

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

30-005-61486

C/SF

RECEIVED

MAR 16 1982

O. C. D. ARTESIA, OFFICE

Federal "HJ"

Undesignated Abo

Section 19-T6S-R26E

Chaves New Mexico

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL [X] DEEPEN [] PLUG BACK []

b. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER [] SINGLE ZONE [] MULTIPLE ZONE []

2. NAME OF OPERATOR Yates Petroleum Corporation

3. ADDRESS OF OPERATOR 207 W. 4th St. Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 990' FNL and 990' FEL At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 32 miles northeast of Roswell, NM

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 1140

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

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

19. PROPOSED DEPTH 4300'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3702 GR

22. APPROX. DATE WORK WILL START* ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12 1/4" hole with 8 5/8" casing and 7 7/8" hole with 4 1/2" casing.

We propose to drill and test the Abo and intermediate formations. Approximately 950' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation) 7" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

MUD PROGRAM: FW Gel and LCM to 950'. Brine to 3200'. Brine and KCL water to TD.

BOP PROGRAM: BOP's will be installed on the 8 5/8" casing and tested daily.

Gas not dedicated.

Gas not dedicated.

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OIL & GAS U.S. GEOLOGICAL SURVEY ROSWELL, NEW MEXICO

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] Agent for: Yates Petroleum Corp. TITLE [Signature] DATE March 8, 1982

(This space for Federal or State office use) APPROVED PERMIT NO. APPROVED BY [Signature] DATE MAR 12 1982 CONDITIONS OF APPROVAL JAMES A. GILLHAM DISTRICT SUPERVISOR

APPROVAL DATE APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED DATE [Signature] 3-19-82 See Instructions On Reverse Side

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

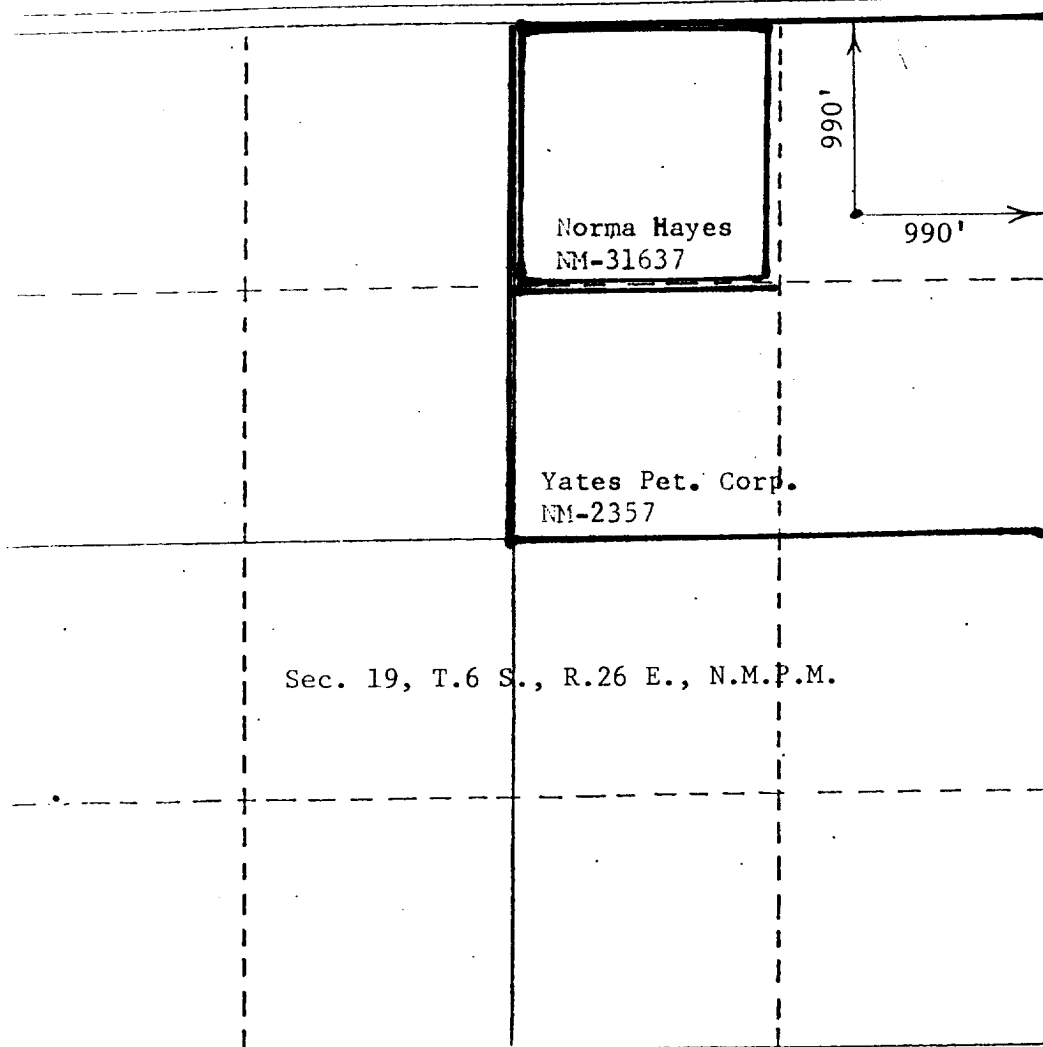
Lessor Yates Petroleum Corp.		Lease Federal 'H-J'		Well No. #8
Section A	Section 19	Township 6 South	Range 26 East	County Chaves
Well Postage Location of Well:				
990 feet from the North line and		990 feet from the East line		
Well Level Elev. 3702	Producing Formation Abo	Pool Undesignated Wildcat <i>Pecos Slope Adm</i>	Dedicated Acreage: 160 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 Communitization

