

C:SF

30-005-60699

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  MULTIPLE ZONE

2. NAME OF OPERATOR  
Yates Petroleum Corporation O. C. D.

3. ADDRESS OF OPERATOR  
ARTESIA, OFFICE  
207 South 4th Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State Requirements.)  
At surface 2310' FNL and 1650' FEL  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
28 miles NNE of Roswell, New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
1650

16. NO. OF ACRES ASSIGNED TO THIS WELL  
960

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

19. PROPOSED DEPTH  
1100'

20. ROTARY OR CABLE TOOLS  
Small rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3705.1

22. APPROX. DATE WORK WILL START\*  
ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	20# X-42	345'	150 circulate
7 7/8"	5 1/2"	15.5# K-55	TD	290 circulate

Propose to drill and test the lower San Andres formation. Will set about 345' of surface casing. If commercial, will run 5 1/2 casing and circulate the cement. Will perforate and stimulate as needed for production.

MUD PROGRAM: Native or FW gel if needed to clean hole.

BOP PROGRAM: Pipe rams will be set on 8 5/8" casing and tested.

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 [Signature] TITLE Geographer DATE 3/31/80  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE 4-15-80

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

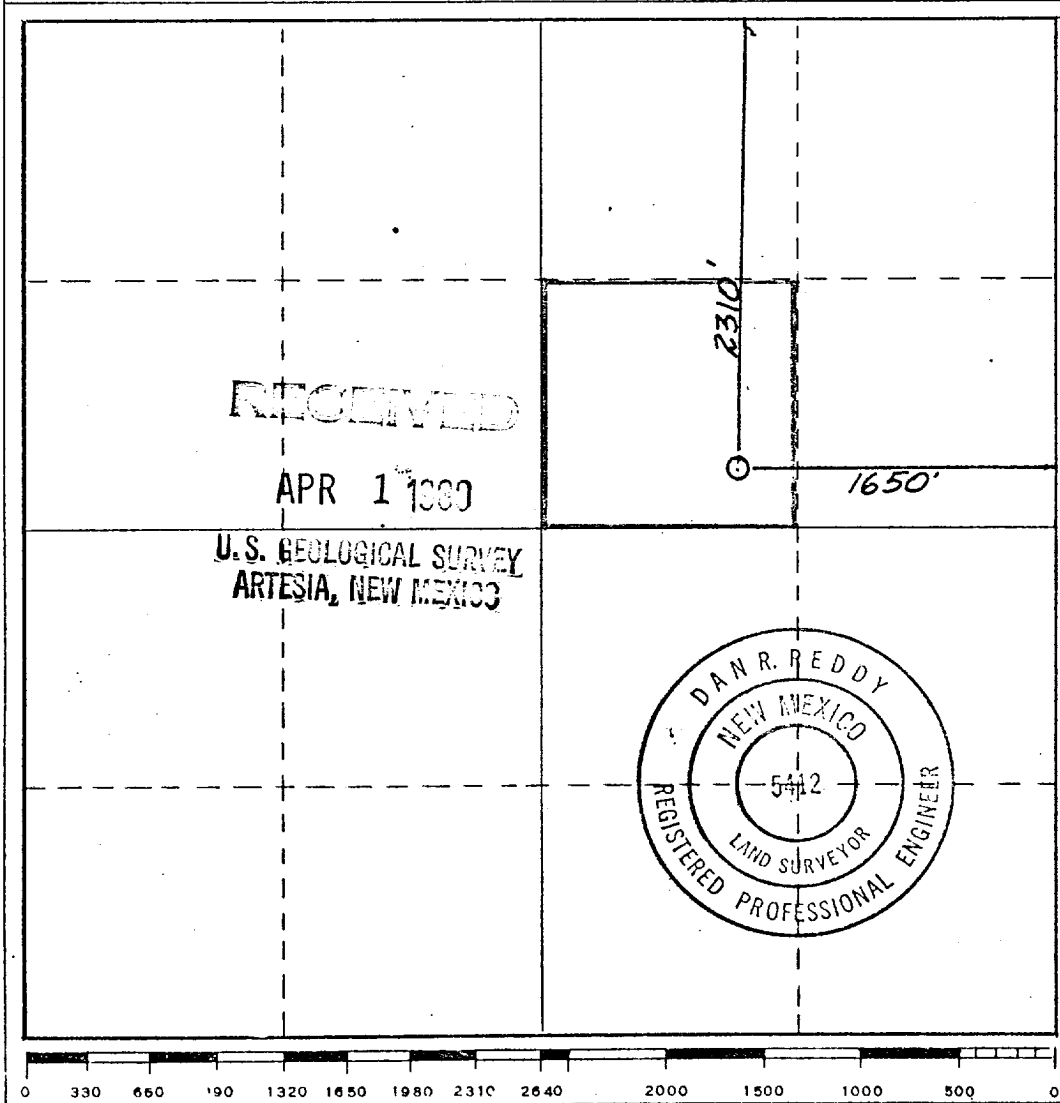
All distances must be from the outer boundaries of the Section.

Operator <b>Yates Petroleum Corporation</b>		Lease <b>Savage NI Federal</b>			Well No. <b>1</b>
Unit Letter <b>G</b>	Section <b>30</b>	Township <b>6 South</b>	Range <b>26 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>2310</b> feet from the <b>North</b> line and <b>1650</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3705.1</b>	Producing Formation <b>SAN ANDRES</b>	Pool <b>UND LINDA SAN ANDRES</b>	Dedicated Acreage: <b>40</b> 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 \_\_\_\_\_

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.

*Gliselda Rodriguez*  
Name  
**GLISELDA RODRIGUEZ**

Position  
**GEOGRAPHER**

Company  
**YATES PETROLEUM CORP**

Date  
**3-3-80**

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  
**2/23/80**

Registered Professional Engineer and/or Land Surveyor  
*Dan R. Reddy*

Certificate No.  
**NMPE&LS #5412**



3000 COPY  
United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

RECEIVED

APR 16 1980

O. C. D.  
ARTESIA, OFFICE

April 15, 1980

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

YATES PETROLEUM CORPORATION Savage "NI" Fed No. 1 2310 FNL 1650 FEL Sec. 30 T.6S R.26E Chaves County Lease No. NM-25473
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Gentlemen:

Above Data Required on Well Sign
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Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 1,100 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Notify the Survey by telephone 24 hours prior to spudding well.
7. Cement behind the 8-5/8" casing must be circulated.
8. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Sgd.) GEORGE H. STEWART

George H. Stewart  
Acting District Engineer

Yates Petroleum Corporation  
Savage "NI" Federal #1  
2310' FNL and 1650' FEL  
Section 30 - T6S - R26E  
Chaves 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 sandy alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	535'
TD	1100'

