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DEC 9 1981

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work		ARTESIA, OFFICE	
Type of Well	DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		
Well	<input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER	SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	
Name of Operator			
Chaves Petroleum Corporation			
Address of Operator			
S. 4th, Artesia, New Mexico 88210			
Location of Well			
UNIT LETTER	C	LOCATED	660
FEET FROM THE		North	LINE
980	FEET FROM THE	West	LINE OF SEC. 14
TWP.		9S	RCE. 25E
N.M.P.M.			
19. Proposed Depth		19A. Formation	20. Rotary or C.T.
Approx. 4550'		Abo	Rotary
21A. Kind & Status Plug. Bond		21B. Drilling Contractor	22. Approx. Date Work will start
Blanket		L & M Drilling Co. #2	ASAP

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
1 1/4"	8 5/8"	24# J-55	Approx. 975'	800 sx.	circulated
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 975' of surface casing will be set and cement circulated to shut off gravel and casing. If needed (test circulation) 7 1/8" intermediate casing will be run to 1500' 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.

MOD PROGRAM: FW gel and LCM to 975', Brine to 3200', Brine & KCL water to TD.
MW 10-10.2

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

W-S NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 12-14-82
UNLESS DRILLING UNDERWAY

HERE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. 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.

Glenn Rodriguez Title Regulatory Manager Date 12-18-81
(This space for State Use)

RECEIVED BY Mike Williams TITLE OIL AND GAS INSPECTOR DATE DEC 14 1981

REASONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient
time to witness cementing
the 8 5/8" casing

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.

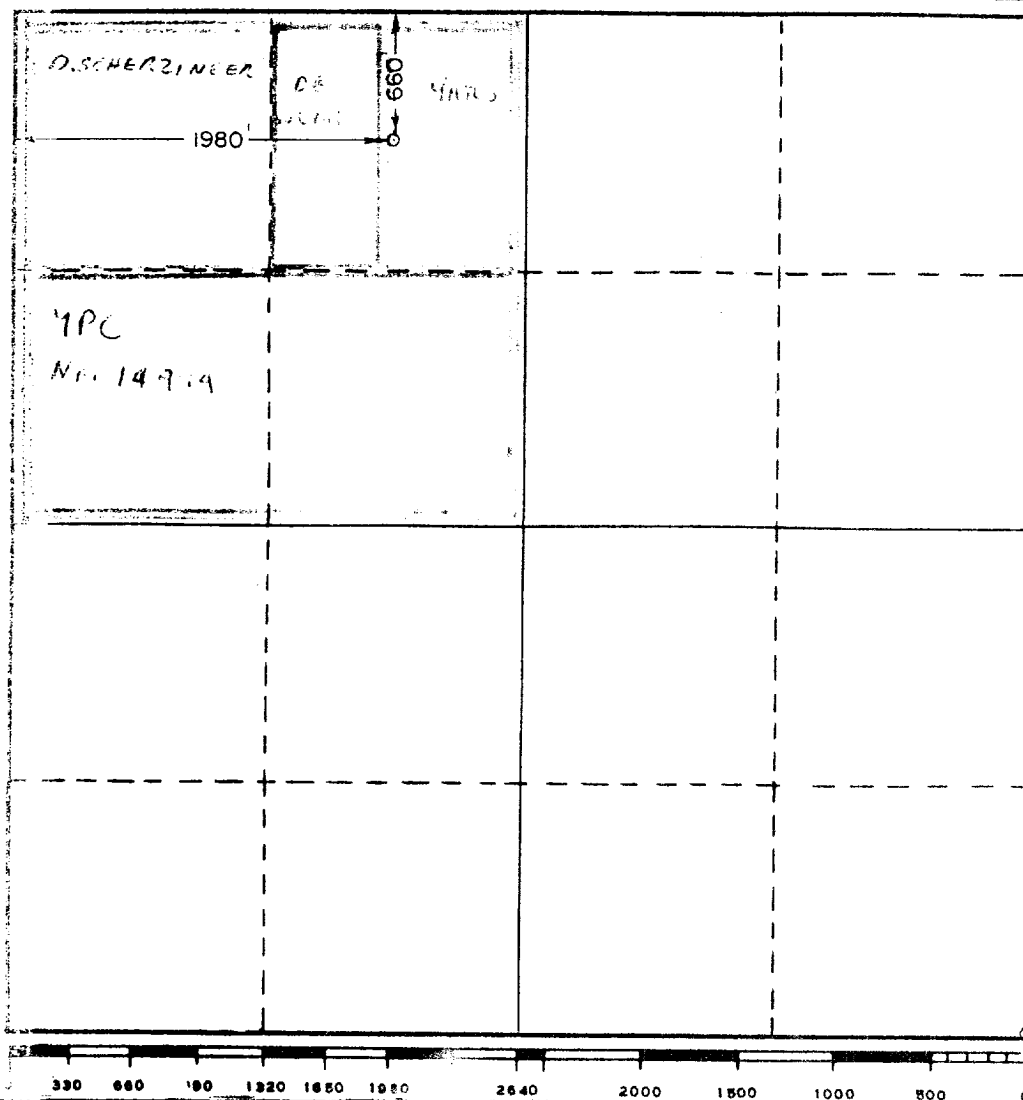
Operator YATES PETROLEUM CORPORATION			Lease McCrea SF. Com.		Well No. 1
Section Letter C	Section 14	Township 9 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line					
Ground Level Elev. 3515.0	Producing Formation Abo		Pool Undesignated Abo		Dedicated Acreage: 160 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 COMMUNITIZATION

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.