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 Division.



CERTIFICATION

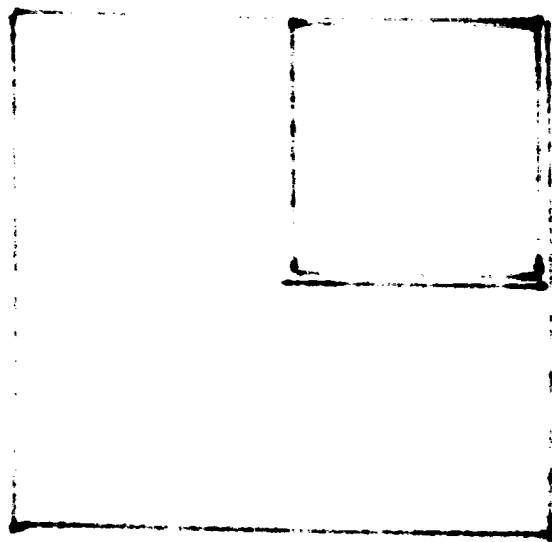
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

George R. Smith

Name
George R. Smith
Position
Agent for:
Company
Yates Petroleum Corporation
Date
March 8, 1982

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
March 8, 1982
Registered Professional Engineer and/or Land Surveyor
John D. Jaquess
John D. Jaquess, P.E.
Certificate No. 6296 PROFESSIONAL ENGINEER & L.S.



APPLICATION FOR DRILLING

YATES PETROLEUM CORPORATION
Federal "HJ", Well No. 8
990' FNL & 990' FEL , Sec. 19-T6S-R26E
Chaves County, New Mexico
Lease No.: NM-2357
(Exploratory Well)

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

1. The geologic surface formation is Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	807'
Glorieta	1620'
Fullerton	2895'
Abo	3690'
T. D.	4300'
3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 250 - 300 feet for surface water.
Oil:	The San Andres at approximately 1000 - 1100'.
Gas:	The Abo at approximately 3720'.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "E".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly cock, pit level monitor and flow sensor equipment, sub with full-opening valve on floor, drill pipe connections.
8. Testing, Logging and Coring Program:

Samples:	Surface casing to TD.
Drill Stem Tests:	As warranted.
Coring:	As warranted.
Logging:	CNL-FDC TD to surface casing.
	GR-CNL TD to surface.
	DLL TD to surface casing.
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: As soon as possible after approval.
Anticipated completion of drilling operations: Approximately 10 days.

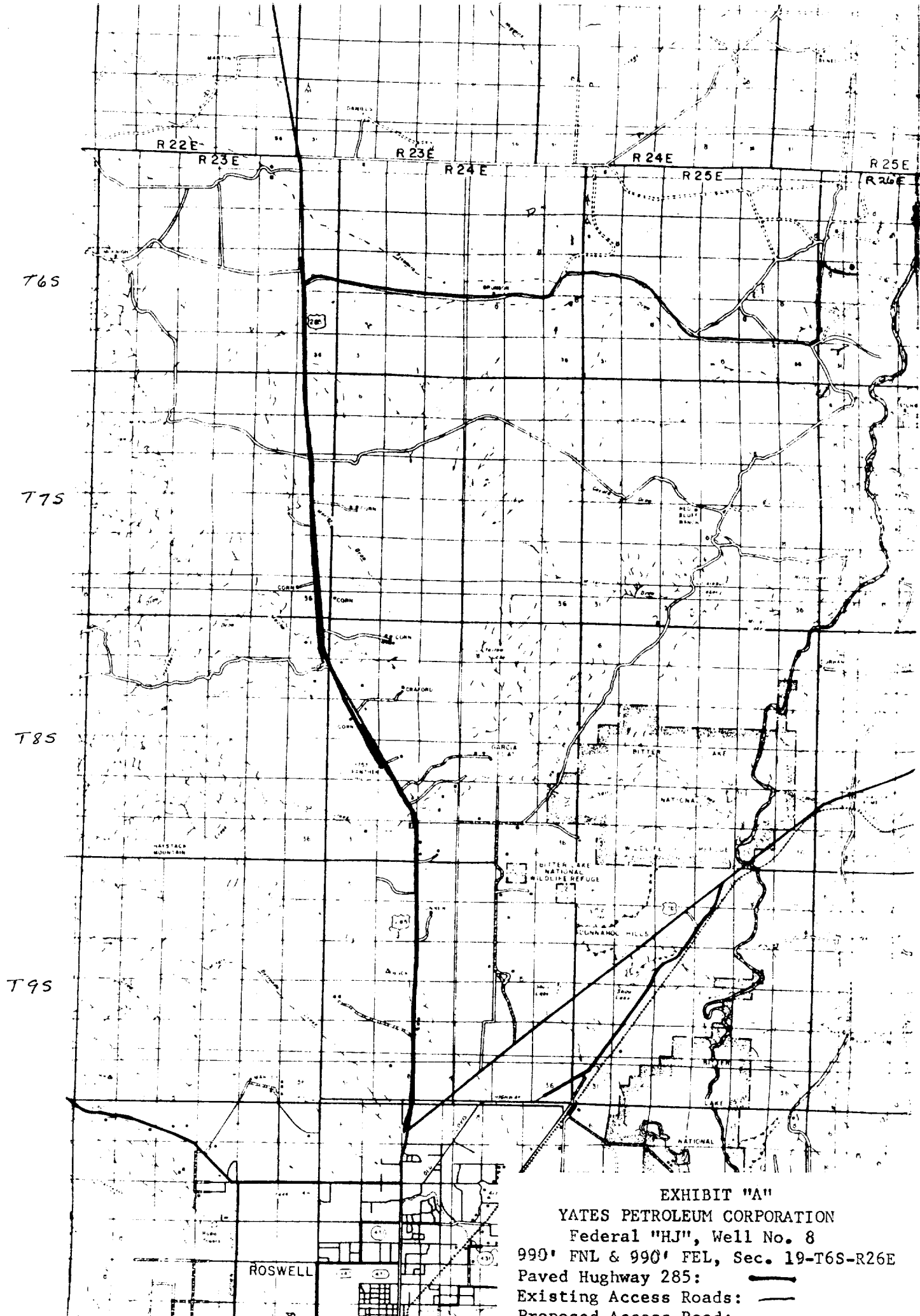


EXHIBIT "A"
 YATES PETROLEUM CORPORATION
 Federal "HJ", Well No. 8
 990' FNL & 990' FEL, Sec. 19-T6S-R26E
 Paved Highway 285: **Thick black line**
 Existing Access Roads: **Thin solid line**
 Proposed Access Roads: **Dashed line**