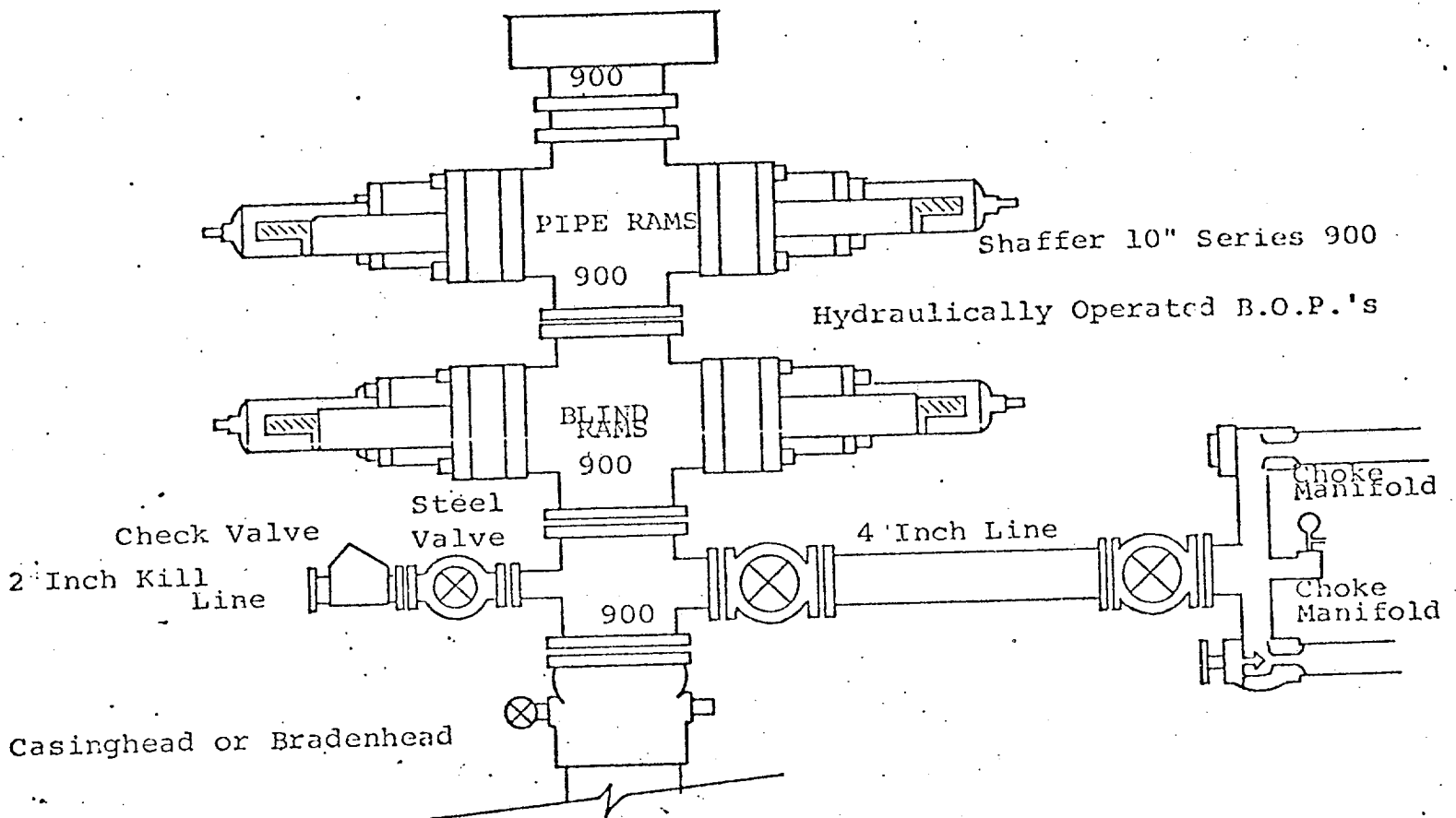
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 190'  
Oil: San Andres 1010'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: As required.
8. Testing, Logging and Coring Program:  
Samples: Surface casing to TD  
DST's: None  
Logging: GRN surface to TD  
Coring: None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as approved.



# EXHIBIT B

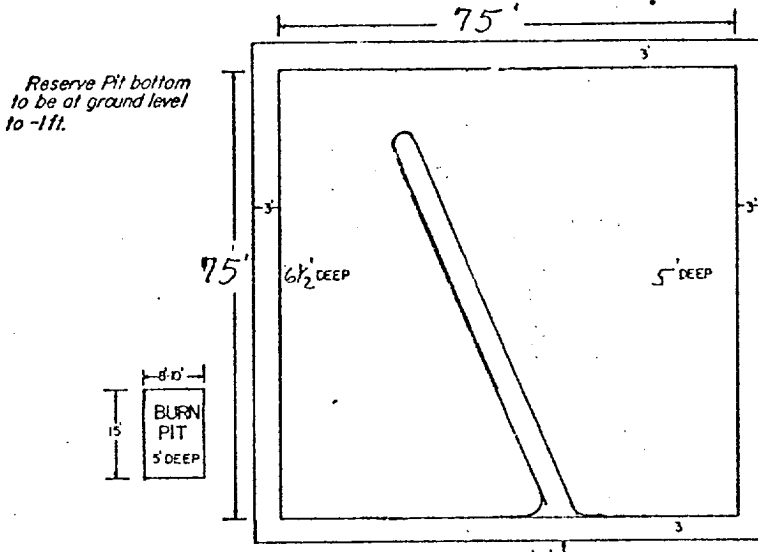


## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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.

EXHIBIT C

YATES PETROLEUM CORPORATION



NOTE:  
Inside walls must be as high and wide as outer walls of pit.

