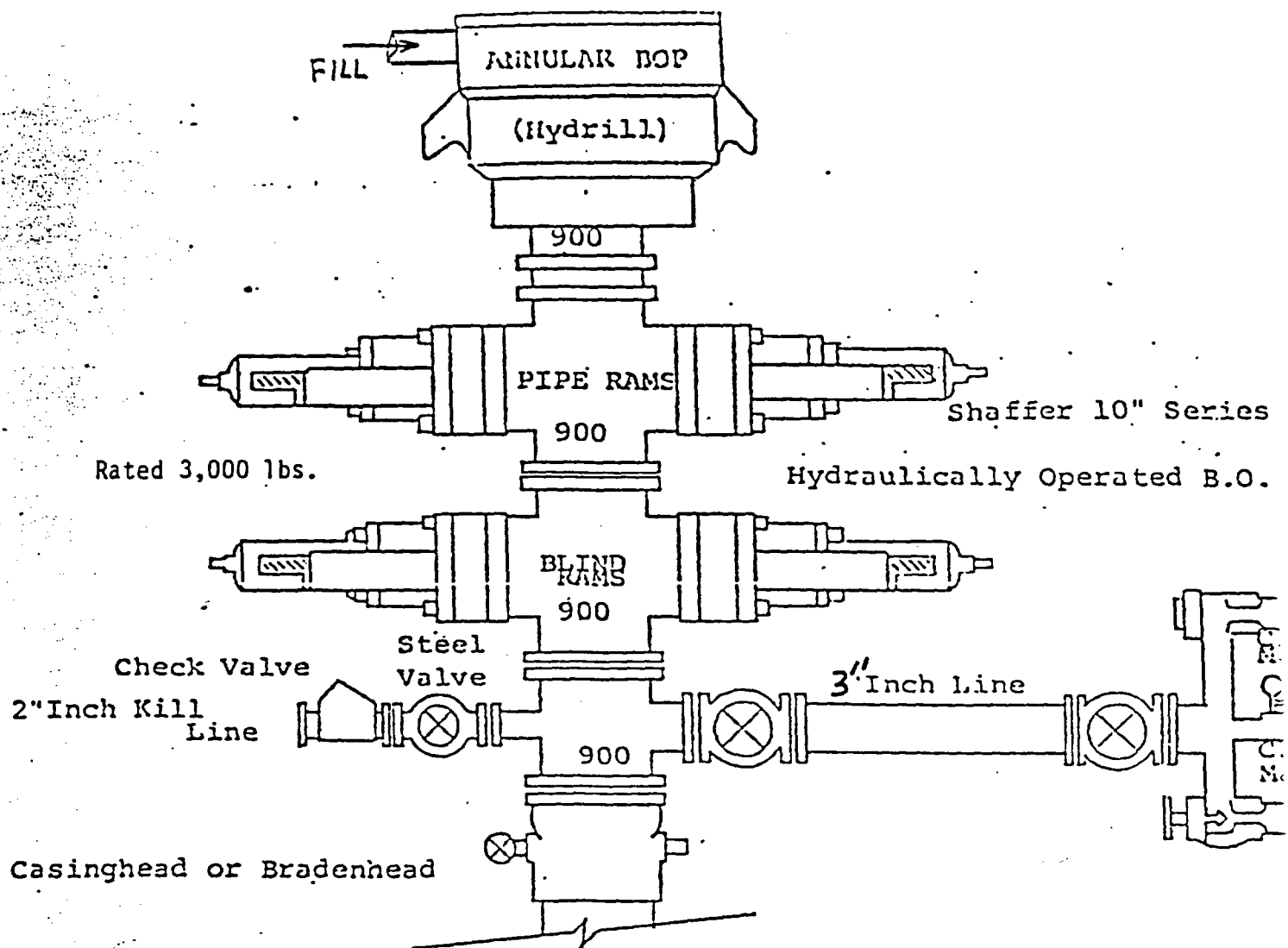
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Ken Beardemph
Printed Name
Ken Beardemph
Position
Landman
Company
YATES PETROLEUM CORPORATION
Date
January 6, 1992

