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APR 30 1982

O. C. D.
ARTESIA, OFFICE

5A. Indicate Type of Lease STATE <input type="checkbox"/> FCC <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name Sacra "SA"
9. Well No. 7
10. Field and Pool, or Wildcat Pecos Slope Abo
12. County Chaves

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. Type of Work
DRILL ☒ DEEPEN ☐ PLUG BACK ☐

2. Type of Well
OIL WELL ☐ GAS WELL ☒ OTHER ☐

3. Name of Operator
Yates Petroleum Corporation

4. Address of Operator
207 S. 4th, Artesia, New Mexico 88210

5. Location of Well
UNIT LETTER O LOCATED 660 FEET FROM THE South LINE

6. 1650 FEET FROM THE East LINE OF SEC. 22 TWP. 6S RGE. 25E NEPM

19. Proposed Depth 4125'	19A. Formation Abo	20. Rotary or C.T. Rotary
21A. Kind & Status Plug, Bond Blanket	21B. Drilling Contractor Collier #10	22. Approx. Date Work will start ASAP

11. Elevations (Show whether DT, KT, etc.)
3799.2' GL

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	850'	560 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 850' 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. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel & LCM to 850'; 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 11-3-82
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 PRODUCTION ZONE. 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.

Signed Ken Beardsley Title Regulatory Coordinator Date 4/30/82

(This space for State Use)

PROVED BY Mark Williams TITLE Oil and Gas Inspector DATE 5-3-82

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMM. IN
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.

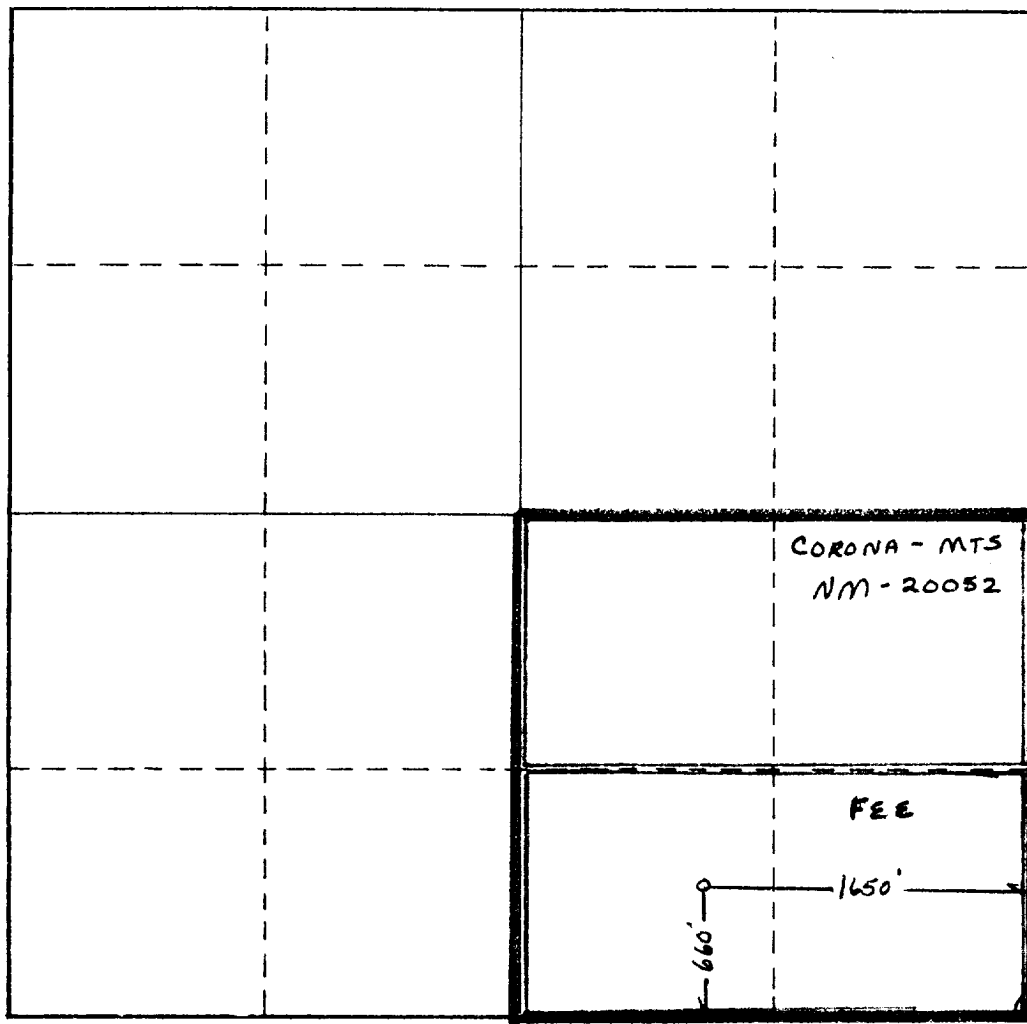
Operator YATES PETROLEUM CORPORATION			Lease Sacra "SA"		Well No. 7
Unit Letter O	Section 22	Township 6 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 660 feet from the South line and 1650 feet from the East line					
Ground Level Elev. 3799.2' GL	Producing Formation Abo		Pool Pecos 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 to be communitized

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.

