

OCT 22 1981

O. C. D.
ARTESIA, OFFICE

Form C-101
Revised 10-1-78

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OPERATOR	1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work

Type of Well ☒ DRILL ☐ DEEPEN ☐ PLUG BACK ☐
☐ OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐

Name of Operator

Yates Petroleum Corporation

Address of Operator

207 South 4th Street, Artesia, NM 88210

Location of Well

UNIT LETTER D LOCATED 660' FEET FROM THE North LINE

660 FEET FROM THE West LINE OF SEC. 8 TWP. 6 RGE. 26 NEADN

5A. Indicate Type of Lease
STATE ☐ FEE ☒
 5. State Oil & Gas Lease No.
 7. Unit Agreement Name
 8. Farm or Lease Name
 Caudill RZ
 9. Well No.
 #1
 10. Field and Pool, or Wildcat
 Undes. Abo
 11. County
 Chaves

12. Elevation (show whether DE, KI, etc.) 3706.6 GL
 21A. Kind & Status Plug. Bond Blanket
 21B. Drilling Contractor L & M #1
 22. Approx. Date Work will start ASAP
 19. Proposed Depth 4400'
 19A. Formation Abo
 19B. Rotary or C.T. Rotary

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
8"	10 3/4"	40.5# J-55	Approx. 930'	800 sx.	circulated
7 7/8" or 6 1/4"	4 1/2" or 5 1/2"	10.5# or 15.5#	TD	350 sx.	

We propose to drill and test the Abo and intermediate formations. Approximately 930' of surface casing will be set and cement circulated to shut off gravel and casing. If needed (lost circulation) 7 5/8" intermediate casing will be run to 1550' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

1500',
 DRILLING PROGRAM: FW gel and LCM, Brine to 3500'. Brine & KCL water to TD. MW 10-10.2.

OPERATION PROGRAM: BOP's will be installed at approximately 1500' and tested daily.

WELL NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
 PERMIT EXPIRES 4-26-82
 UNLESS DRILLING UNDERWAY

GIVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Regulatory Manager Title 10-21-81 Date

(This space for State Use)

APPROVED BY W.A. Gressett TITLE SUPERVISOR, DISTRICT 4 DATE OCT 26 1981

REASONS OF APPROVAL, IF ANY:

Declared Water Basin
 Fort Sumner Basin

Posted ID-1
 API + NL Book
 10-30-81

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.

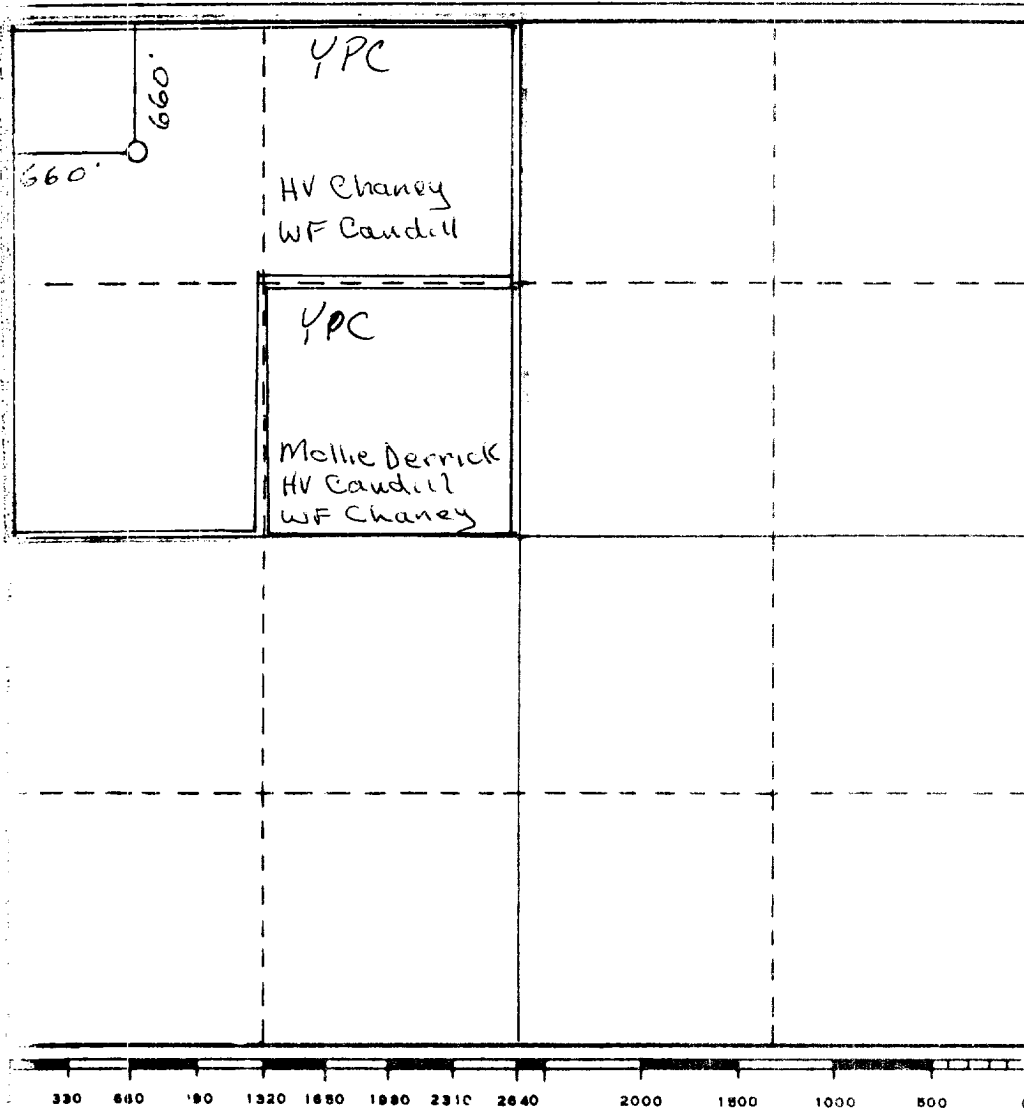
Operator Yates Petroleum Corporation			Lease Caudill "22"		Well No. 1
Tract Letter D	Section 8	Township 6S	Range 26E	County Chaves	
Actual Footage Location of Well: 660' feet from the North line and 660' feet from the West line					
Ground Level Elev. 3706.6	Producing Formation Molokai		Pool	Dedicated Acreage: Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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

