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LAND OFFICE	
OPERATOR	

5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
5. State Oil & Gas Lease No. V- 128 129
7. Unit Agreement Name
8. Form or Lease Name Jacobs "VJ" State
9. Well No. 1
10. Field and Pool, or Wildcat North East Lovington Penn
17. County Lea

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work
Type of Well
OIL WELL ☒ GAS WELL ☐ OTHER ☐ REENTRY ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐ PLUG BACK ☐ DEEPEN ☐ DRILL ☒

Name of Operator
Yates Petroleum Corporation

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

Location of Well
UNIT LETTER P LOCATED 660 FEET FROM THE South LINE
660 FEET FROM THE East LINE OF SEC 19 TWP. 16S RGE. 37E NMPM

19. Proposed Depth
12,600'

19A. Formation
Strawn

20. Rotary or C.T.
Rotary

Elevations (Show whether DE, RT, etc.)
3824.6' GL

21A. Kind & Status Plug. Bond
Blanket

21B. Drilling Contractor
undesignated

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
17 1/2"	13 3/8"	55# J-55	323'	400 sx	existing
11"	8 5/8"	32# J-55	4994'	3200 sx	existing
7"	4 1/2"	10.5# J-55	TD	500 sx	
	5 1/2"	15.5# J-55			

We propose to reenter this well and test the Strawn and intermediate formations.

MUD PROGRAM: Brine to 8280' with possible salt gel 8280', to TD Brine, salt gel, starch.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

BOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

By certify that the information above is true and complete to the best of my knowledge and belief.

By Cy Conner Title Regulatory Coordinator Date 9/16/82

(This space for State Use)

ORIGINAL SIGNED BY

MOVED BY JERRY SEXTON TITLE DISTRICT J. SUPR. DATE SEP 20 1982

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL VALID FOR 180 DAYS
PERMIT EXPIRES 3/20/83
UNLESS DRILLING UNDERWAY

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NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form O-10a
Supersedes O-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

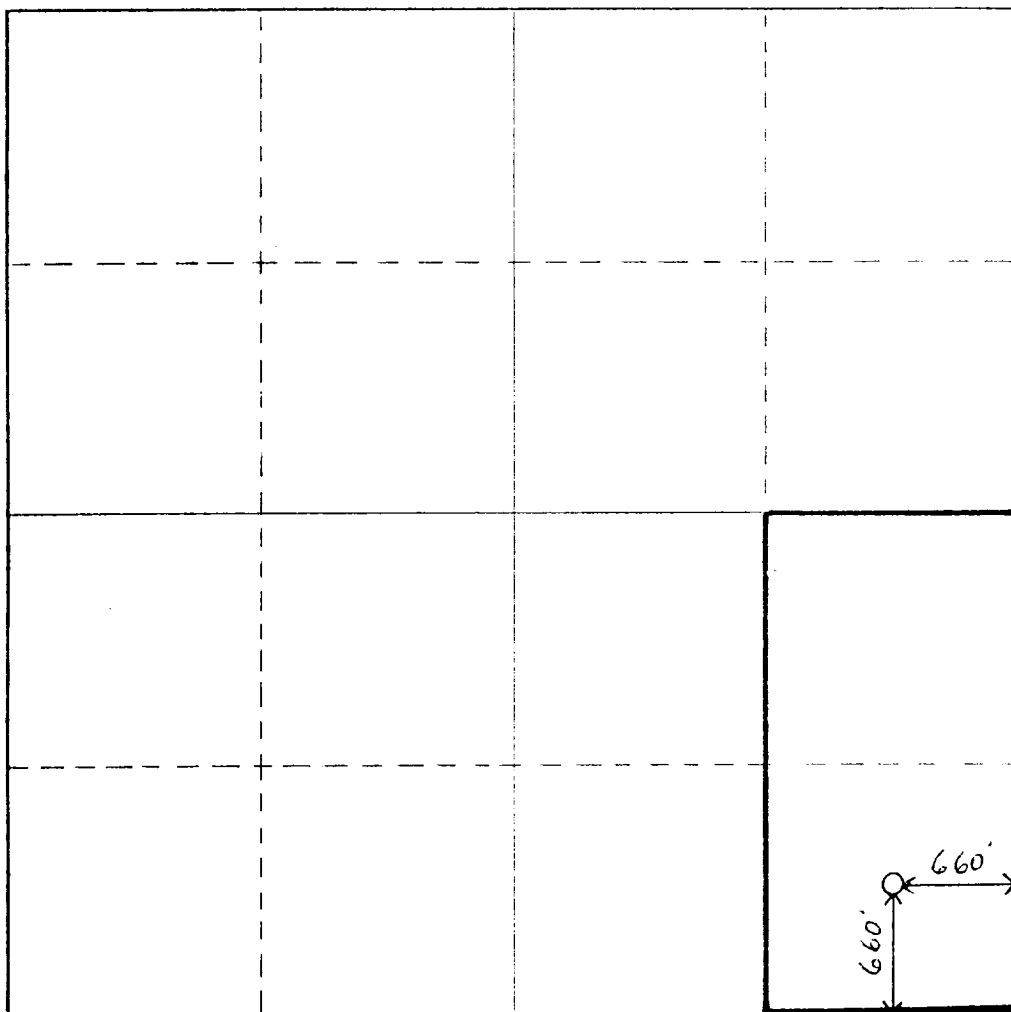
Operator YATES PETROLEUM CORPORATION			Lease Jacobs "VJ" State		Well No. 1
Unit Letter P	Section 19	Township 16 South	Range 37 East	County Lea	
Actual Footage Location of Well:					
660	feet from the South	Line and	660	feet from the East	Line
Ground Level Elev. 3824.6'	Producing Formation Strawn	<i>South</i> East Lovington Penn		Deeded Acreage 80 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.