Ken Beardemphl
Name

Ken Beardemphl
Position

Regulatory Coordinator
Company

Yates Petroleum Corp.
Date

4/30/82

I hereby certify that the well location shown on this plat was derived 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

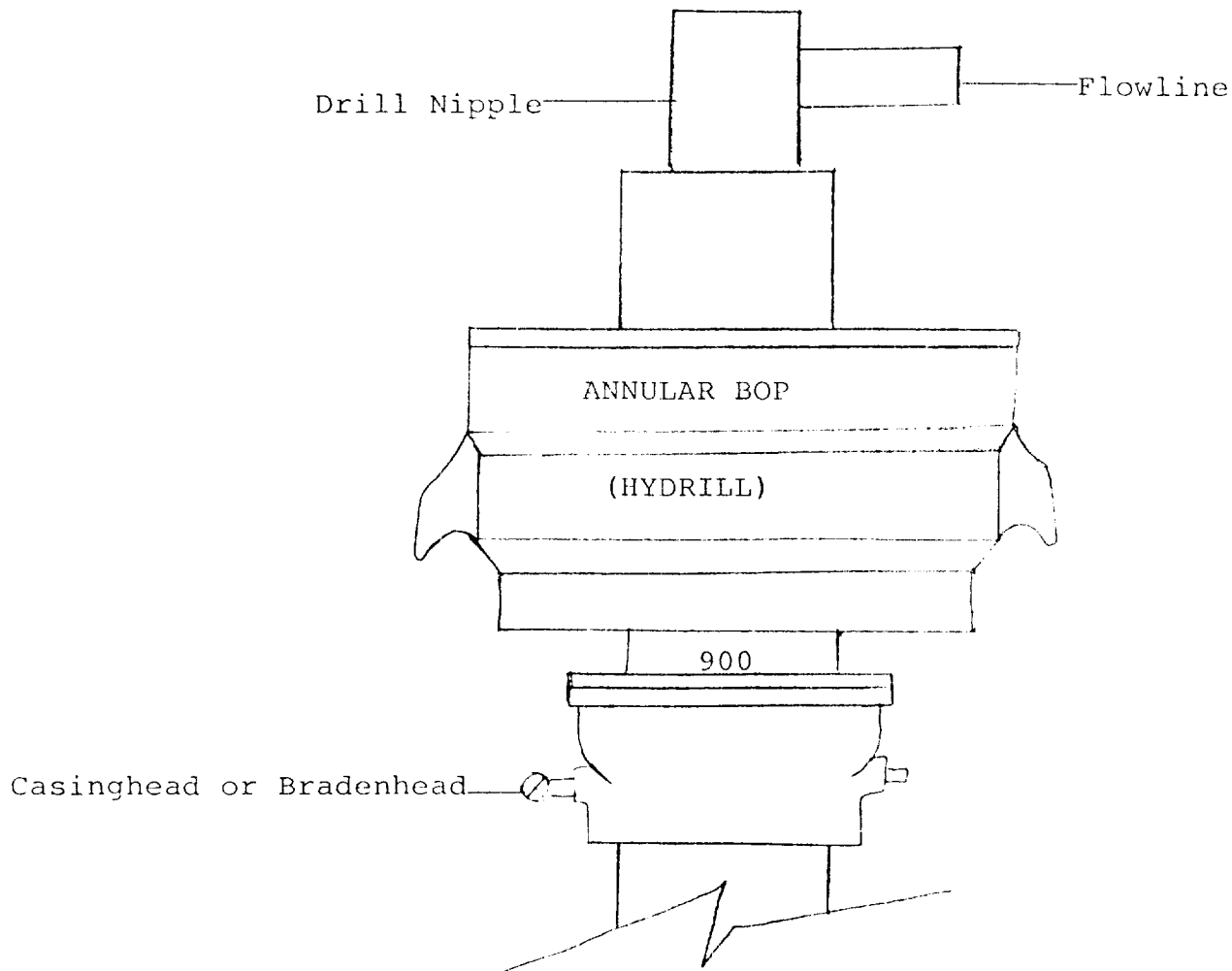
April 27, 1982

Registered Professional Engineer and/or Land Surveyor

Herschel Jones
Certificate No.

3640

EXHIBIT K



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. Operator not responsible for blowouts resulting from not keeping hole full.