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NEW MEXICO OIL CONSERVATION COMMISSION

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APR 8 1982

O. C. D.
ARTESIA, OFFICE

Form C-101
Revised 12-75

STATE	XX	FE	
LG-566			

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work

DRILL	XX	DEEPEN		PLUG BACK	
GAS	XX	GAS		SINGLE ZONE	
WATER		WATER		MULTIPLE ZONE	

Yates Petroleum Corporation

b. Address of Operator

207 S. 4th, Artesia, New Mexico 88210

c. Location of Well

UNIT LETTER H LOCATED 1980 FEET FROM THE North LINE

660' East 32 5S 24E

Celeste "TW" State

1

Undes. Pecos Slope Abc

Chaves

4123.5	Blanket	4200'	Abo	Rotary
		Not determined		ASAP

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
14 3/4"	10 3/4"	40.5# J-55	900'	600 sx	circulated
7 7/8"	4 1/2"	9.5#	TD	350 sx	

We propose to drill and test the Abo and intermediate formations. Approximately 900' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation) 8 5/8" 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, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel and LCM to 900', Brine to 3200', Brine & KCL water to TD.

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

GAS NOT DEDICATED.

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 10-9-82
UNLESS DRILLING UNDERWAY

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

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

ed Debra J. Elsborg Title Regulatory Coordinator Date 4/6/82
for Ken Brundage (This space for State Use)

PROVED BY Mr. W. W. W. TITLE OIL AND GAS INSPECTOR DATE 4-9-82
EDITIONS OF APPROVAL, IF ANY:

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.

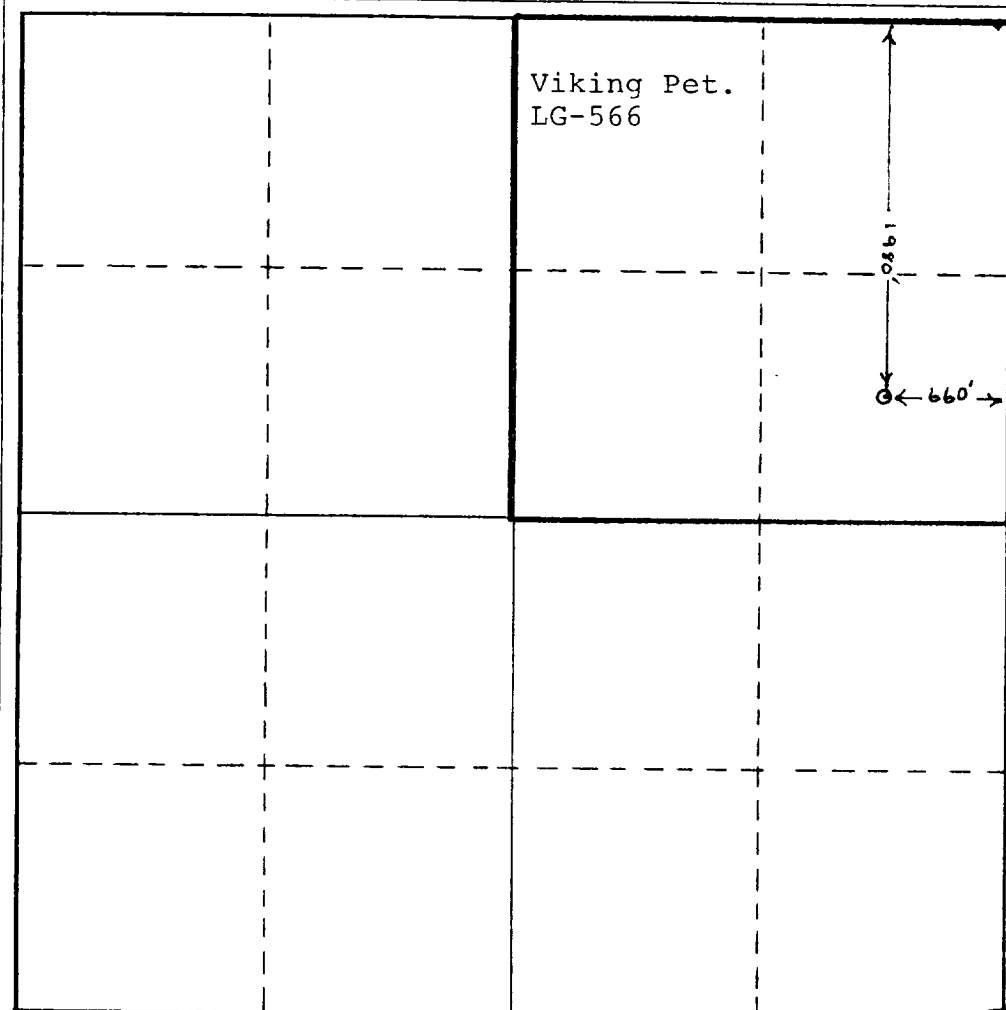
Operator YATES PETROLEUM CORPORATION			Lease Celeste "TW" State		Well No. 1
Unit Letter H	Section 32	Township 5 South	Range 24 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line					
Ground Level Elev. 4123.5'	Producing Formation Abo		Pool Undes. Pecos Slope 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.



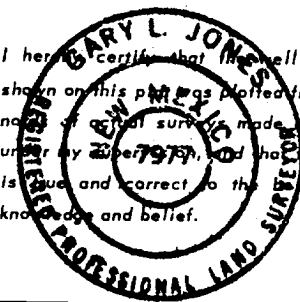
CERTIFICATION

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

Delana L. Gillbourn

Name
Ken Beardemphl
Position
Regulatory Coordinator
Company
Yates Petroleum Corp.
Date
4/6/82

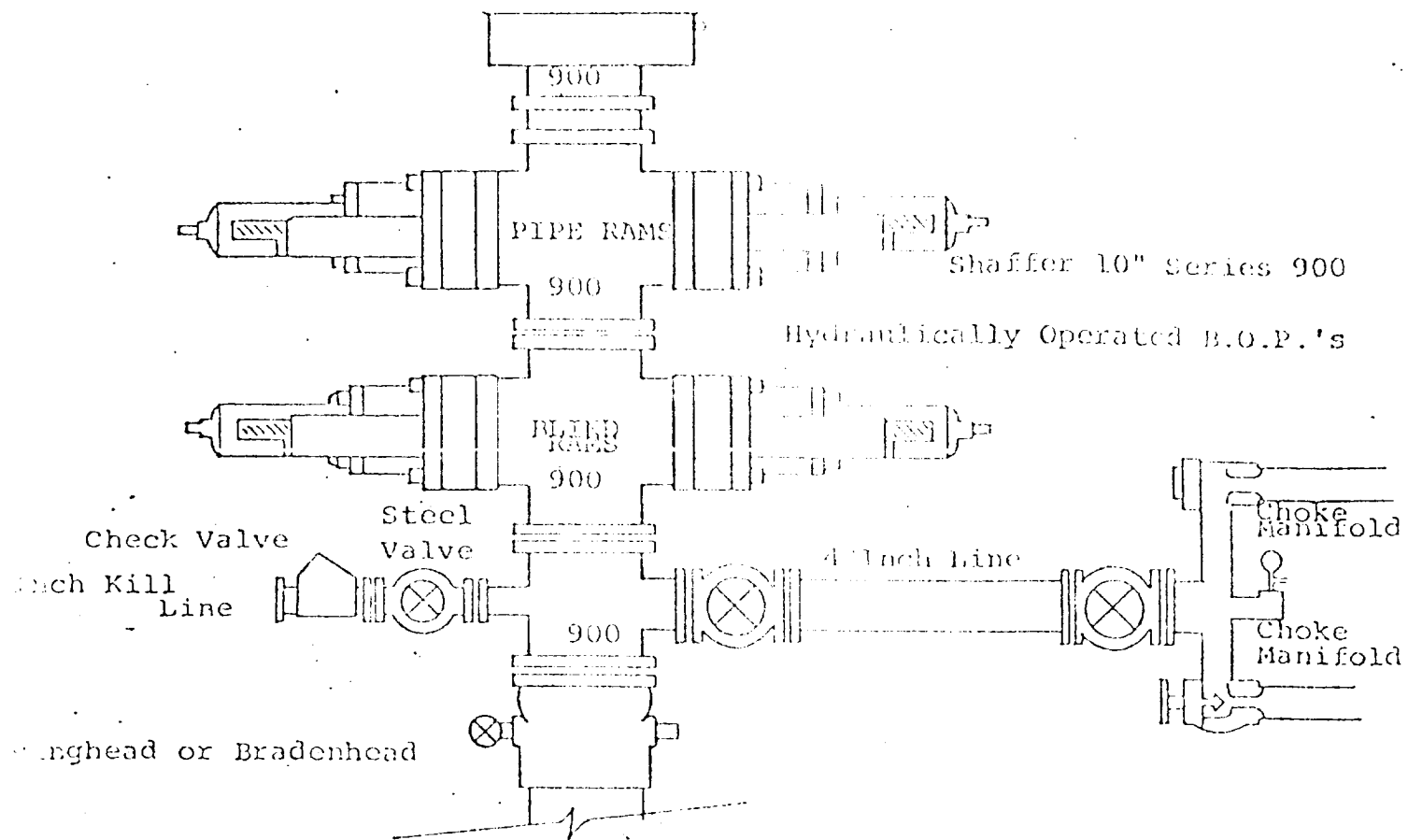
I hereby certify that the well location shown on this plat was plotted from field notes of actual survey made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed
April 2, 1982
Registered Professional Engineer and/or Land Surveyor
Gary L. Jones
Certificate No.
7977



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.