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OCT - 6 1986
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ARTESIA OFFICE

5A. Indicate Type of Lease
 STATE FCC

5. State Oil & Gas Lease No.
 IG-4336

7. Unit Agreement Name

8. Farm or Lease Name
 Red Bluff State Unit

9. Well No.
 1

10. Field and Pool, or Wildcat
 Pecos Slope Abo

12. County
 Chaves

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

a. Type of Work

b. Type of Well
 DRILL DEEPEN PLUG BACK

OIL WELL GAS WELL OTHER

SINGLE ZONE MULTIPLE ZONE

c. Name of Operator
 Yates Petroleum Corporation ✓

d. Address of Operator
 105 South Fourth Street - Artesia, NM 88210

e. Location of Well
 UNIT LETTER P LOCATED 660 FEET FROM THE South LINE
660 FEET FROM THE East LINE OF SEC. 11 TWP. 7S RGE. 24E NMPM

19. Proposed Depth Approx. 4000'	19A. Formation Abo	20. Rotary or C.T. Rotary
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21. Elevations (Show whether DT, RI, etc.) 3970.4' GR	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Undesignated	22. Approx. Date Work will start ASAP
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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	Approx. 950'	950 sacks	Circulate
7-7/8"	4-1/2"	9.5#	TD	350 sacks	

We propose to drill and test the Abo and intermediate formations. Approximately 950' of surface casing will be set and cement circulated. If needed for lost circulation, 8-5/8" intermediate casing will be set at 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 950', brine to 3200', starch/drispak 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 4-7-87
 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 Clifton R. May Title Regulatory Agent Date Oct. 2, 1986

(This space for State Use)
 Original Signed By
Mike Williams
 Oil & Gas Inspector

OCT 7 1986

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:
 10 3/4 casing

**NEW 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

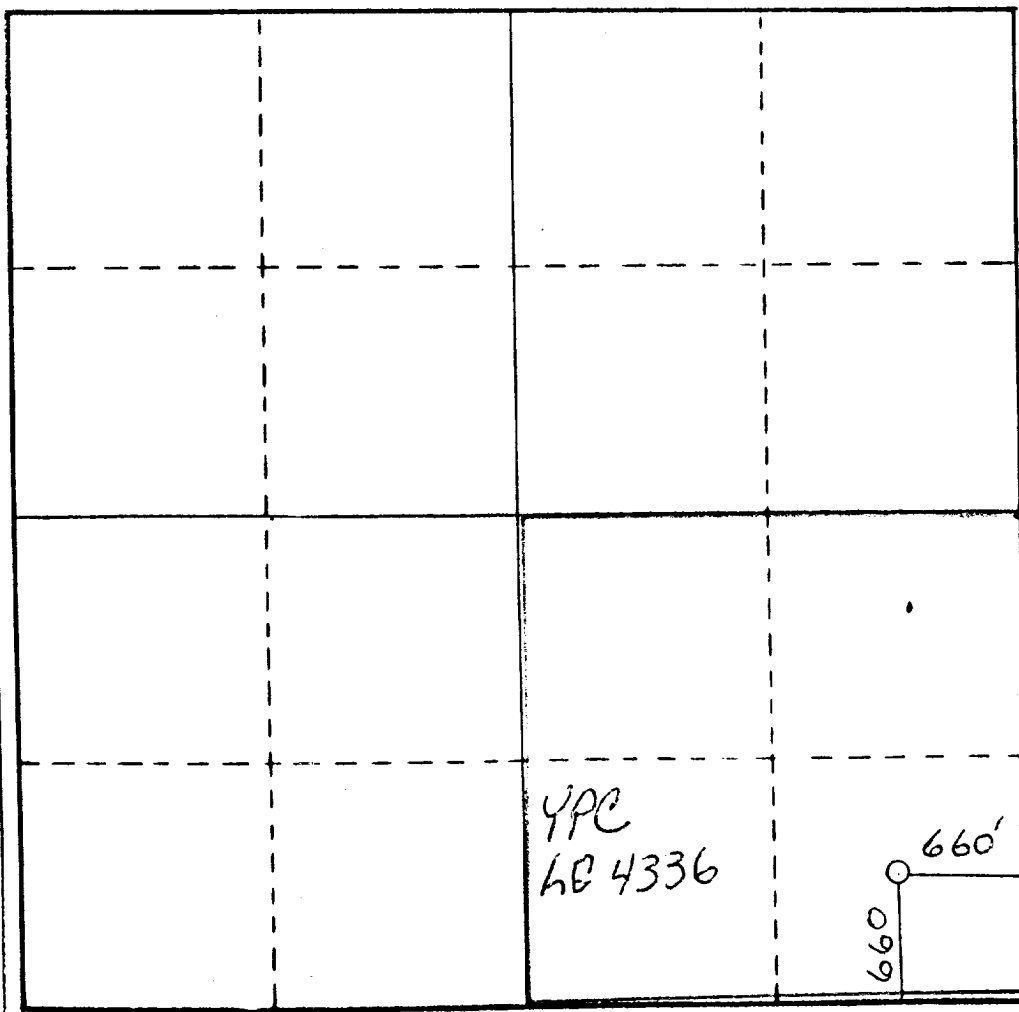
Operator YATES PETROLEUM CORPORATION			Lease RED BLUFF STATE UNIT		Well No. 1
Unit Letter P	Section 11	Township 7S	Range 24E	County CHAVES	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3970.4'	Producing Formation ABO		Produced Acreage 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 Unitized**

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.