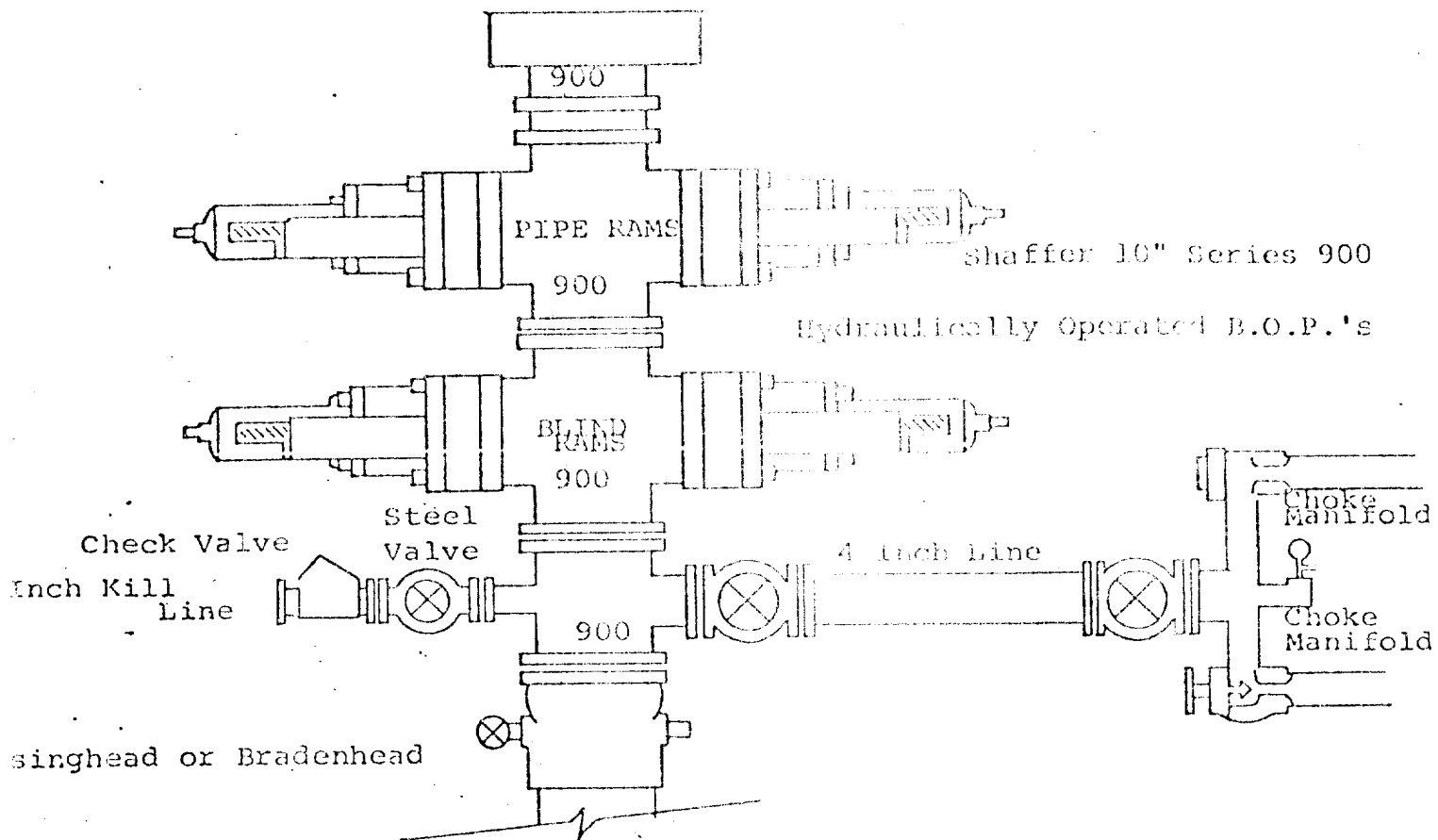
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name _____
Position
Regulatory Manager
Company
Yates Petroleum Corporation
Date
10-21-81

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
10-19-81
Registered Professional Engineer and/or Land Surveyor
[Signature]
Certificate No. 3640

EXHIBIT B



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 4" 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.
- D. P. float must be installed and used below zone of first gas intrusion.