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SEP 21 1982

O. C. D.

APPLICATION FOR PERMIT TO DRILL, DEEPEN, 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 S. 4th, Artesia, New Mexico 88210

Location of Well  
UNIT LETTER E LOCATED 1980 FEET FROM THE North LINE  
660 FEET FROM THE West LINE OF SEC. 16 TWP. 8S RGT. 22E

5A. Indicate Type of Lease  
STATE ☒ FEDERAL ☐

5. State Oil & Gas Lease No.  
LG-9152

7. Unit Agreement Name

8. Form or Lease Name  
Rock House VF State

9. Well No.  
1

10. Field and Pool, or Wildcat  
Wildcat

12. County  
Chaves

15. Proposed Depth 3100'

15A. Formation Abo

16. Rotary or C.T.E. Rotary

17. Elevation (show whether BP, RL, etc.) 4064.8' GL

21A. Kind & Status Plug. Bond Blanket

21B. Drilling Contractor LaRue Drilling

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
12 1/4"	8 5/8"	24#	700'	470 sx	circulated
7 7/8"	4 1/2"	9.5#	TD	150 sx	

We propose to drill and test the Abo and intermediate formations. Approximately 700' of surface casing will be set and cement circulated to shut off gravel and caving. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel and LCM to 700', Brine to 2200', Salt gel/starch to TD.

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

GAS NOT DEDICATED.

APPROVAL VALID FOR 150 DAYS  
PERMIT EXPIRES 3-24-83  
UNLESS DRILLING UNDERWAY

BOVE 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.

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

ed. *[Signature]* Title Regulatory Manager Date 9/9/82

(This space for State Use)

ROVED BY *[Signature]* TITLE OIL AND GAS INSPECTOR DATE SEP 24 1982

DITIONS OF APPROVAL, IF ANY:

Notify N.M.O.C.C. in sufficient  
time to witness cementing  
the casing

W MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-152  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

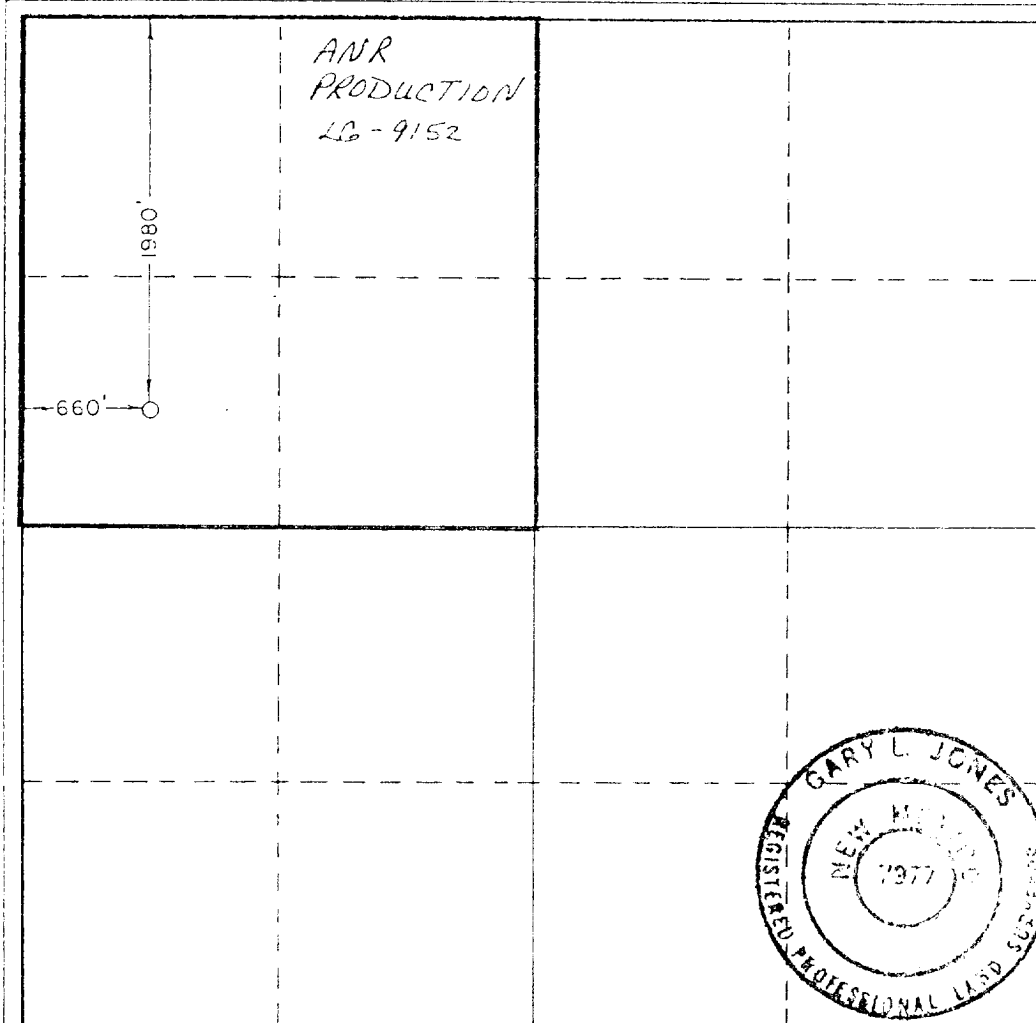
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Rock House "VF" State</b>		Well No. <b>1</b>
Dist. Letter <b>E</b>	Section <b>16</b>	Township <b>S South</b>	Range <b>22 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>4064.5'</b>	Producing Formation <b>Abo</b>		Pool <b>Wildcat</b>		Dedicated Acreage: <b>160</b> 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.