YATES PETROLEUM CORPORATION

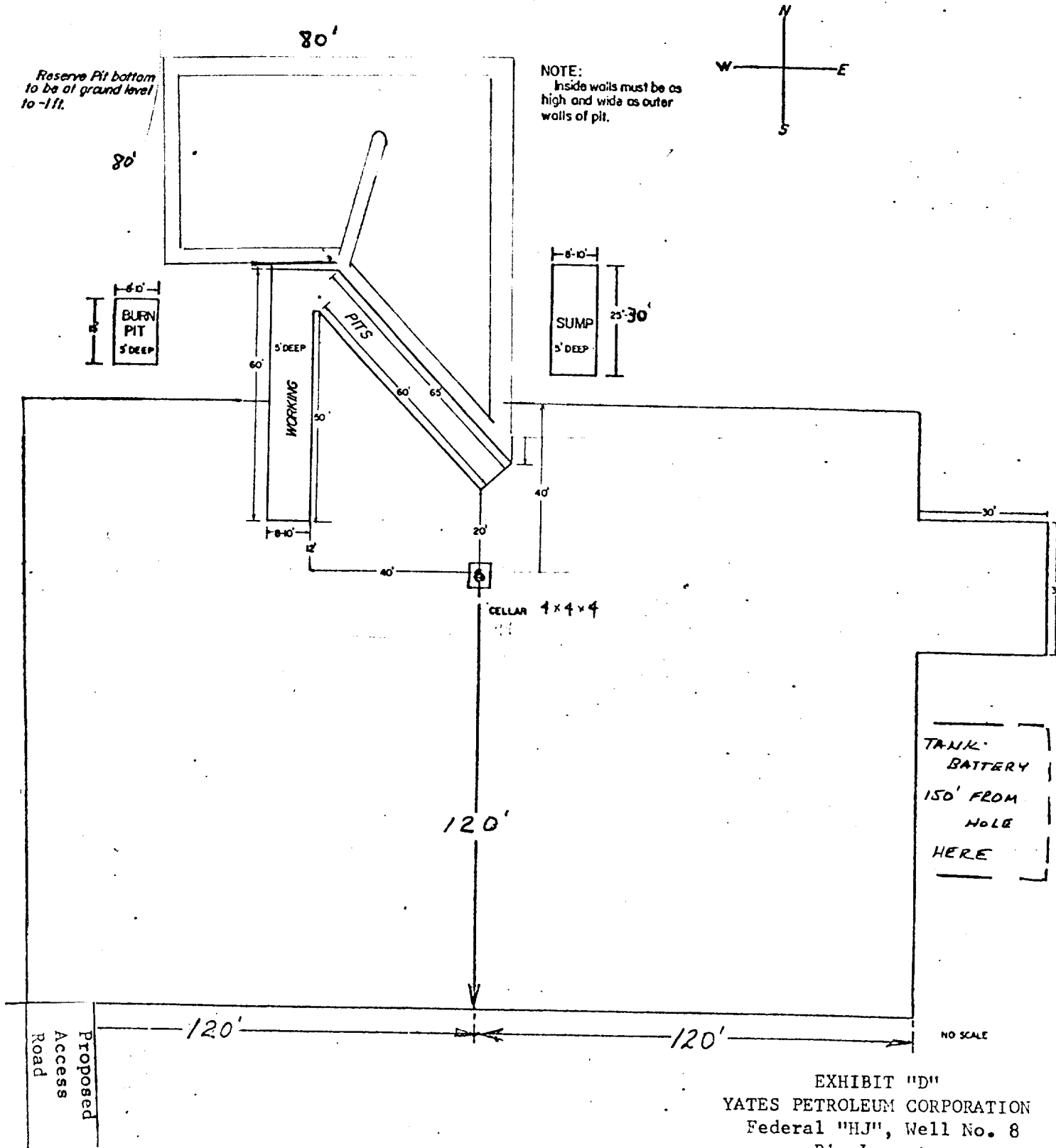
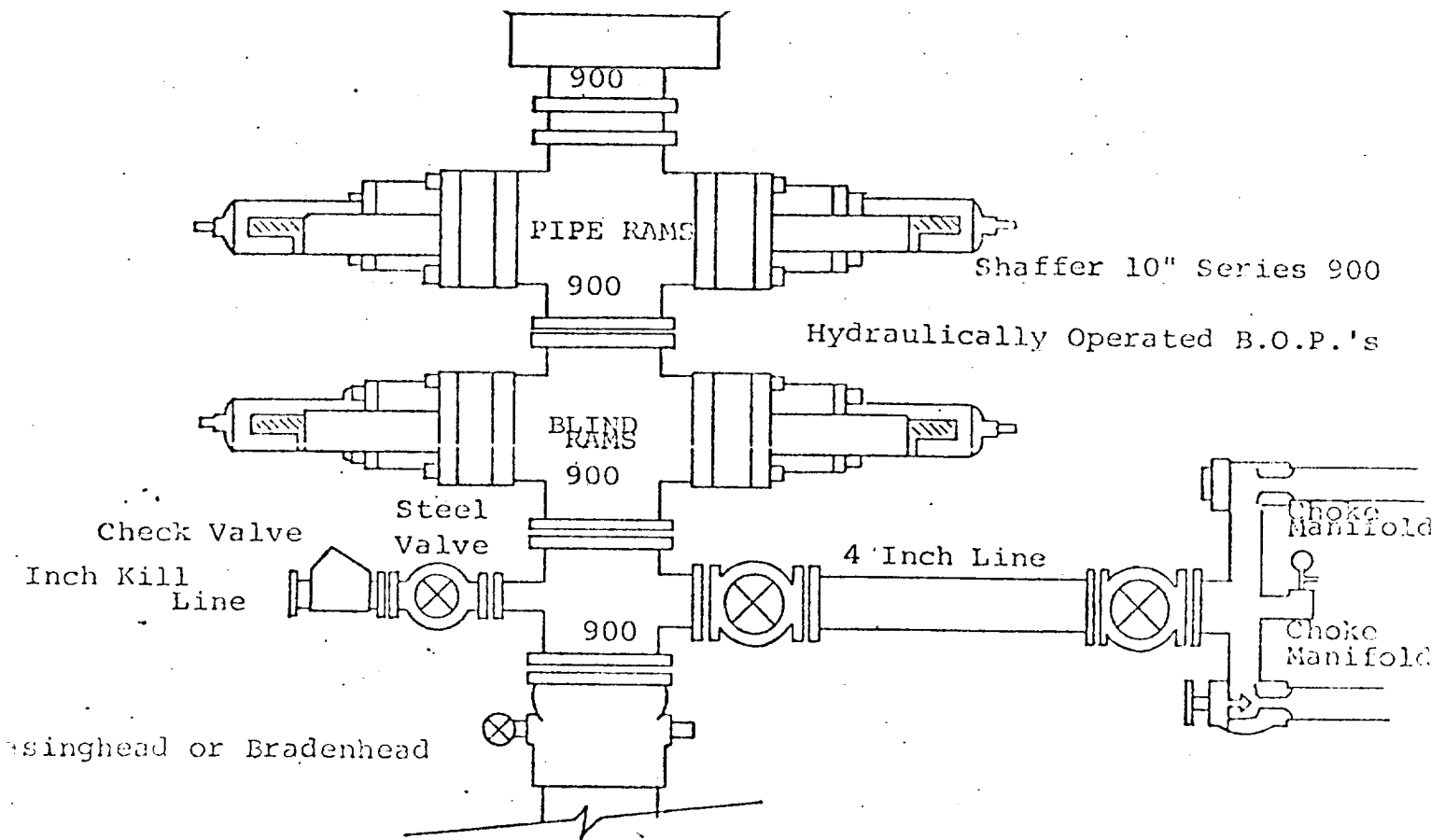


EXHIBIT "D"
 YATES PETROLEUM CORPORATION
 Federal "HJ", Well No. 8
 Rig Layout



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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

EXHIBIT "E"
 YATES PETROLEUM CORPORATION
 Federal "HJ", Well No. 8
 Blowout Preventer Spec.