

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

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MAY - 6 1982

O. C. D.

Form C-101
Revised 10-1-78

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OPERATOR	1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR 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 N

LOCATED 660

FEET FROM THE

South North LINE

1980

FEET FROM THE

West

LINE OF SEC. 15

TWP. 5S

RCC. 24E

NMPM

5A. Indicate Type of Lease

STATE ☐

FEE ☒

5. State Oil & Gas Lease No.

7. Unit Agreement Name

8. Form or Lease Name

Sagebrush "TY" Com

9. Well No.

1

10. Field and Pool, or Wildcat

Pecos Slope Abo

12. County

Chaves

19. Proposed Depth

4125'

19A. Formation

Abo

20. Rotary or C.T.

Rotary

21. Elevations (show whether D.F., H.I., etc.)

3942.0' GL

21A. Kind & Stages Plug. Bond

Blanket

21B. Drilling Contractor

not determined

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
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 and 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 11-7-82
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 PRODUCTIVE 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 5/5/82

(This space for State Use)

PROVED BY Mike Walker TITLE REGULATORY INSPECTOR

DATE MAY - 7 1982

CONDITIONS OF APPROVAL, IF ANY:

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

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

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?

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.

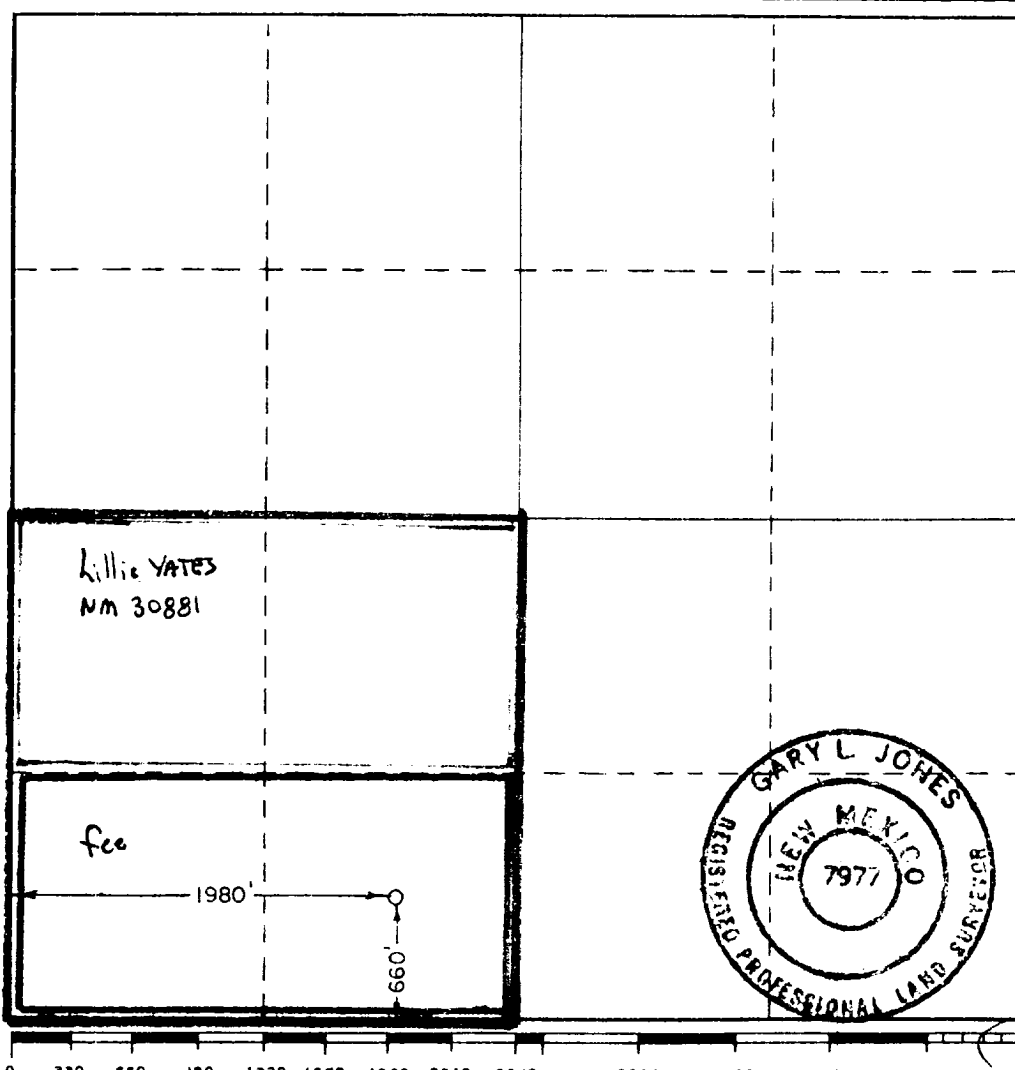
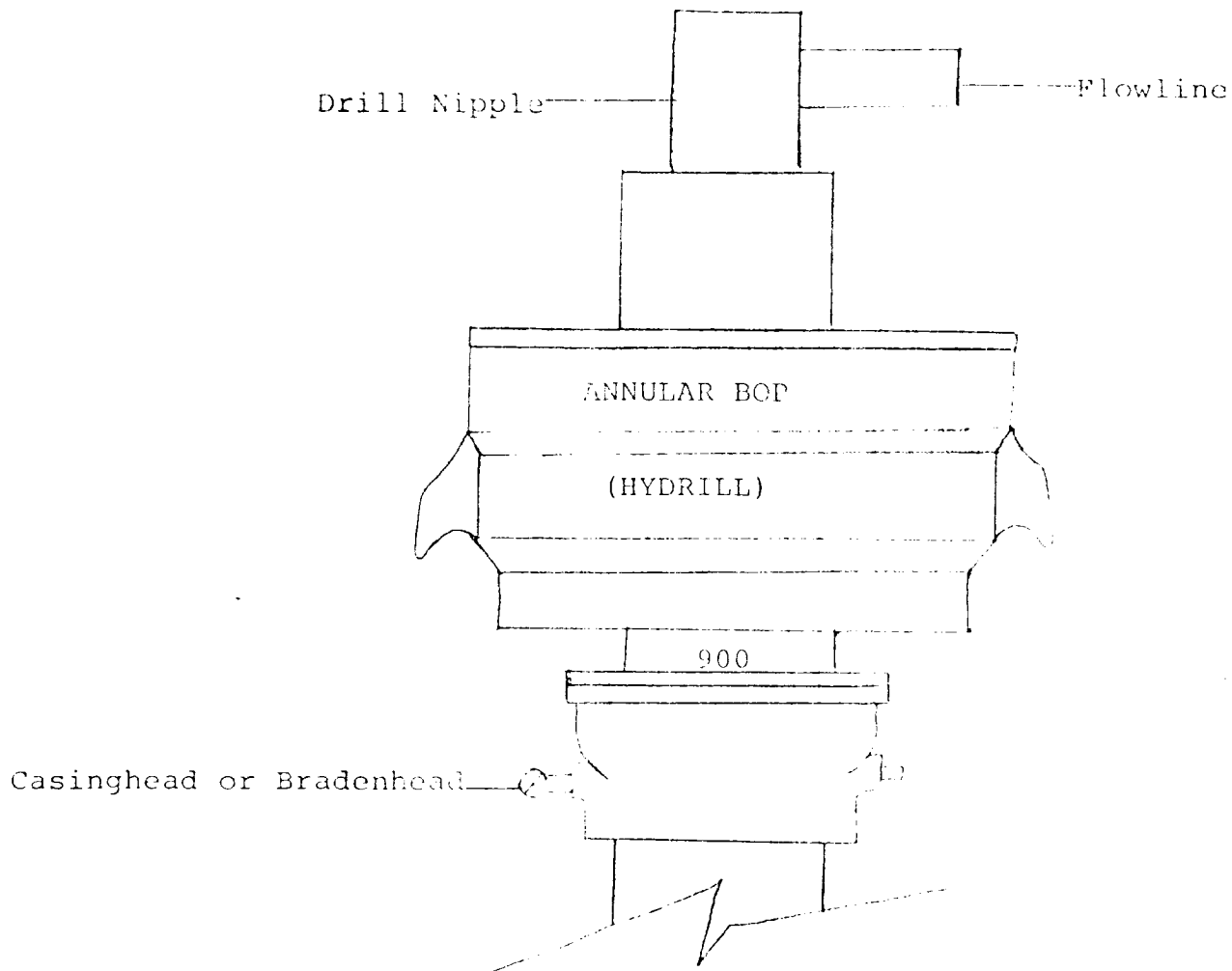
	<p align="center">CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Ken Beardemphl</i></p> <p>Name Ken Beardemphl</p> <p>Position Regulatory Coordinator</p> <p>Company Yates Petroleum Corpor.</p> <p>Date 5/4/82</p>
	<p>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.</p> <p>Date Surveyed April 29, 1982</p> <p>Registered Professional Engineer and/or Land Surveyor <i>Gary L. Jones</i></p> <p>Certificate No. 7977</p>

Exhibit B



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.