*Gliserio Rodriguez*  
Gliserio Rodriguez

Position

Regulatory Manager

Company

Yates Petroleum Corp.

Date

9/21/82

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

September 8, 1982

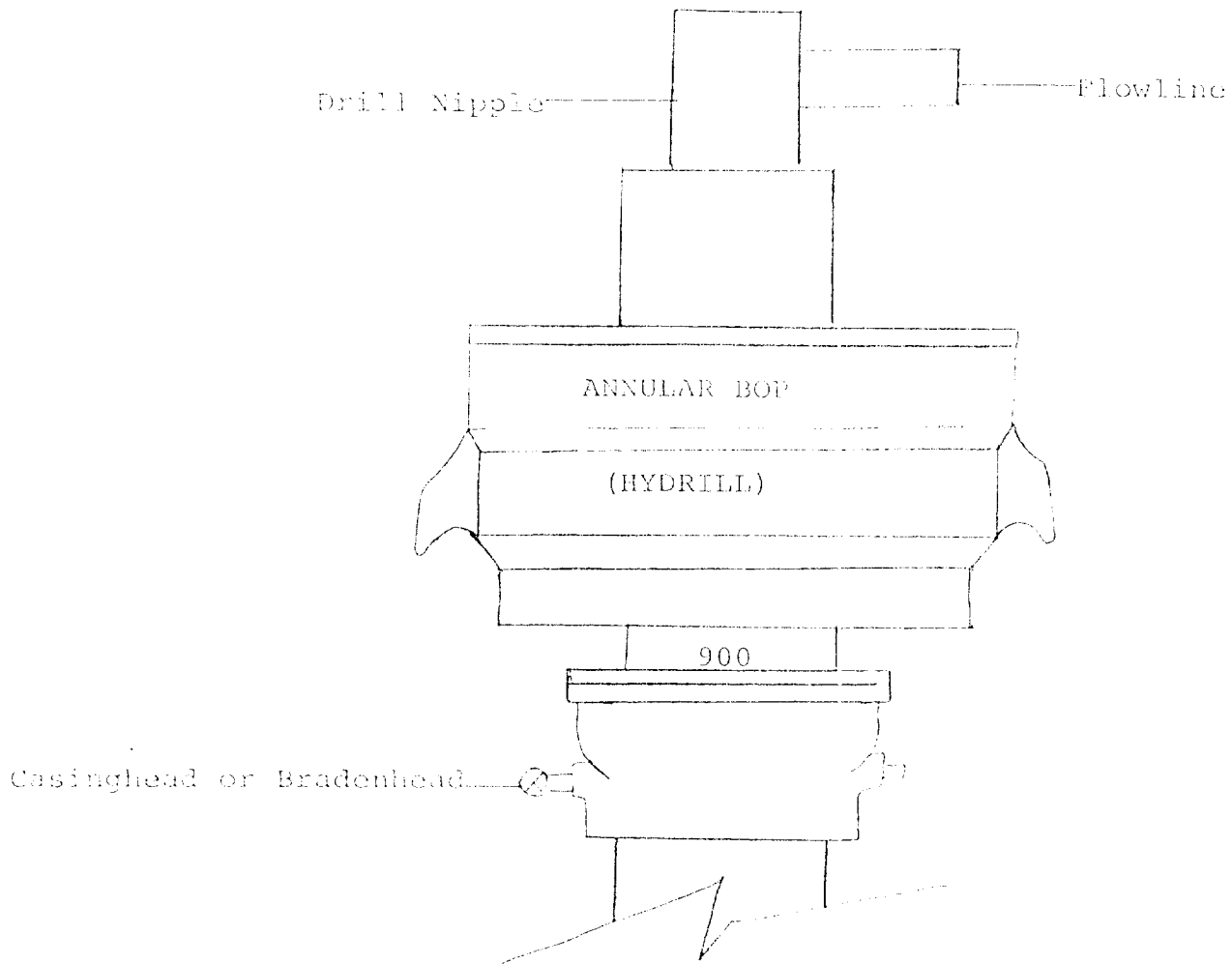
Registered Professional Engineer and/or Land Surveyor

Certificate No.

7977

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

# EXHIBIT 3



## 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. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing.