



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

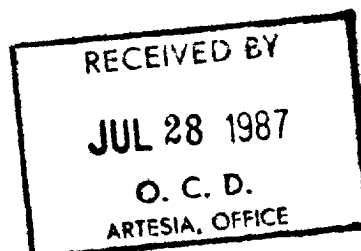
Box 1397, Roswell, New Mexico - 88201

IN REPLY
REFER TO:

BM-00000355 (P-3)
3162.4 (JMS)

JUL 14 1987

Harvey E. Yates Company
P.O. Box 1933
Roswell, NM 88201



Gentlemen:

Your application for Permit to Drill Well No. 1 Dale H. Federal in the NW1/4, sec. 11, T. 19 N., R. 30 E., Goshute County, New Mexico, lease NR-050000, to a depth of 9,000 feet to test the Bone Springs formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is retained herewith. Please notify the Bureau of Land Management office checked on the attached special stipulation in sufficient time for a representative to witness all cementing operations.

Sincerely,

Orig. Sgd. Francis R. Cherry, Jr.

Francis R. Cherry, Jr.
District Manager

1 Enclosure

cc:
NMOCD - 2

United States Department of the Interior

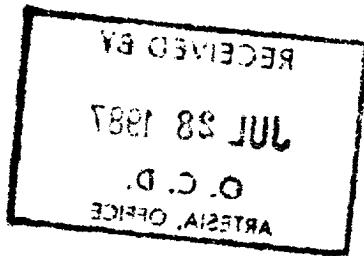
BUREAU OF LAND MANAGEMENT

Box 1507, Roswell, New Mexico - 88203



U.S. DEPT. OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

JUL 1 1987



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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRI-DATE*
(See instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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

2. NAME OF OPERATOR

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P.O. Box 1933, Roswell, NM 88201

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

At surface

2310' FSL & 2160' FWL

At proposed prod. zone

same

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

12 miles South of Loco Hills, New Mexico

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

1298

16. NO. OF ACRES IN LEASE

2160.32

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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

990

19. PROPOSED DEPTH

9800

20. ROTARY OR CABLE TOOLS

Rotary

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

3354.1 GL

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 |
|--------------|----------------|-----------------|---------------|--------------------|
| 17 1/2 | 13 3/8 | 54.50# | 400 | Circ to surface |
| 11 | 8 5/8 | 32 & 24# | 2100 | Circ to surface |
| 7 7/8 | 5 1/2 | 17# | 9800 | 600 ft above pay |

Mud Program:

0 - 400 Spud mud
400 - 2100 Salt mud
2100 - 9800 Fresh water mud

RECEIVED
JUN 11 12 23 PM '87
CARLSBAD RESOURCE
AREA HEADQUARTERS

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 N.M. Young N.M. Young TITLE Drilling Superintendent DATE June 9, 1987

(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

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

042087

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

All distances must be from the outer boundaries of the Section

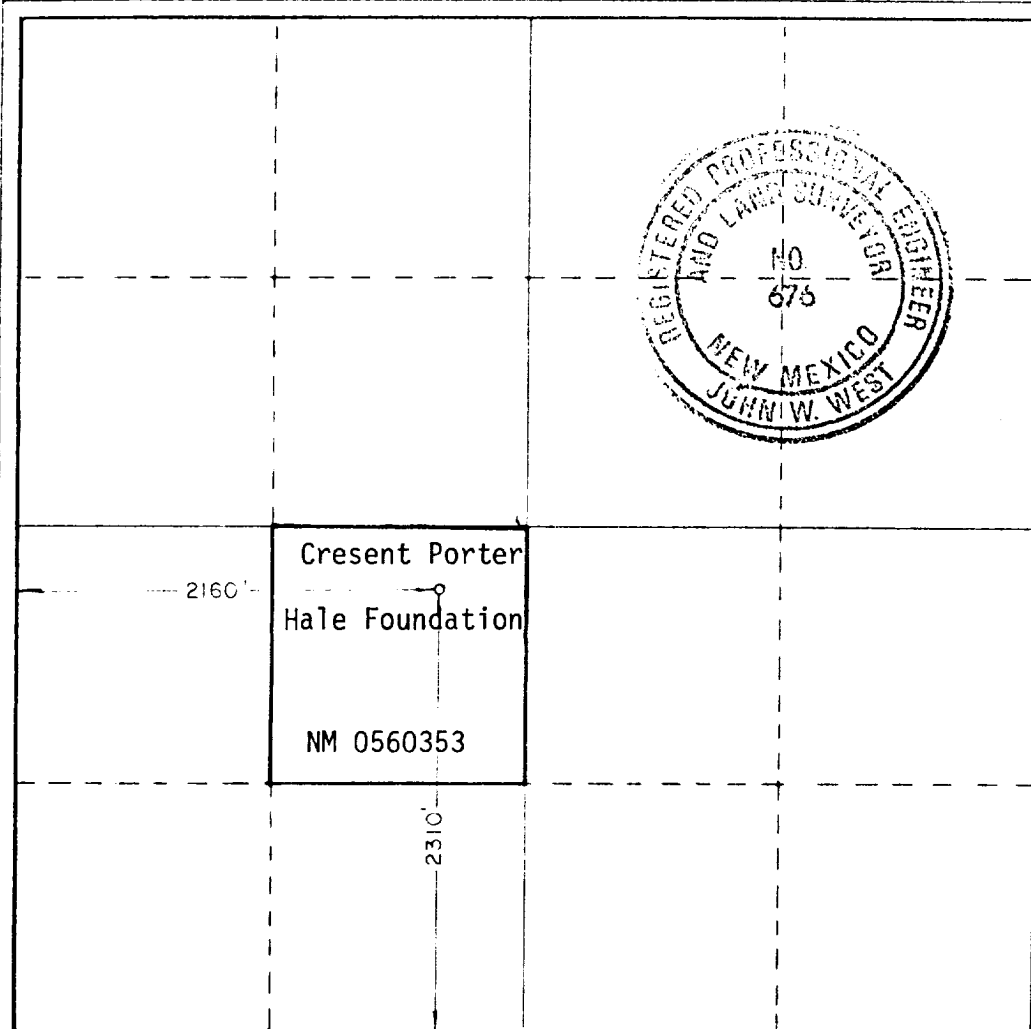
| | | | | | |
|-------------------------------------|-------------------------------------|-------------------------------|--------------------------|--------------------------------|---------------|
| Operator Harvey E. Yates Company | | | Lease Hale 11 Federal | | Well No. 1 |
| Section Letter K | Section 11 | Township 19 South | Range 30 East | County Eddy County | |
| Actual Footage Location of Well: | | | | | |
| 2160 feet from the West line and | | 2310 feet from the South line | | | |
| Ground Level Elev. 3354.1 | Producing Formation BONE SPRINGS | | Pool WILDCAT | Dedicated Acreage: 40 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.

