

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

207 S. 4th Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1980' FSL & 1980' FEL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

8 miles NW of Artesia, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

1980'

16. NO. OF ACRES IN LEASE

478.81

17. NO. OF ACRES ASSIGNED

TO THIS WELL
32018. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

7700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

3541.6

22. APPROX. DATE WORK WILL START*

As soon as possible

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13 3/8"	48# K-55	Approx. 350'	Circulate 255 sx
12½ - 11"	8 5/8"	24# K-55	Approx. 1050'	Circulate 350 sx
7 7/8"	5½" or 4½"	15.5-17# K-55 or 10.5-11.6#	TD	200 sx

Propose to drill and test the Mississippian and intermediate formations. Approx. 350' of surface casing will be run and cement circulated to shut off gravel and caving. Intermediate casing will be set 100' below the Artesian Water Zone. If commercial pay is encountered, will run 5½" or 4½" casing, cement w/min of 600' cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW Gel to casing point, fresh water to 5000', KCL water to 7000', flosal-drisk mud to TD.

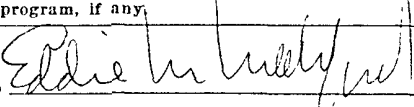
BOP PROGRAM: BOP's and hydril on 8 5/8" casing tested, pipe rams daily, blinds on trips. Will Yellow Jacket prior to drilling Wolfcamp formation.

GAS NOT DEDICATED.

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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED



TITLE

Engineer

DATE

2/7/79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

074

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION

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

All distances must be from the outer boundaries of the Section

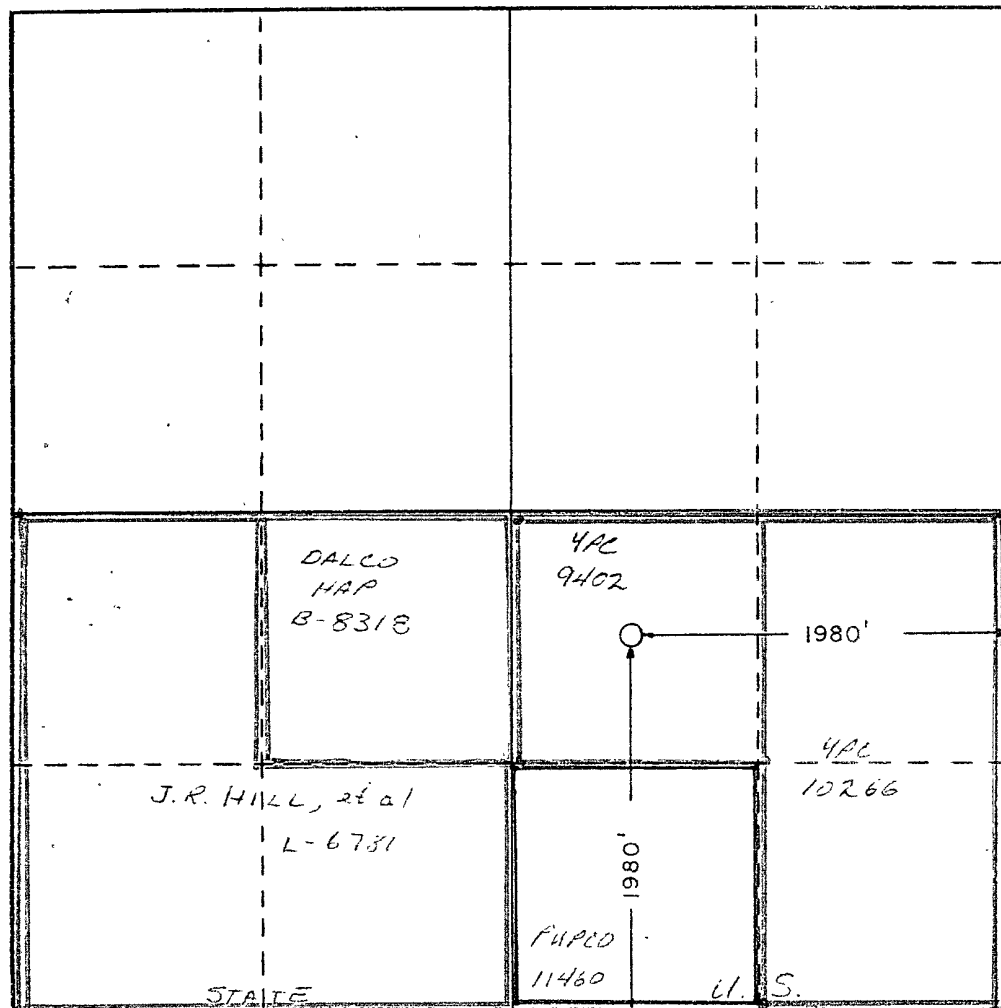
Operator YATES PETROLEUM CORP.			Lease Cottonwood KI Federal		Well No. 1
Unit Letter J	Section 17	Township 16 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3541.6	Producing Formation MISSISSIPPIAN		Pool UNDES.	Dedicated Acreage: 320 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 BEING COMMUNITIZED