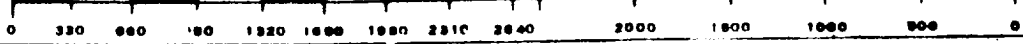
CERTIFICATION

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

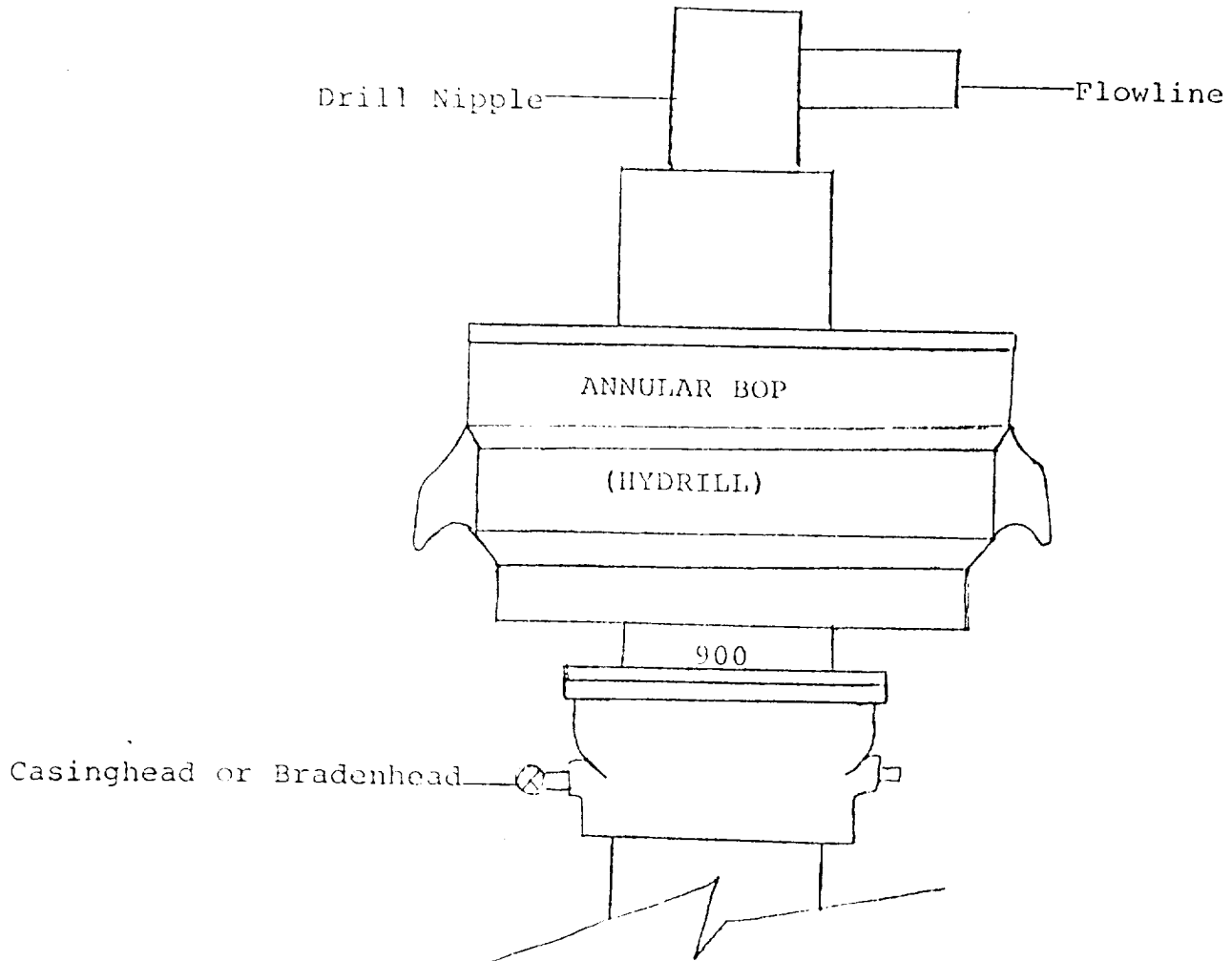
Clifton May
Name
Clifton May
Position
Regulatory Agent
Company
Yates Petroleum Corporation
Date
Oct. 2, 1986

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.

OCT 02 1986
Date Surveyed
STATE OF NEW MEXICO
Registered Professional Engineer
of Land Surveyors
3640
[Signature]
Certified Surveyor



L A Y I I O I L D



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.