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NEW MEXICO OIL CONSERVATION COMMISSION

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APR 18 1979

O.C.C.

ARTESIA OFFICE

30-015-20511

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name Donegan "CE"
9. Well No. 1
10. Field and Pool, or Wildcat Eagle Creek (S.A.)
12. County Eddy
19. Proposed Depth 1500
19A. Formation San Andres
20. Rotary or C.T. Rotary
21. Elevation (Show whether L.F., R.T., etc.) 3558
21A. Kind & Status Plug. Bond Blanket
21B. Drilling Contractor Artesia Fishing Tool
22. Approx. Date Work will start

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>	2. Name of Operator Yates Petroleum Corporation	3. Address of Operator 207 South 4th Street, Artesia, NM 88210	4. Location of Well UNIT LETTER J LOCATED 1650 FEET FROM THE South LINE AND 1650 FEET FROM THE East LINE OF SEC. 28 TWP. 17S RGE. 25E NMPM
23. PROPOSED CASING AND CEMENT PROGRAM			

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
15"	10 3/4	32.75#	250	125	Circulate
9 1/2"	7	20#	1100	550	Circulate
6 1/2"	5 1/2-4 1/2	14# & 9.5#	1500	150	Circulate

Propose to drill a San Andres test well to approximately 1500'. Will set approximately 250' of surface casing to shut off gravel & caving and will set intermediate casing 100' below the Artesian Water zone. Will run a tapered 5 1/2-4 1/2" production string.

Mud Program: Fresh water Gel & LCM to 1100'. Fresh water to TD.

BOP Program: BOP's will be set on 7" casing and tested.

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,

EXPIRES 7-20-79

IN 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 Eddie L. Bradley Title Engineer Date 4-18-79

(This space for State Use)

APPROVED BY W. A. Gussett TITLE SUPERVISOR, DISTRICT II DATE APR 20 1979

CONDITIONS OF APPROVAL, IF ANY:

Cement must be set to 10' to surface of 10 3/4" 7" casing

Notify N.M.O.C.C. in sufficient time to allow for casing the 7" casing

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122
 Supersedes C-128
 Effective 1-1-65

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

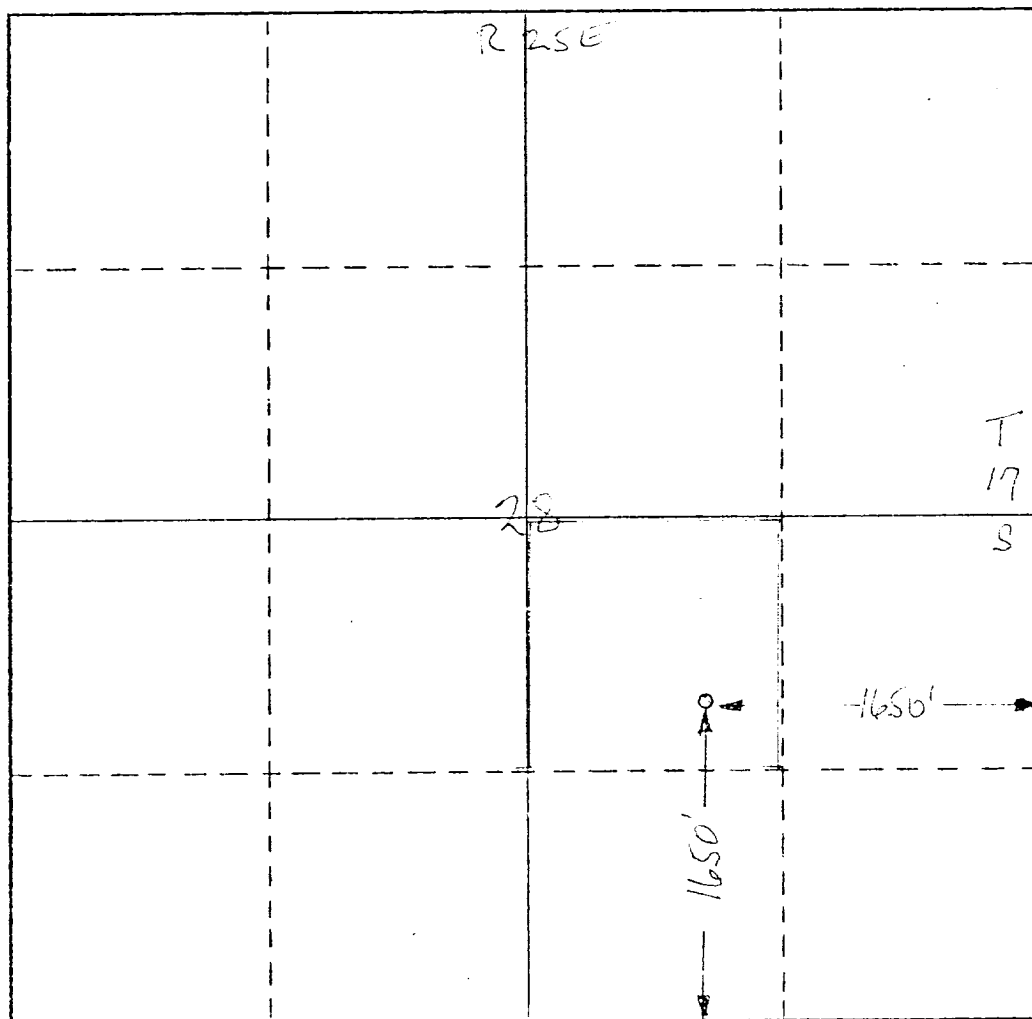
Operator Yates Petroleum Corporation			Lease Donegan "CE"		Well No. 1
Unit Letter J	Section 28	Township 17S	Range 25E	County Eddy County, NM	
Actual Footage Location of Well: 1650 feet from the South line and 1650 feet from the East line					
Ground Level Elev. 3558	Producing Formation San Andres		Pool Eagle Creek		Dedicated Acreage: 40 Acres

