

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

CONSERVATION DIVISION

RECEIVED

30-005-61049

Form C-101
Revised 10-1-78

P. O. BOX 2088
SANTA FE, NEW MEXICO 87501 JUL 24 1981

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O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease
STATE ☒ FEDERAL ☐
5. State Oil & Gas Lease No.
LA 561

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	
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Grynberg "LZ" State	
2. Name of Operator Yates Petroleum Corporation		9. Well No. 2	
3. Address of Operator 207 South 4th Street, Artesia, NM 88210		10. Field and Pool, or Wildcat Undes. Abo	
4. Location of Well UNIT LETTER G LOCATED 1980 FEET FROM THE North LINE AND 1980 FEET FROM THE East LINE OF SEC. 36 TWP. 5s RGE. 24e NMPM		12. County Chaves	
19. Proposed Depth 4350'		19A. Formation Abo	
20. Rotary or C.T. Rotary		21. Elevations (Show whether DF, RL, etc.) 3864' GL	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor LaRue or L & M	
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
15"	10 3/4"	40.5# J-55	950	750	Circulated
7 7/8" or 6 1/4"	4 1/2" or 5 1/2"	10.5# or 15.5#	TD		

We propose to drill and test the Abo and intermediate formations. About 950' of surface casing will be set and cement circulated. If needed, 7 5/8" intermediate casing will be run to around 1500' with enough cement to tie back in to the surface casing. Then run temperature survey to find top of cement. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1500'; Brine to 3200'; drispak and starch to TD.

BOP PROGRAM: BOP's will be installed on 10 3/4" casing and tested daily.

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 7-30-82
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.

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

Signed [Signature] Title Regulatory Manager Date 7-23-81

(This space for State Use)

APPROVED BY [Signature] TITLE SUPERVISOR, DISTRICT DATE JUL 30 1981

CONDITIONS OF APPROVAL, IF ANY:

N^o MEXICO OIL CONSERVATION COMMISS
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.

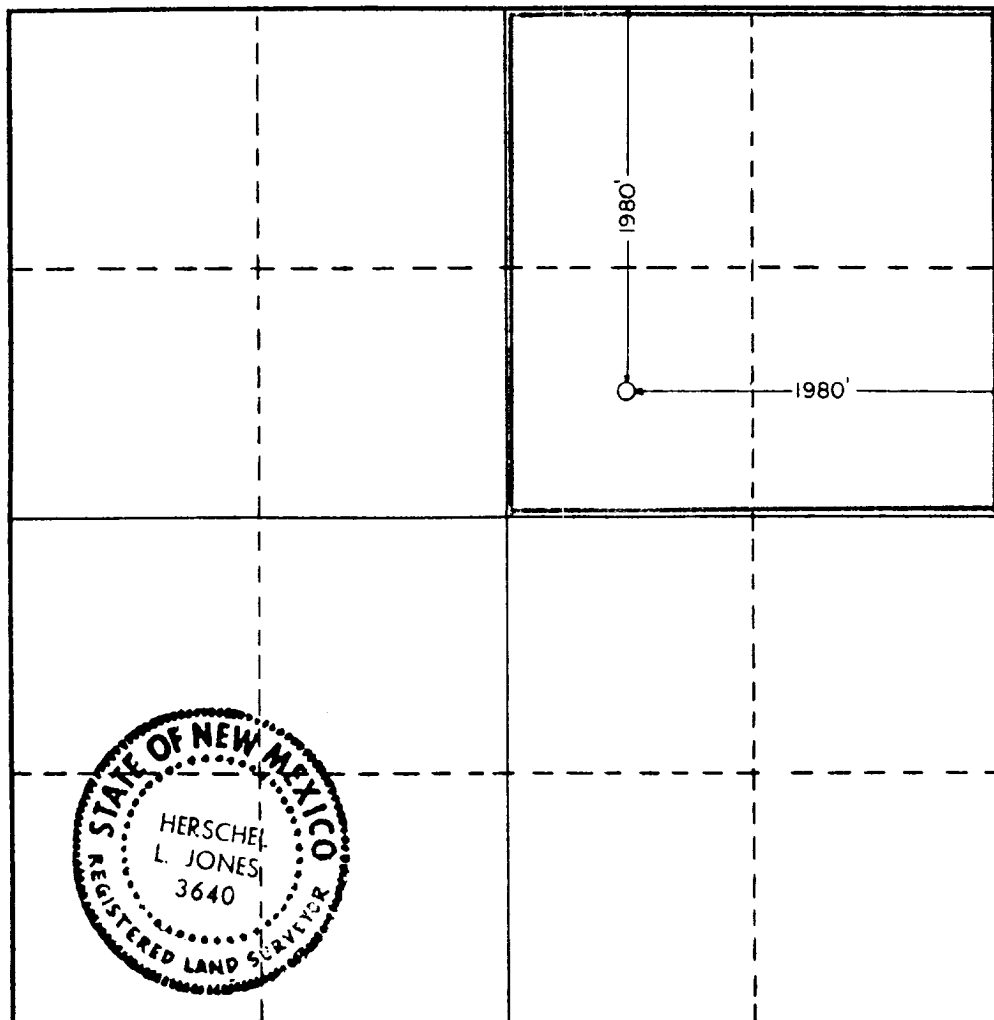
Operator YATES PETROLEUM CORPORATION			Lease Grynberg "LZ" State		Well No. 2
Unit Letter G	Section 36	Township 5 South	Range 24 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 3864.0	Producing Formation ABO		Pool UNDES. ABO		Dedicated Acreage: 160 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 _____