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. Mahood

Name
EDDIE M. MAHFOOD

Position
ENGINEER

Company
YATES PETROLEUM CORP

Date
2-7-79

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
January 15, 1979

Registered Professional Engineer and/or Land Surveyor

Herschel Jones

Certificate No.
3640

Yates Petroleum Corporation
Cottonwood KI Federal #1
1980' FSL & 1980' FEL
Section 17 - T16S - R25E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is quaternary alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	600'	Canyon	6600'
Glorieta	1631'	Chester	7150'
Abo	3883'	Mississippian	7260'
Wolfcamp LS	4882'	T. D.	7700'
Cisco	5910'		

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 250'

Gas: Wolfcamp LS - 4700
Cisco - 5900
Canyon - 6600
Mississippian - 7300

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

DST's: As Warranted
Logging: Intermediate casing - T.D.
Coring: CNL-FDC T.D. to casing with GR-CNL on to surface and
DLL from T.D. to casing with selected R.O.
x
9. No abnormal pressures or temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation
Cottonwood KI Federal #1
1980' FSL and 1980' FEL
(Exploratory Well)

RECEIVED

FEB 9 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331C, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location, the construction activities and operations plan, the surface disturbance involved, and the rehabilitation of the surface after completion of the well so that an appraisal can be made of the environment effected with this well.

1. EXISTING ROADS.

Exhibit A is a portion of a BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 8 miles NW of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed north from Artesia on Highway 285 for a distance of approximately 5 miles.
2. Turn west on to paved farm road for approximately 3.5 miles and turn south on to a lease road.
3. Go south for 3/4 of a mile. The new road will start here.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1800' in length from point of origin to the edge of the drilling pad. The road will lie in an east-to-west direction and will pass through a fence near the point of origin. A cattleguard and gate will be installed through the fence.
- B. The new road will be 12 feet in width (driving surface), except at the point of origin, adjacent to the lease road, at which point enough additional width will be provided to allow the trucks and equipment to turn.
- C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. One turnout will be necessary.
- D. The new road has been flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS.

- A. There is a gas well 1 mile southeast of the location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Any caliche required for construction of the drilling pad and the new access road will be obtained from the nearest existing pit.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted to the USGS for appropriate approval.
- D. Oil produced during operation will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches dirt. All waste material will be contained of prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. The location is in a fairly flat area, minor cuts and fills will be needed in the pad area.
- B. The reserve pits will be plastic lined.
- C. The pad area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.

- B. Unguarded pits, if any, containing fluids will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM and the USGS will be complied with and will be accomplished as expeditiously as possible. All pits will be filled levelled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is flat. The immediate area of the wellsite is discussed above in paragraph 9A.
- B. Flora and Fauna: The vegetation cover consists of prairie grass, prairie flowers, and miscellaneous desert growth. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area is used for horse grazing.
- C. There are no ponds, lakes, or rivers in the area.
- D. There is one inhabited dwelling 1/2 mile north of the proposed well.
- E. Surface Ownership: The wellsite is on private surface with federal minerals.
- F. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

- A. The field representative responsible for assuring compliance with the approved surface use plan are:


Gliserio "Rod" Rodriguez
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

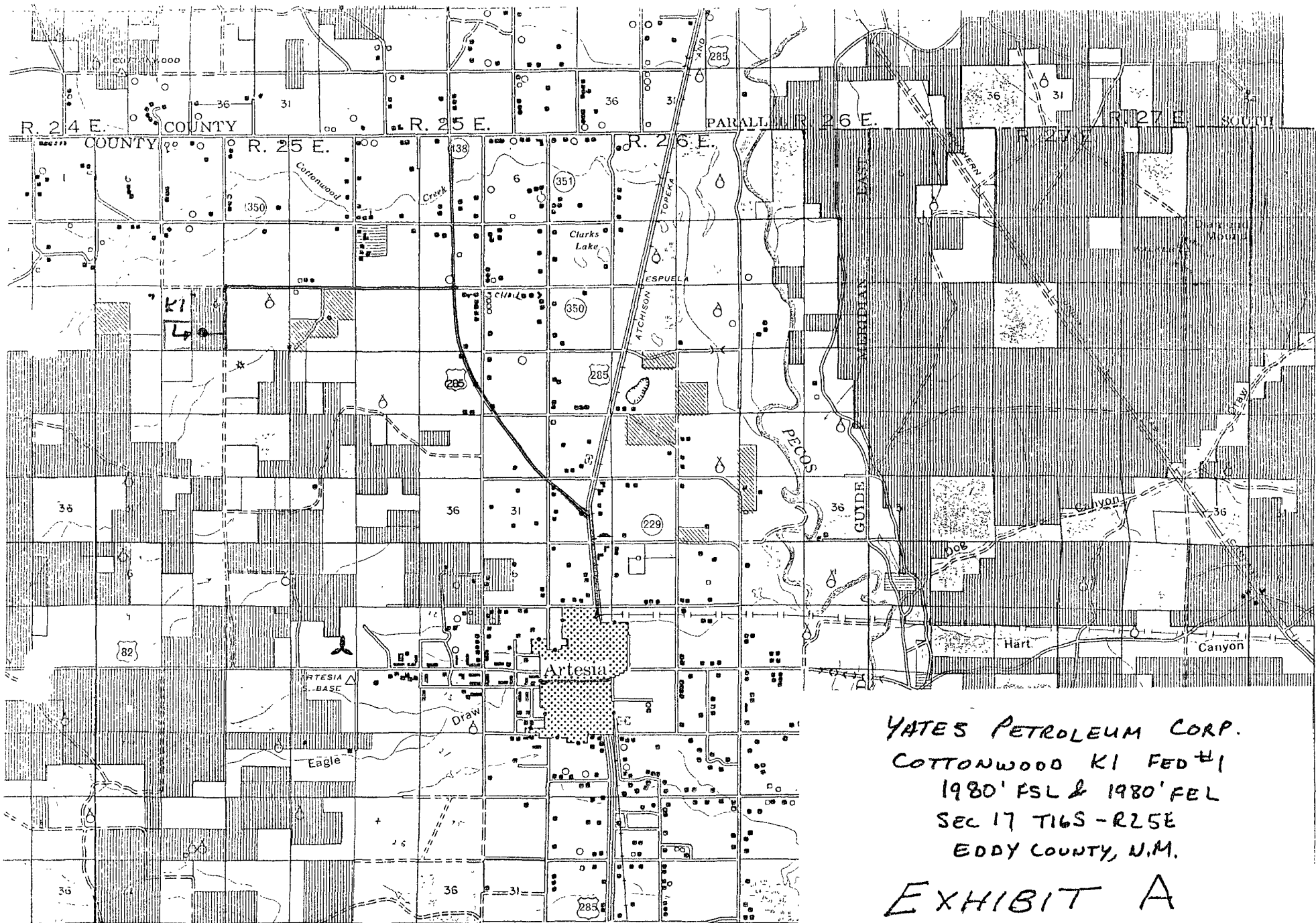
13. CERTIFICATION.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

2-8-79

Date


Gliserio Rodriguez Geographer



YATES PETROLEUM CORP.
 COTTONWOOD K1 FED #1
 1980' FSL & 1980' FEL
 SEC 17 T16S - R25E
 EDDY COUNTY, N.M.
 EXHIBIT A

T. 1

T.

Rev.

Rotating head if necessary
2" Fill up Line

ROTATING
BOP
2000 psi

Flowline

ANNULAR BOP

(Hydrill)

EXHIBIT B

900

PIPE RAMS

Shaffer 10" Series 900

900

Hydraulically Operated B.O.P.'s

BLIND
RAMS

900

Check Valve

Steel
Valve

2" Inch Kill

Line

4" Inch Line

Choke
Manifold

Choke
Manifold

Casinghead or Bradenhead

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.