SURVEYOR CERTIFICATION

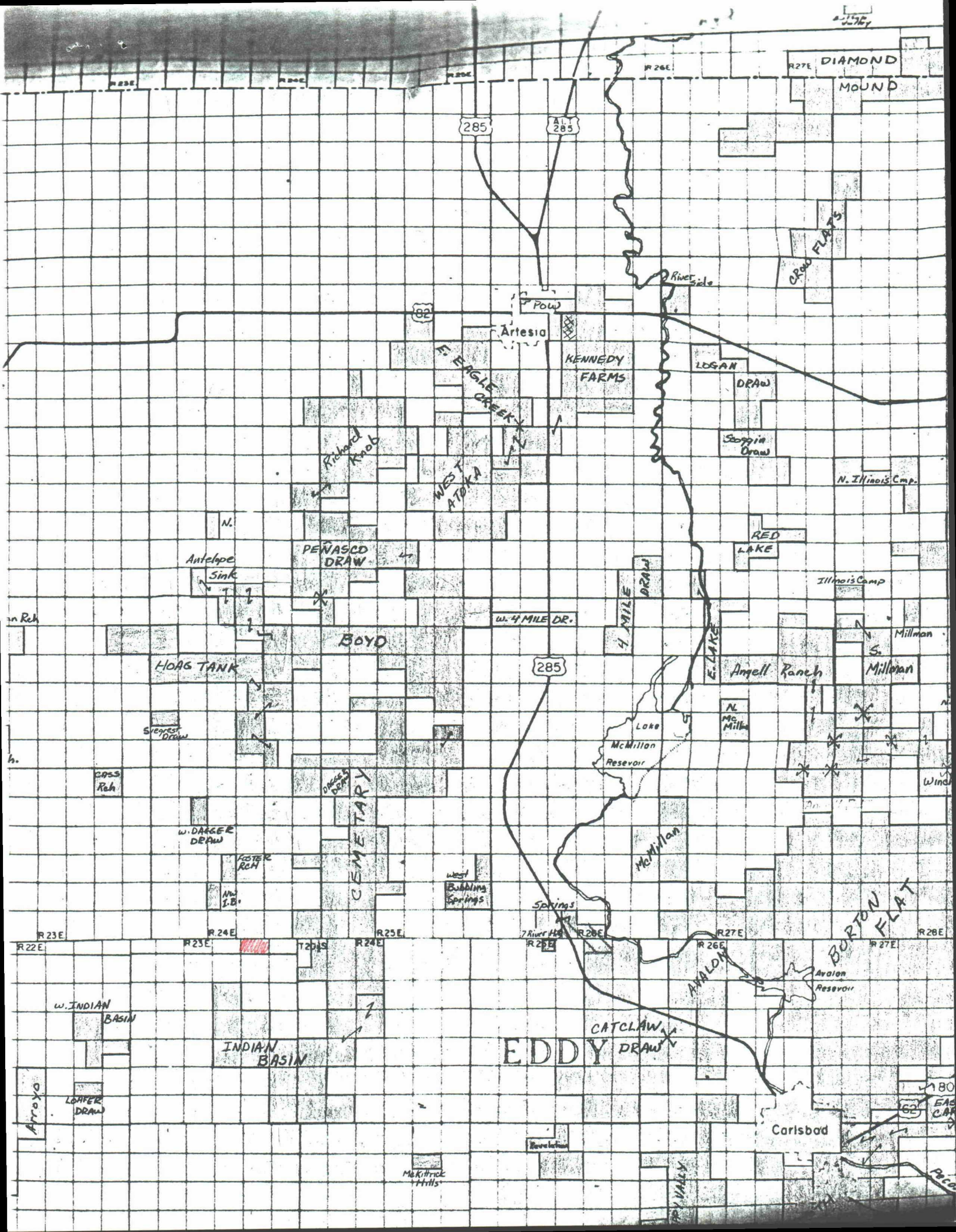
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
DECEMBER 31, 1991
Signature of Registered Professional Surveyor
5412
Certificate No.
5412
NEW MEXICO
PROFESSIONAL SURVEYOR



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control 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 the required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equal 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.



[illegible]