Gliserio Rodriguez
Name

Gliserio Rodriguez
Position

Reg. Manager
Company

Yates Petroleum
Date

12/2/81

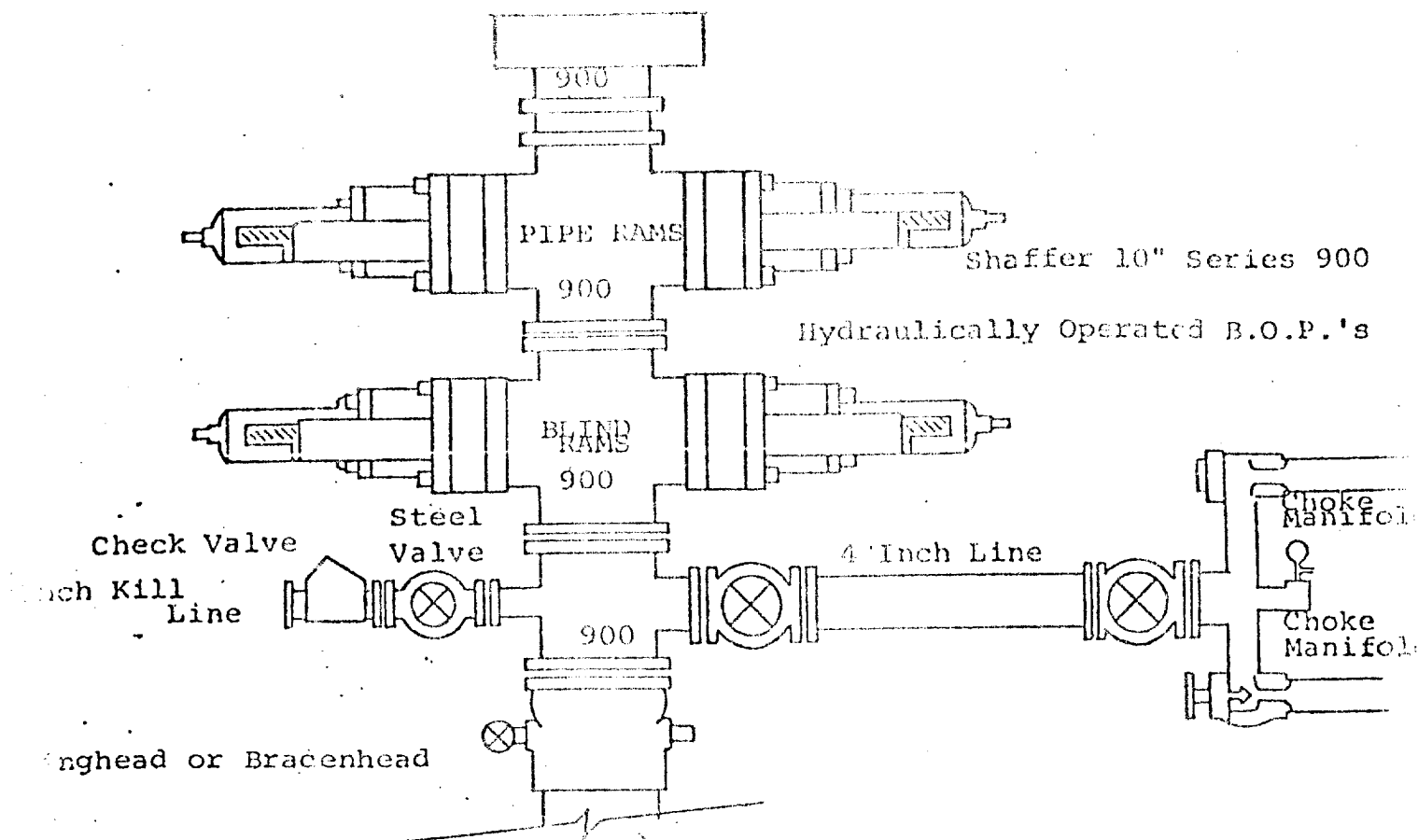
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
November 16, 1981

Registered Professional Engineer
and/or Land Surveyor

Gliserio Rodriguez
Certificate No.

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 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