	NM OIL CONS.	COMMISSION		_				
Form 9-331 C	Drawer Dl	-	SUBMIT IN T	CATE*	Form approved.			
(May 1963)	Artesia, UNIT	BB210TATES	(Other instruction reverse side		Budget Bureau No. 42-R1425.			
				ري. د	30-005-61457			
	DEPARTMENT	OF THE INTER	TUR		5. LEASE DESIGNATION AND. SEBIAL NO.			
CISE	GEOLO	GICAL SURVEY			NM 30391			
APPLICATIO	N FOR PERMIT	O DRILL, DEEP	EN, OR PLUG B	ACK	6. IF INDIAN, ALLOTTEE OR TRIBE NAME			
1a. TYPE OF WORK			PLUG BAC	жП	7. UNIT AGREEMENT NAME			
b. TYPE OF WELL								
	GAS WELL X OTHER		INGLE MULTIPI		8. FARM OR LEASE NAME			
2. NAME OF OPERATOR					Grafa "RW" Federal			
Yates Petrole	eum Corporation	/	RECEIVED		9. WELL NO.			
	Artesia, NM 882	10		-	2 19, FIELD AND POOL, OR WILDCAT			
4. LOCATION OF WELL (	Report location clearly and	in accordance with any	State of Gremeros. 1987		Lecos Clope_			
AL SURACE	FSL & 660' FEL			(]-	11. SEC., T., E., M., OR BLK.			
			<b>O.</b> C. D.		AND SURVEY OR AREA			
At proposed prod. ze Same	Jue		ARTESIA, OFFICE	ut.P	Sec. 35-T5S-R24E			
	AND DIRECTION FROM NEAD	REST TOWN OR POST OFFIC			12. COUNTY OR PARISH   13. STATE			
		11 10 00001						
15. DISTANCE FROM PRO		well, NM 88201	O. OF ACRES IN LEASE	17. NO. 01	Chaves NM			
LOCATION TO NEARE PROPERTY OR LEASE	LINE FT	60'	520	160	IS WELL			
18. DISTANCE FROM PRO	OPOSED LOCATION*		ROPOSED DEPTH		LY OR CABLE TOOLS			
TO NEAREST WELL, OR APPLIED FOR, ON T	DRILLING, COMPLETED, THIS LEASE, FT. 13	20'	4225'	Rot	ary			
21. ELEVATIONS (Show w	hether DF, RT, GR, etc.)				22. APPROX. DATE WORK WILL START*			
3926.1 GL					ASAP			
23.	I	PROPOSED CASING AN	D CEMENTING PROGRA	M				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	1	QUANTITY OF CEMENT			
12 1/41	9 5/9"	40 5# T_55	Approx 0501	620 0	av airculated Var Aroz			
77/8" or 6	$\frac{0.070}{10}$	10.5%  ar  15.5%	$\mu_{\text{Approx}}$	<u>s</u>	sx. circulated			
<u> </u>	<u>42_01_02</u>	<u> </u>	<u> </u>	<u>سرد</u>	QUANTITY OF CEMENT SX. circulated Approximately 950' gravel and caving. If 1500' and cemented g. Temperature survey casing will be run and for production.			
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He propose to	o drill and toot	the Abe and in	tormodiato form	ationa	Approximately 95013			
of surface c	asing will be se	t and cement ci	revisted to shu	t off n	revel and coving If			
needed (lost	circulation) 7"	intermediate c	asing will be r	un to 1	500' and comented			
with enough	cement calculate	d to tie back i	nto the surface	casing	Temperature survey			
will be run	to determine cem	ent ton. If co	mmercial. produ	ction c	asing will be run and			
cemented with	h adequate cover	, perforate, an	d stimulate as	needed	for production.			
	1							
MUD PROGRAM:	FW gel and LCM	to 950', Brine	e to 3500'. Bri	ne & KC	L water to TD			
BOP PROGRAM:	BOP's will be	installed at ap	prcximately 950	' and t				
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24.	$\sim \rho \Lambda$							
SIGNED VU	un las	TITLE	legilatory Manag	er	DATE <u>12/31/81</u>			
(This space for Fe	deral or State office use)			<u> </u>				
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PERMIT NO.		<u> </u>	APPROVAL DATE					
			APPROVAL SUBJECT					
APPROVED BY CONDITIONS OF APPRO	UNAL IF ANY MAD A 8 1	982 TITLE	GENERAL REQUIREN	LETTS AN	D DATE			
STORE OF ALL W			SPECIAL STIPULATION	DNS				
	JAMES A. OIL	HAM	ATTACHED					
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11-82
11-82

Form C-102 Supersedes C-128 Effective 1-1-65

## WELL LOCATION AND ACREAGE DEDICATION PLAT

**F** -

YATES PETROLEUM CORPORATION Grafa RW Federal 2				All dist	inces must be f	rom the out	er boundaries of	the Section.		<b>.</b>	
P       Section       Terms bits       Parce       County         100       Test from the       South       24 fast       Chaves         100       Free trees the       South       100       Test from the       East       Inne         3926,1       Abo       Info       Access       100       Access         3926,1       Abo       Info       Access       Access         1. Outline the accessed dedicated to the subject well by colored peacil or hachure marks on the plat below.       1       Access         2. If more then are lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).       If more then are lease of different ownership is dedicated to the well, have the interests of all owners been coasolidated by communitization, unitization, interest, fore-pooling, etc?         If are were in "no?" list the owners and tract descriptions which have actually been coasolidated. (Use reverse side of this form if necessary.)         No allowable will be assigned to the well until all interests have been coasolidated. (by communitization, unitization, initization, initization, initization, while allow the low more interest, has been approved by the Commission.         aion.       CERTIFICATION       I have a the low well best of more interest.         No allowable will be assigned to the well well will all interests have been coasolidated. (by communitization, unitization, intereston to the least of more interest. <td>Operator</td> <td></td> <td></td> <td></td> <td></td> <td>-</td> <td></td> <td></td> <td></td> <td>Well N</td> <td>io.</td>	Operator					-				Well N	io.
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## Yates Petroleum Corporation Grafa "RW" Federal #2 660' FSL and 660' FEL Section 35, T5S, R24E Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is sandy residuum.

2. The estimated tops of geologic markers are as follows:

San Andres	562'
Glorieta	1574'
Fullerton	3002'
Аро	3630'
TD	4225 <b>'</b>

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 225'

Gas: 3650'

- 4. Proposed Casing Program: See Form 9-331C.
- 5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See Form 9-331C.

7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

8. Testing, Logging and Coring Program:

Samples:	Surface casing to TD
DST's	As warranted.
Logging:	Intermediate casing to TD
	CNL-FDC TD to casing with GR-CNL on to surface and DLL from TD to casing.
Coring:	None

- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible after approval.



## 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 à 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 some of first gas intrusion.

Exhibit C

## VATES PETROLEUM CORPORATION

