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OPERATOR	1

JUL 24 1981

O. C. D.
ARTESIA OFFICE

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. LA 679
7. Unit Agreement Name
8. Farm or Lease Name Refuge "RK" State
9. Well No. 1
10. Field and Pool, or Wildcat Undes. Abo
12. County Chaves

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL ☒ DEEPEN ☐ PLUG BACK ☐
b. Type of Well
OIL WELL ☐ GAS WELL ☒ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. Name of Operator
Yates Petroleum Corporation

3. Address of Operator
207 South 4th Street, Artesia, NM 88210

4. Location of Well
UNIT LETTER H LOCATED 1980 FEET FROM THE North LINE
AND 660 FEET FROM THE East LINE OF SEC. 16 TWP. 8s RGE. 25e NMDM

19. Proposed Depth
4410'

19A. Formation
Abo

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DE, KI, etc.)
3647.8'

21A. Kind & Status Plug. Bond
Blanket

21B. Drilling Contractor
LaRue or L & M

22. Approx. Date Work will start
ASAP

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	1030	950	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 1030' 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 1-30-82
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.

I 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 II DATE JUL 30 1981

CONDITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in _____
time to witness cementing
the 10 3/4" casing

NE 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.

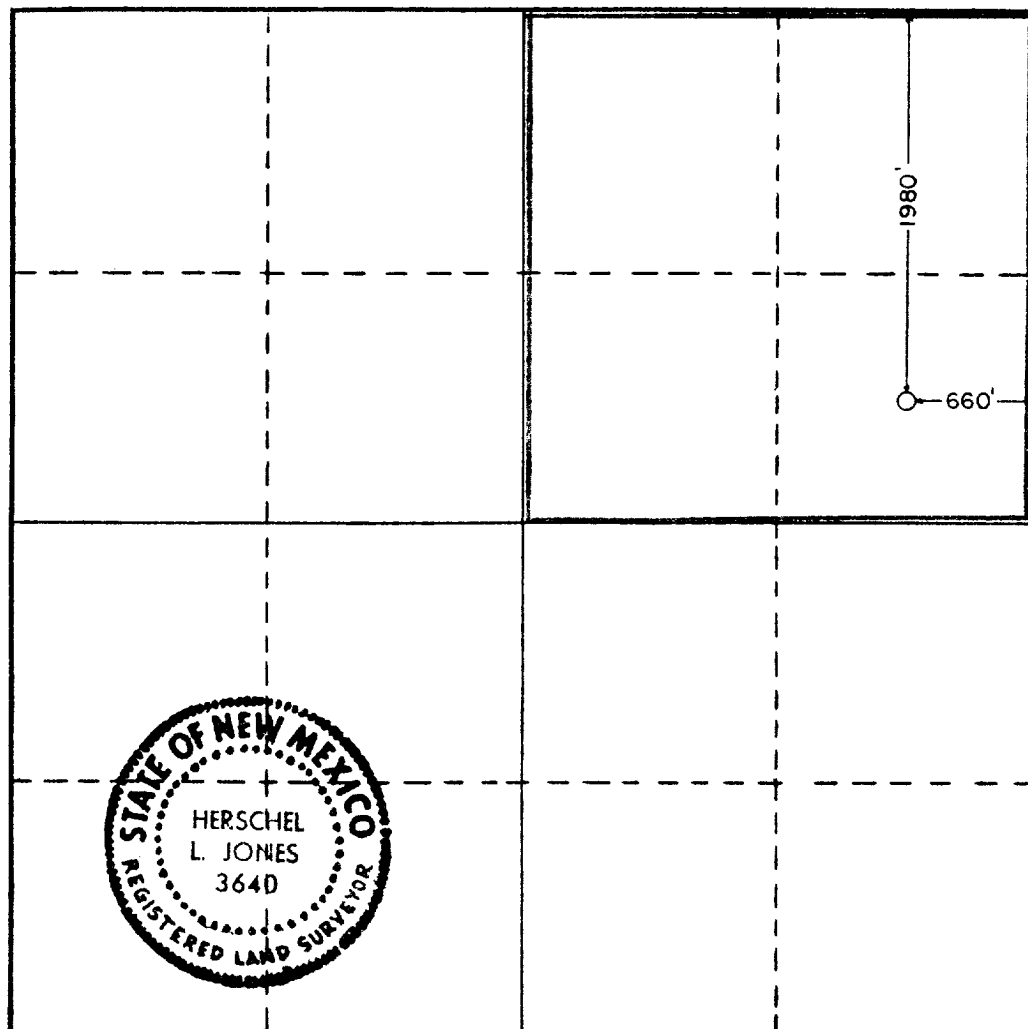
Operator YATES PETROLEUM CORPORATION			Lease Refuge "RK" State		Well No. 1
Unit Letter H	Section 16	Township 8 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line					
Ground Level Elev: 3647.8	Producing Formation ABO		Pool 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.

Name
Gliserio Rodriguez
 Position
Regulatory Manager
 Company
Yates Petroleum Corporation
 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 15, 1981
 Registered Professional Engineer
 and/or Land Surveyor

Certificate No.
3640

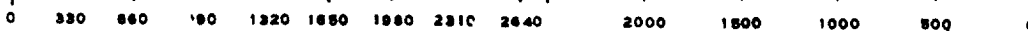
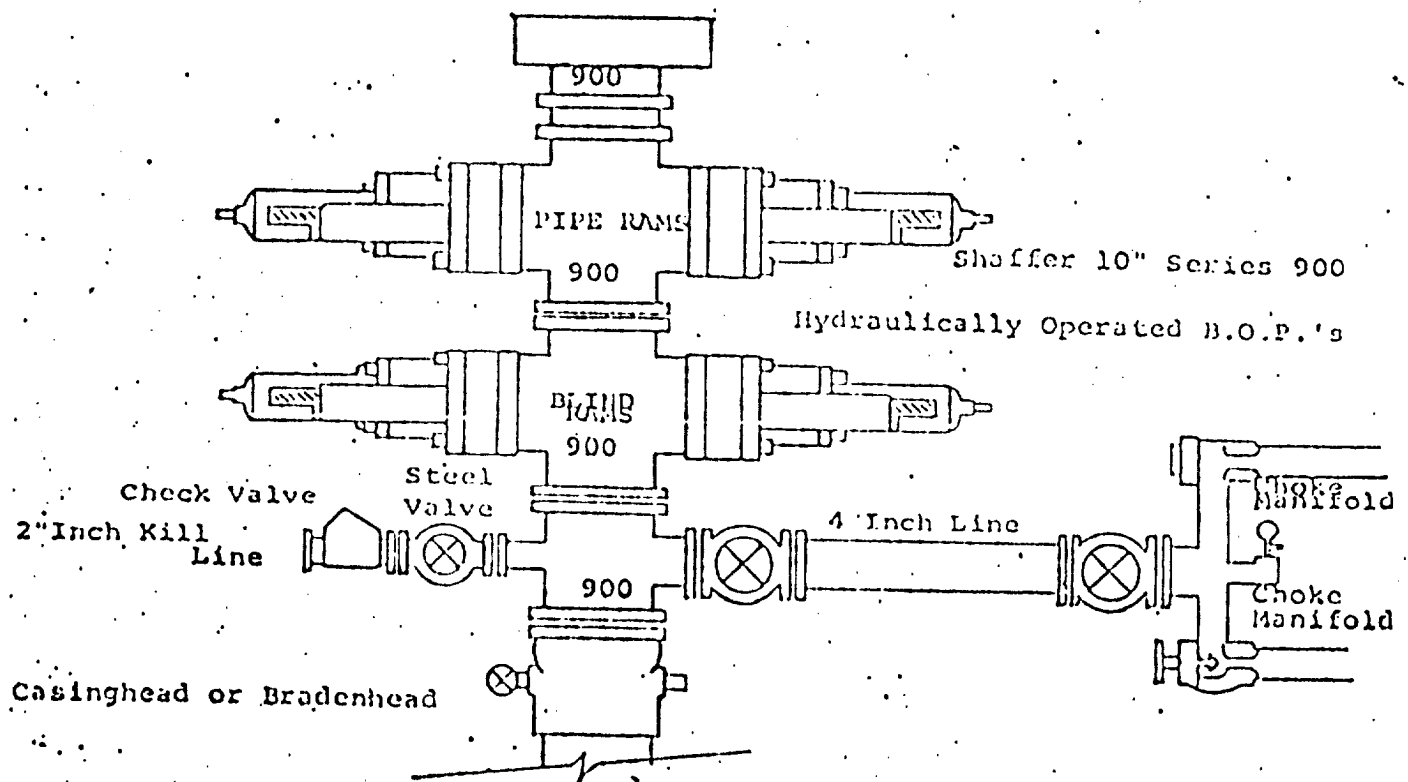


EXHIBIT C



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.