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?

☐ 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.

Eddie M. Mahfood
 Name

Eddy M. Mahfood
 Position

Engineer
 Company

Yates Petroleum Corp.
 Date

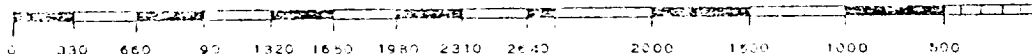
4-18-79

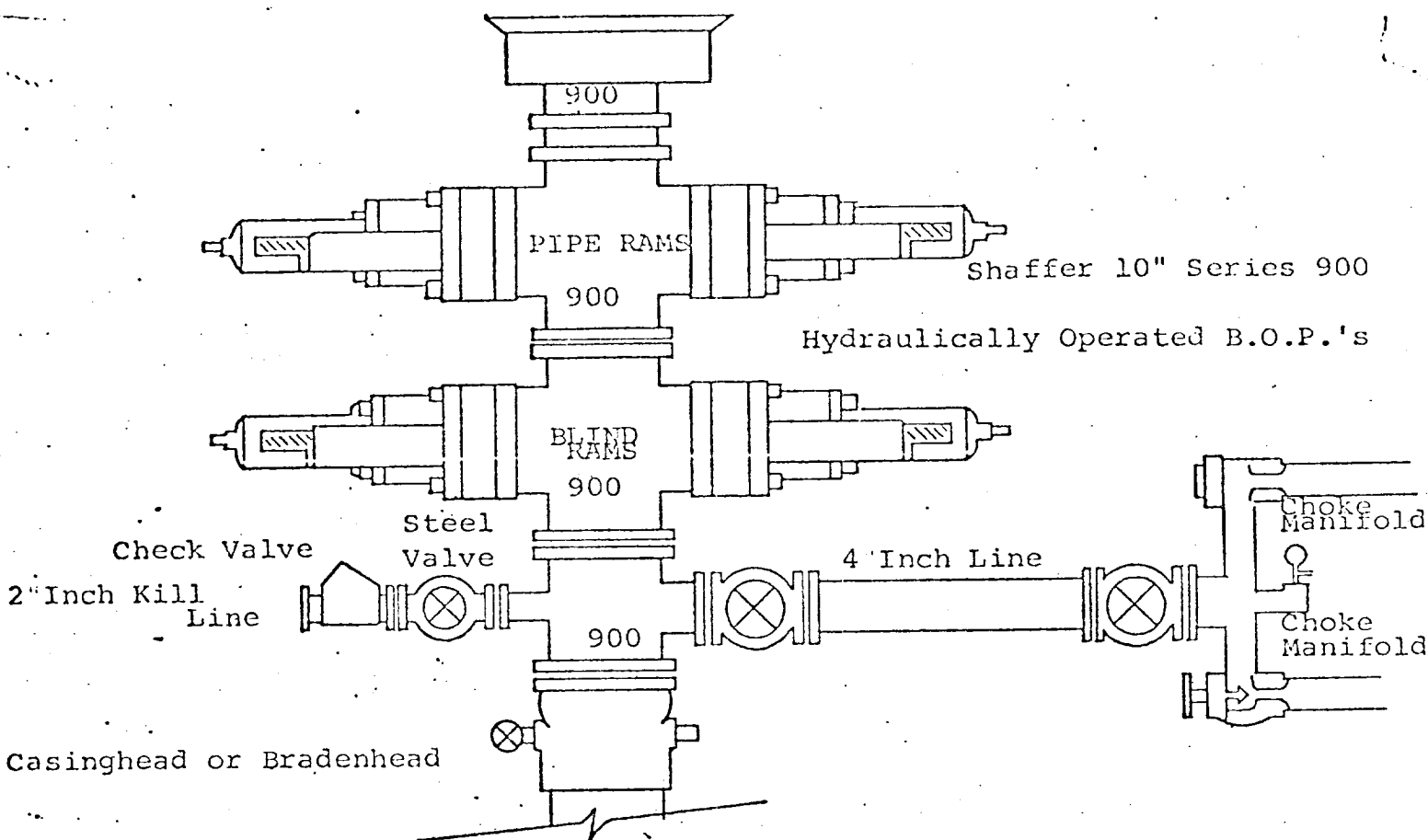
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Refer to Original Plat

Registered Professional Engineer
 and/or Land Surveyor

Certificate No.





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. Choke outlet to be a minimum of 4" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.