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MAR 09 '88

5A. Indicate Type of Lease
STATE ☒ FEE ☐
5. State Oil & Gas Lease No.
LG-5233

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name Sunny Side State Unit	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. Farm or Lease Name Sunny Side State Unit	
2. Name of Operator Yates Petroleum Corporation		9. Well No. 1	
3. Address of Operator 105 South Fourth Street - Artesia, NM 88210		10. Field and Pool, or Wildcat Wildcat ORDOVICIAN	
4. Location of Well UNIT LETTER E LOCATED 1980 FEET FROM THE North LINE AND 660 FEET FROM THE West LINE OF SEC. 10 TWP. 10S RGE. 26E NMPM		12. County Chaves	
19. Proposed Depth 6800'		19A. Formation Ordovician	
20. Rotary or C.T. Rotary		21. Elevations (show whether DF, KT, etc.) 3838.7' GR	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor Undesignated	
22. Approx. Date Work will start ASAP		23.	

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12-1/4"	8-5/8"	24# J-55	Approx. 1150'	600 sacks	Circulate
7-7/8"	5-1/2"	15.5# J-55	TD	300 sacks	

We propose to drill and test the Ordovician and intermediate formations. Approximately 1150' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1150', cut brine to 4450', SW gel/starch to TD

BOP PROGRAM: BOP's will be installed at the offset and tested daily

GAS NOT DEDICATED

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 9/10/88
UNLESS DRILLING UNDERWAY

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.

Signed Clifton R. May Title Regulatory Agent Date March 7, 1988

(This space for State Use)

Original Signed By
Mike Williams

APPROVED BY Mike Williams TITLE Oil & Gas Inspector DATE MAR 10 1988

CONDITIONS OF APPROVAL, IF ANY:

2) 2-21-88 (with Partners) L.O

**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.

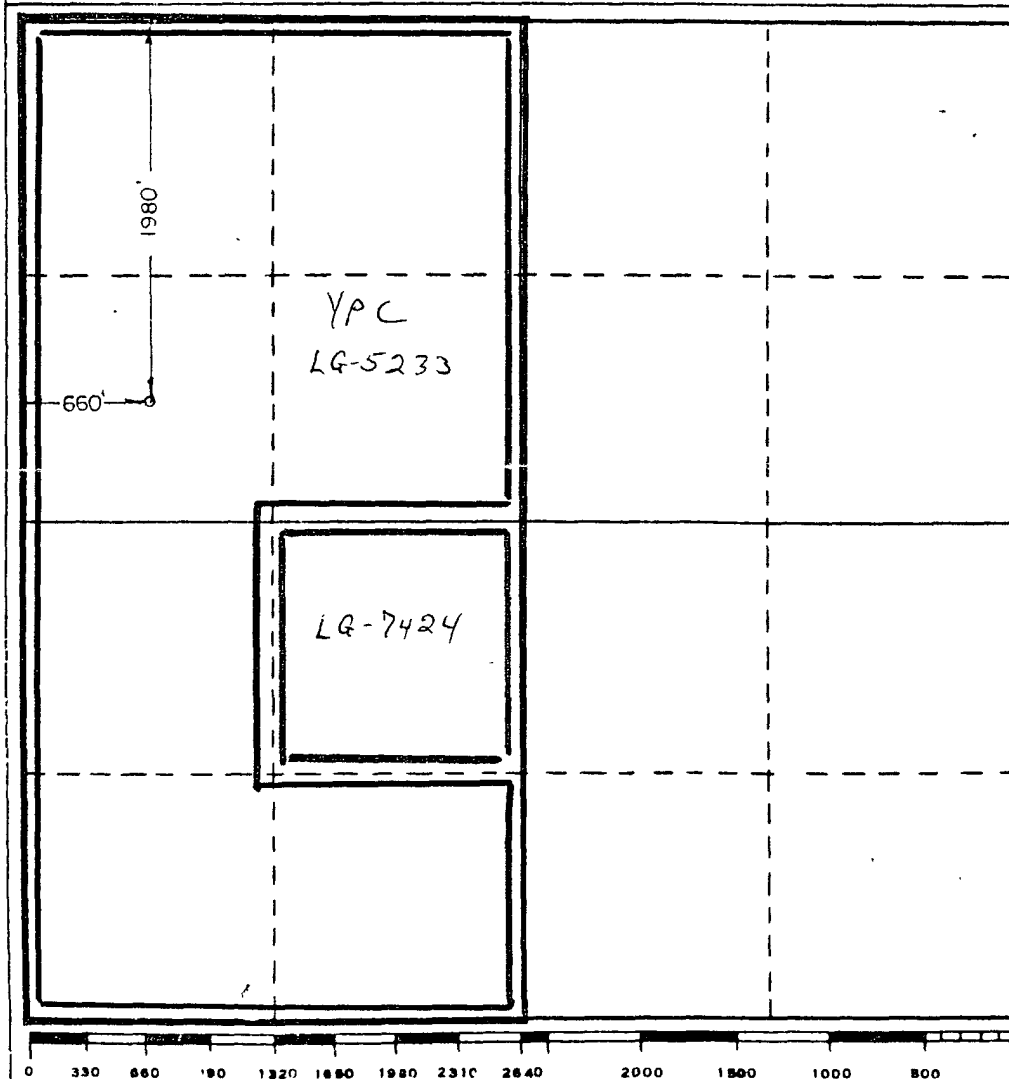
Operator YATES PETROLEUM CORPORATION		Lease SUNNY SIDE STATE UNIT		Well No. 1
Unit Letter E	Section 10	Township 10 South	Range 26 East	County Chaves
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the West line				
Ground Level Elev. 3838.7	Producing Formation ORDOVICIAN	Pool WILDCAT ORDOVICIAN	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 IS TO BE UNITIZATION