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.

[Signature]
 Name

Gliserio Rodriguez

Position

Regulatory Manager

Company

Yates Petroleum Corp.

Date

7-20-81

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

July 8, 1981

Registered Professional Engineer
 and/or Land Surveyor

[Signature]
 Certificate No. **3640**

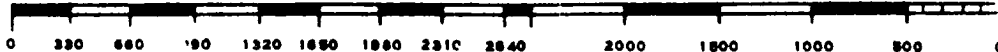
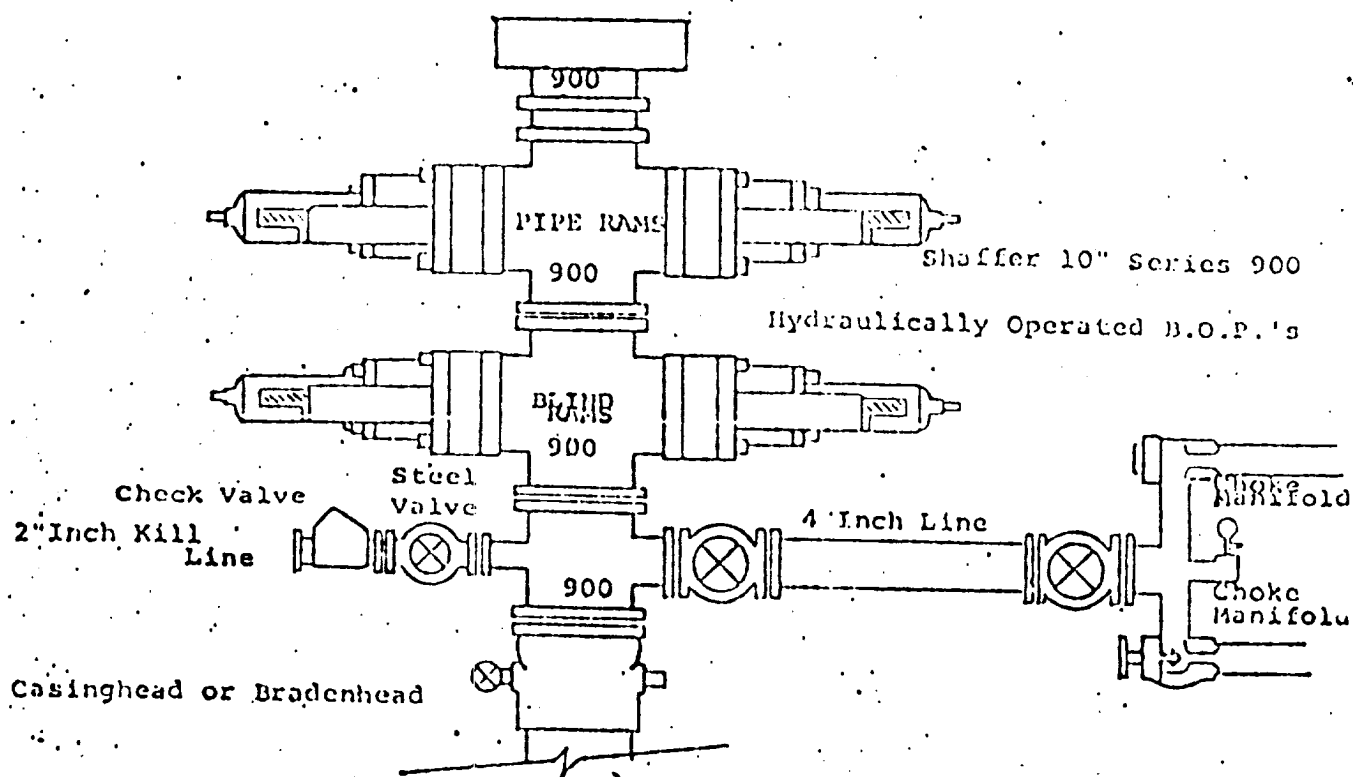


EXHIBIT C



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.