| STATE OF NEW MEXIC   | 0  |   |                              | 20                | 1-663   | 21992                         |  |
|--|--|---|------------------------------|-------------------|---|-------------------------------|--|
| ENERGY AND MINERALS DEPAR  | AND MINERALS DEPARTMENT OI CONSERVATION DIVISION |   |                              |                   | Form C-101<br>Revised 10-1-78                     |                               |  |
| DISTRIBUTION<br>SANTA FE   | SAP  | P. O. DOX 2088<br>ITA FE, NEW MEXICO 87501  |                              |                   | SA. Indicate Type of Lease                        |                               |  |
| TILE   | /iLt   |   |                              |                   |   | .5. State Oll & Gas Loase No. |  |
| U.S.G.S.<br>LAND OFFICE  | U.S.G.S.   |   |                              |                   |   | B-10418                       |  |
| OPERATOR DEDUCT TO DOUL DEFORM OD DULIC DACK   |  |   |                              |                   |   |                               |  |
| APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK  |  |   |                              |                   |   | ement Name                    |  |
| DRILL XX   |  |   |                              |                   |   |                               |  |
| b. Type of Well  |  | SINGLE MULTIPLE                             |                              |                   | 8. Form or Lease Name<br>Gallagher State          |                               |  |
| Name of Operator   |  |   |                              |                   |   | 9, Well No.                   |  |
| YATĖS DRILLING COMPANY 1   |  |   |                              |                   |   |                               |  |
| Address of Operator<br>207 South 4th Street, Artesia, New Mexico 88210   |  |   |                              |                   | 10. Field and Pool, or Wildcat<br>SE Chaves Queen |                               |  |
| Location of Well UNIT LETTER D LOCATED 330 FEET FROM THE NOTTH LINE  |  |   |                              |                   |   |                               |  |
|  |  |   |                              |                   |   |                               |  |
| ND 330 FETT FROM   | THE West LING                                    | E OF 5FC. 35                                | TWP. 125 PCC.                | 31E NMPM          | 12. County  |                               |  |
|  |  |   |                              |                   | Chave   | s AIIIIIII                    |  |
|  |  |   |                              |                   |   |                               |  |
| thttill the second   | *******  | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,     | 19, Proposed Depth           | 19A. Formatio     | n<br>11111111                                     | 20. Rolary or C.T.            |  |
|  |  |   | 2925'                        | Queen             |   | Rotary                        |  |
| T. Elevations (Show whether DF,<br>4435.5 GL   |  | & Status Plug. Bond<br>nket                 | 21B. Drilling Contrac<br>L&M | lor               |   | . Date Work will start<br>SAP |  |
| 3.   |  | <u> </u>                                    |                              |                   |   | JAF                           |  |
|  |  |   |                              |                   |   |                               |  |
| SIZE OF HOLE SIZE OF CASING<br>12 1/2" 8 5/8"  |  | WEIGHT PER FOOT SETTING DEPTH SACKS OF   24 |                              |                   |   | EST. TOP                      |  |
| 7 7/8"   | 4 1/2"   | 9.5# J-55                                   | 350'<br>TD                   | 200 sx/           | <u>x circ.</u><br>tie back                        | to base of salt               |  |
|  |  |   |                              |                   |   | •                             |  |
| We propose to drill and test the Queen and intermediate formations. Approximately 350'<br>of surface casing will be set and cement circulated to shut off gravel and caving. If<br>needed (lost circulation) 7" intermediate casing will be run to 1900' and cemented with<br>enough cement calculated to tie back into the surface casing. If commercial, production<br>casing will be run and cemented with adequate cover, perforated and stimulated as needed. |  |   |                              |                   |   |                               |  |
| MUD PROGRAM: FW 350', 10# Brine to TD. Mud up w/SW gel to log. LCM if needed.  |  |   |                              |                   |   |                               |  |
| BOP PROGRAM: BOP's will be installed after setting the 8 5/8" casing and tested daily.   |  |   |                              |                   |   |                               |  |
|  |  |   |                              | ,                 |   | ~ · · ·                       |  |
|  |  |   |                              |                   |   |                               |  |
| APPROVAL VALID FOR 180 DAYS<br>PERMIT EXPIRES 4129185  |  |   |                              |                   |   |                               |  |
|  |  |   | <br>.u                       | NLESS DRILLI      | NG UNDER  | WAY                           |  |
| ABOVE SPACE DESCRIBE PR<br>VE 20NE. GIVE BLOWOUT PREVENTI  | OPOSED PROGRAMI IF                               | PROPOSAL IS TO DEEPEN                       | ON PLUS BACK, GIVE DA        | .7A ON PRESENT PR |   | AND PROPOSED NEW PRODUC-      |  |
| ereby certify Wat the informatio   | m above is true and comp                         | lete to the best of my i                    | inpwiedge and belief.        |                   |   |                               |  |
| and Shano Ka   | hop  | TileRegula                                  | tory Agent                   |                   | Date1   | 0/24/84                       |  |
| (This space for S  | State Use)                                       |   |                              |                   |   |                               |  |
| Eddie W. Seary   |  |   |                              |                   | OCT 29 1984                                       |                               |  |
| PROVED BY AIL & GAR ANTI TITLE   |  |   |                              |                   |   |                               |  |
|  |  |   |                              |                   |   |                               |  |
|  |  | •   |                              |                   |   |                               |  |

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