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.

Clifton R. May

Name

Clifton R. May

Position

Regulatory Agent

Company

Yates Petroleum Corporation

Date

March 7, 1988

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.

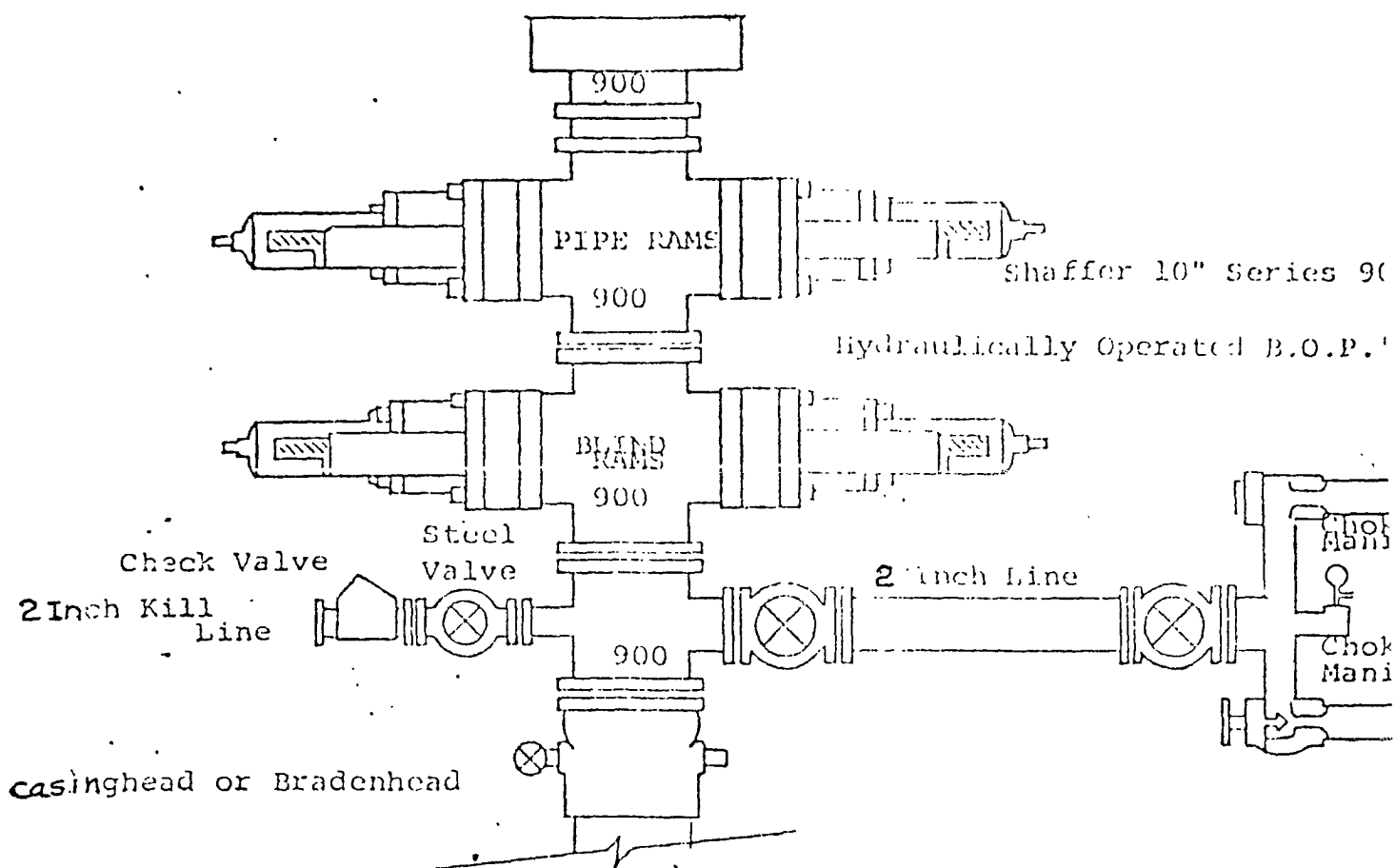
By Surveyed

HERSCHEL

Registered Professional Engineer
in Oil and Gas

Certificate

3640



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 2" 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.