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.

TELEPHONE 505-622-5440

TELECOPIER 505-622-5853

Case -6453

February 24, 1992

RICHARD L. KRAFT Febru

Oil Conservation Division
NM Dept. of Energy & Minerals
310 Old Santa Fe Trail

JAMES L. BRUIN

KELLY M. CASSELS

CHARLES H. COLL

STEVEN P. FISHER

ROBERT V. COCHRANE

KENT CANADA

ERIC J. COLL

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

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.

Damon Richards for:

lt

cc: Mr. Mecca Mauritsen

Yates Petroleum Corporation

dr/ltr/ocd03

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

CONDITIONS OF APPROVAL, IF ANY:

# State of New Mexico Energy, Minerals and Natural Resources Department

Form C-101 Revised 1-1-89

Fee Lease - 5 copies	Λπ	CONCEDALATIO	NI DINTECTONI		
DISTRICT I P.O. Box 1980, Hobbs, NM	1 88340DIVISION	P.O. Box 208	8 50	API NO. (assigned by OCI	0 00 New Wells)
DISTRICT HONSER	,εΩ M \$8010	Santa Fe, New Mexico	87504-2088 } 19 <u>9</u> 2	5. Indicate Type of Lease	ATE FEE XX
DISTRICT III 1000 Rio Brazos Rd., Azies	28 200 Parato	. **		6. State Oil & Gas Lease	No.
		TO DRILL, DEEPEN, C	OR PLUG BACK		
Ia. Type of Work:		, , , , , , , , , , , , , , , , , , , ,		7. Lease Name or Unit A	preement Name
DRILL b. Type of Well:	. X RE-ENTE	R DEEPEN	PLUG BACK		
MEIT WEIT GV2	OTHER	SINGLE ZONE	MULTIPLE 20NE	Mojave "AJY"	Com
2 Name of Operator Yates Petrol	eum Corporatio	n /		8. Well No.	
3. Address of Operator 105 South For	urth Street, A	rtesia, NM 88210	7 /	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	2 F	. 20 1/25	23E	NMPM Eddy	County
		10. Proposed Depth 8,100'		formation Canyon	12 Rotary or C.T. Rotary
13. Elevations (Show whether 3700	er DF, RT, GR, etc.)	14. Kind & Status Plug. Bood Blanket	15. Drilling Contractor Not Designa	16. Approx.	Date Work will start
17.	D	ROPOSED CASING AN			
SIZE OF HOLE	SIZE OF CASING	<del></del>	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			
formations. to shut off cemented, wi  MUD PROGRAM: BOP PROGRAM:	Approximately gravel and cav 11 perforate a FW gel/LCM t BOP's and hy	n proposes to dri 1100' of surface ings. If commerc nd stimulate as no o 1100'; FW to 520 dril will be insta	casing will be ial, production eeded for production 00'; cut Brine alled on 9 5/8"	set and cement casing will be ction.  to TD.  casing and test	circulated run and ed daily.
ZONE GIVE BLOWOUT PREVE	ENTER PROGRAM, IF ANY.	GRAM PROPOSAL IS TO DEEPE lose to the lost of my knowledge and		N PRESENT PRODUCTIVE ZONE A	ND PROPOSED NEW PRODUCTIVE
SKINATURE	en Down	)" <i>M</i>	Landman	DA	1-6-92
TYPE OR PRINT NAME	Ken Beardemp	hl		פו	LEPHONE NO. 748-1471
(This space for State Use)	K Helel M		SUPERVISOR	DISTRICT II	JAN 7 1992
APPROVED BY	11/12/1/1/1/1/1/	TII	T.P.	DA	TE

THE CONTRACTOR OF THE STATE OF

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

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

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

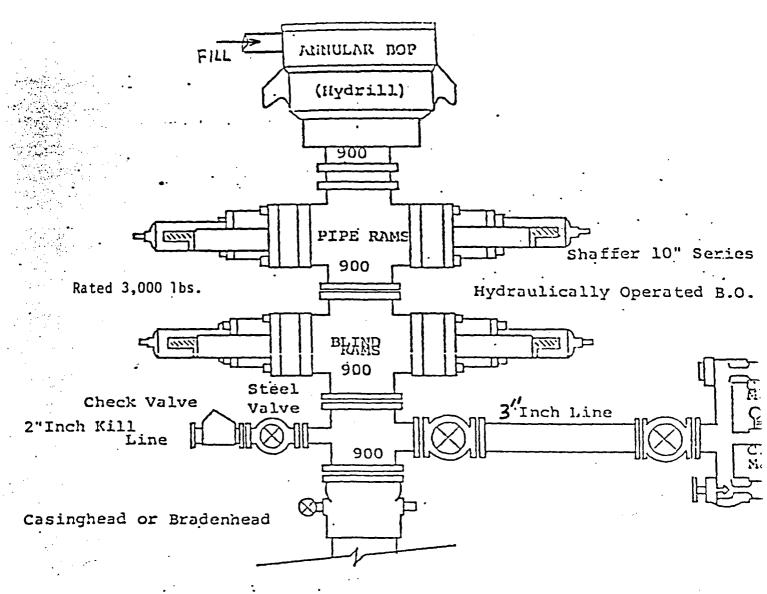
DISTRICT I P.O. Box 1980, Hobbs, NM 88240