Cy Cowan

Name
Cy Cowan
Position
Regulatory Coordinator
Company
Yates Petroleum Corp.

Date
9/16/82

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.

REFER TO ORIGINAL PLAT

By the Surveyor

Registered Professional Engineer
and a Licensed Surveyor

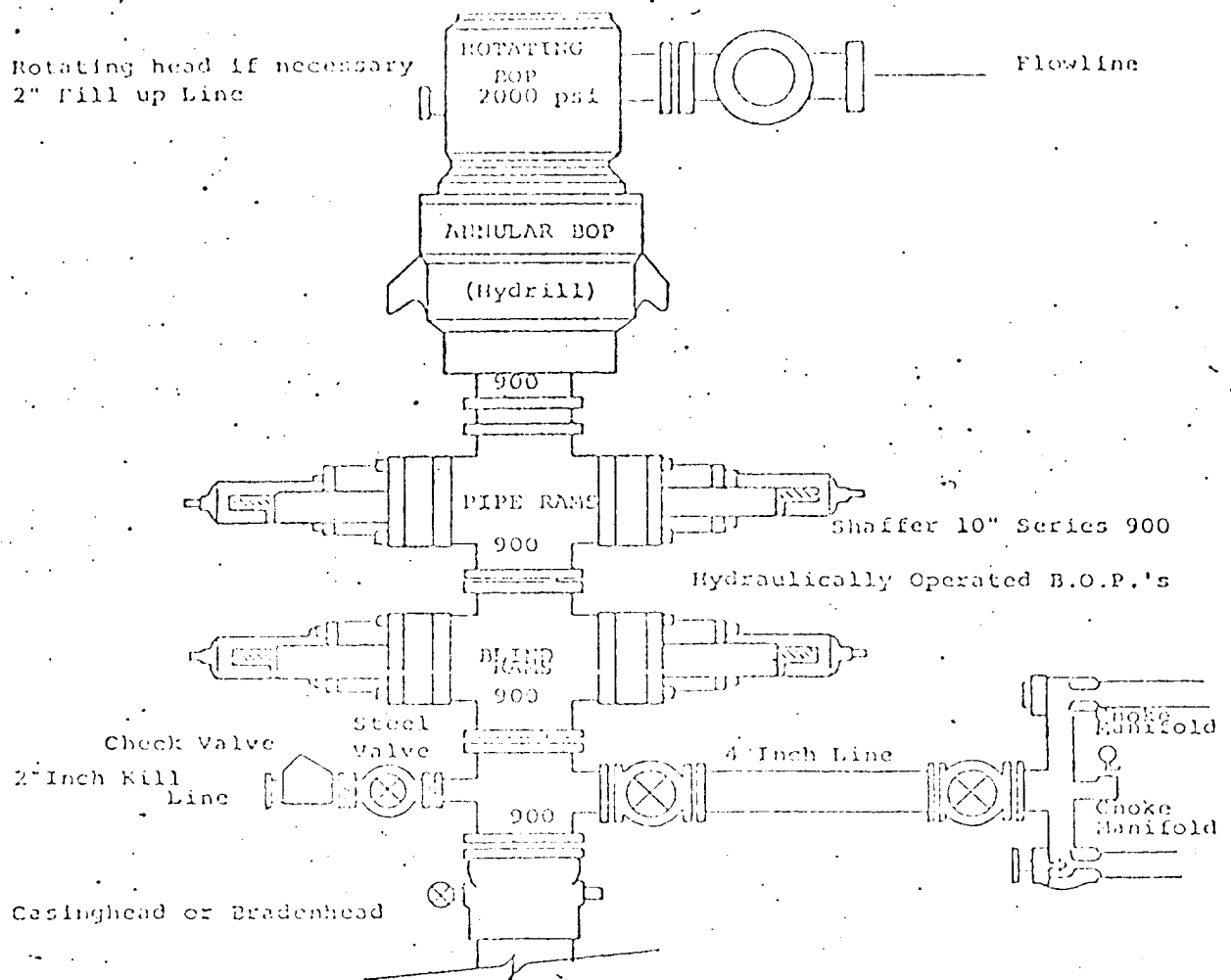
Notarized

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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. 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.

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