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

#### WELL LOCATION AND ACREAGE DEDICATION PLAT

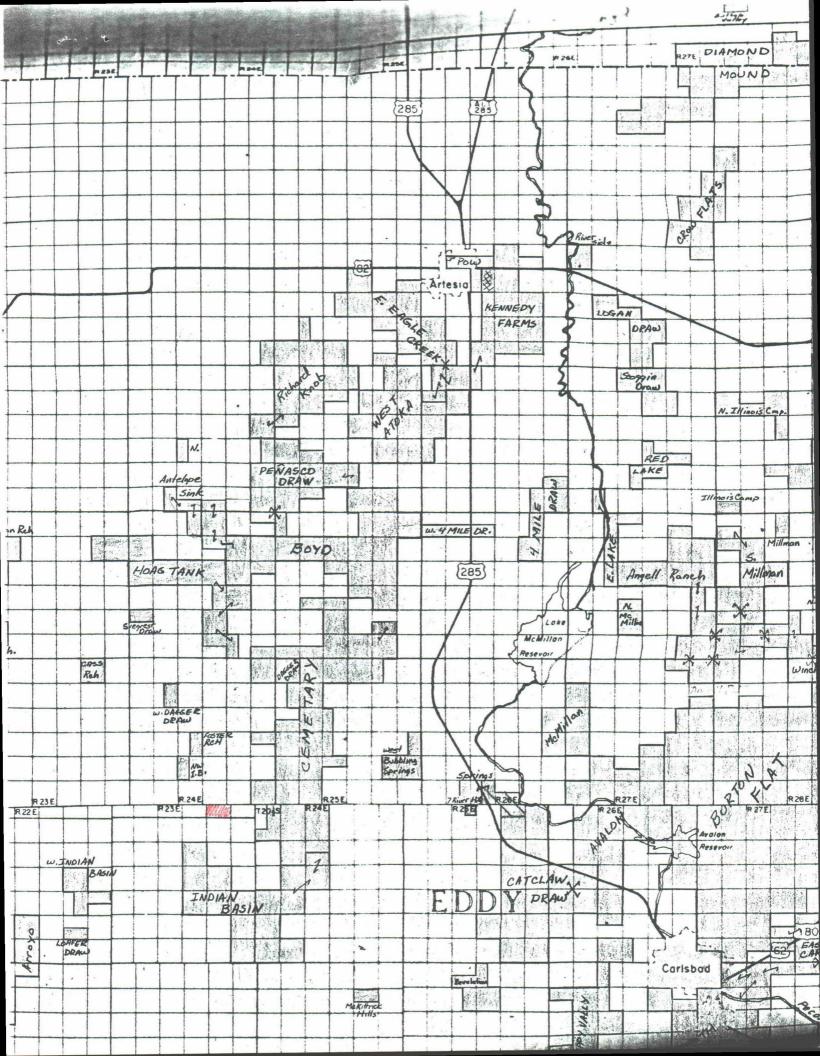
All Distances must be from the outer boundaries of the section

Operator			Lease	<u> </u>	Well No.
YATE	S PETROLEUM (	CORPORATION	MOJAVE AJY CO	)M	1
Unit Letter	Section	Township	Range	County	
A	35	20⅓ SOUTH	23 EAST	NMPM ED	DY COUNTY, NM
Actual Footage Loc	ation of Well:				
990	feet from the	NORTH line and	660	feet from the RA	ST line Dedicated Acreage:
Ground level Elev.		Formation	Pool	_ 11.4	3
3700		d to the subject well by colored pe	noil or bachum mark on the plat	an Upper teni	<del>_</del>
i. Oddin	e me acreage ocurcate	a to the subject well by colored pe	nich of hachdre hands on the plan	below. Y	298.82
2. If mor	re than one lease is dec	licated to the well, outline each an	d identify the ownership thereof	(both as to working interest a	nd royalty).
3. If mor	e than one lease of dif	ferent ownership is dedicated to the	e well, have the interest of all ov	vners been consolidated by c	ommunitization,
unitiza	tion, force-pooling, et	c.?			l
∑ X	Yes	No If answer is "yes" ty and tract descriptions which hav		m unitication	
	if neccessary.	a and tract descriptions which hav	e actually been consolidated. (Of	se reverse side of	
No allow	able will be assigned	to the well until all interests have		zation, unitization, forced-po	oling, or otherwise)
or until a	non-standard unit, eli	minating such interest, has been a	proved by the Division.		
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					eby certify that the information
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HBP			6	Signature	<b>&gt;</b> . (1)
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	1		i	Date	ETROLEUM CORPORATION
	[ [			A 18	6, 1992
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<b>L.</b>			ALL AND ADDRESS OF THE PARTY OF	SURV	EYOR CERTIFICATION
	i		i	I hereby co	ertify that the well location shown
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	i		i		veys made by me or under my and that the same is true and
	i		i		the best of my knowledge and
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				NM PES	PS NO W412
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### THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 1. All preventers to be hydraulically operated with secondary manual continuated 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 stable or tube a minimum of one inch in diameter.
- 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 equento 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.



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