Name
N.M. YOUNG
Position
DRILLING SUPERINTENDENT

Company
HARVEY E. YATES

Date
JUNE 9 1987

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
April 20, 1987

Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

96560

Application

HARVEY E. YATES COMPANY
Hale 11 Federal #1
Section 11, T-19S, R-30E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 11, Township 19 South, Range 30 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

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

| | | | |
|--------------|-------|--------------|-------|
| Yates | 2000' | Grayburg | 3760' |
| Seven Rivers | 2420' | San Andres | 4230' |
| Bowers | 2690' | Delaware | 4550' |
| Queen | 2915' | Bone Springs | 6050' |
| Penrose | 3220' | Wolfcamp | 9740' |
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Springs 6050'
4. Proposed casing program: See Form 3160-3
5. Pressure control equipment: See Exhibit C.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer
8. Testing, logging and coring programs: We are not planning to do any coring. Two (2) DST's are planned for the Bone Springs. Planned logs are DLL-Micro w/GR & Caliper, CN-Den w/GR & Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Hale 11 Federal #1
Section 11, T-19S, R-30E
Eddy County, New Mexico

1. EXISTING ROADS:

A. Exhibit A is a portion of the New Mexico Map showing the location of the proposed well. The location is approximately 12 miles South of Loco Hill, New Mexico. From Artesia go East on U.S. 82 14 miles. Turn South (right) on 360 and go 10 miles. Turn East (left) at mile marker 5 on the North side of Amax Potash Company. Go 1.7 miles to intersection (oil railroad right-of-way). Turn Southeast (right) and go .75 miles to the Great Western Mable Hale #2. Turn South (right) and go .6 miles to new location.

2. PLANNED ACCESS ROADS:

A. The existing road will be extended approximately 1000 ft. The running surface will be 14' wide, built with 6" compacted caliche.

3. LOCATION OF EXISTING WELLS:

A. Exhibit B is a plat showing existing wells and their locations.

4. LOCATIONS OF TANK BATTERIES, ETC.:

A. In the event we drill a producing well, all production equipment will be located at this well site.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be from commercial sources, either hauled or pipelined.

6. SOURCE OF CONSTRUCTION MATERIAL:

- A. We will use caliche from the reserve pit area to build the road and location.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Waste will be buried in reserve pits at a depth of 36". The wellsite will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits and major rig components.
- B. The land is relatively flat with sandy soil and sand dunes.
- C. The pad and pit area have been staked.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After finishing drilling and/or other completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite as pleasant in appearance as possible.
- B. If the proposed well is non-productive, all restoration and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as quickly as possible. All pits will be filled and levelled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. The surface is Federal land.
- B. The topography consists of sandy soil with native grasses, catclaw, etc. No wildlife was observed, but the usual inhabitants of this region are jackrabbits, reptiles, coyotes, etc.
- C. There are no ponds, lakes, streams or rivers in this area.
- D. An Archaeological Survey has been made and a copy has been sent to your Carlsbad office. The survey indicates no evidence of any significant archaeological, historical or cultural sites in the area. There are no occupied dwellings or windmills in the area of the wellsite.

12. OPERATOR'S REPRESENTATIVES:

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

Micky Young
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/623-6601
Mobil: 505/624-1818 #840

Curtis Tolle
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/748-2435
Mobil: 505/624-1818 #837

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

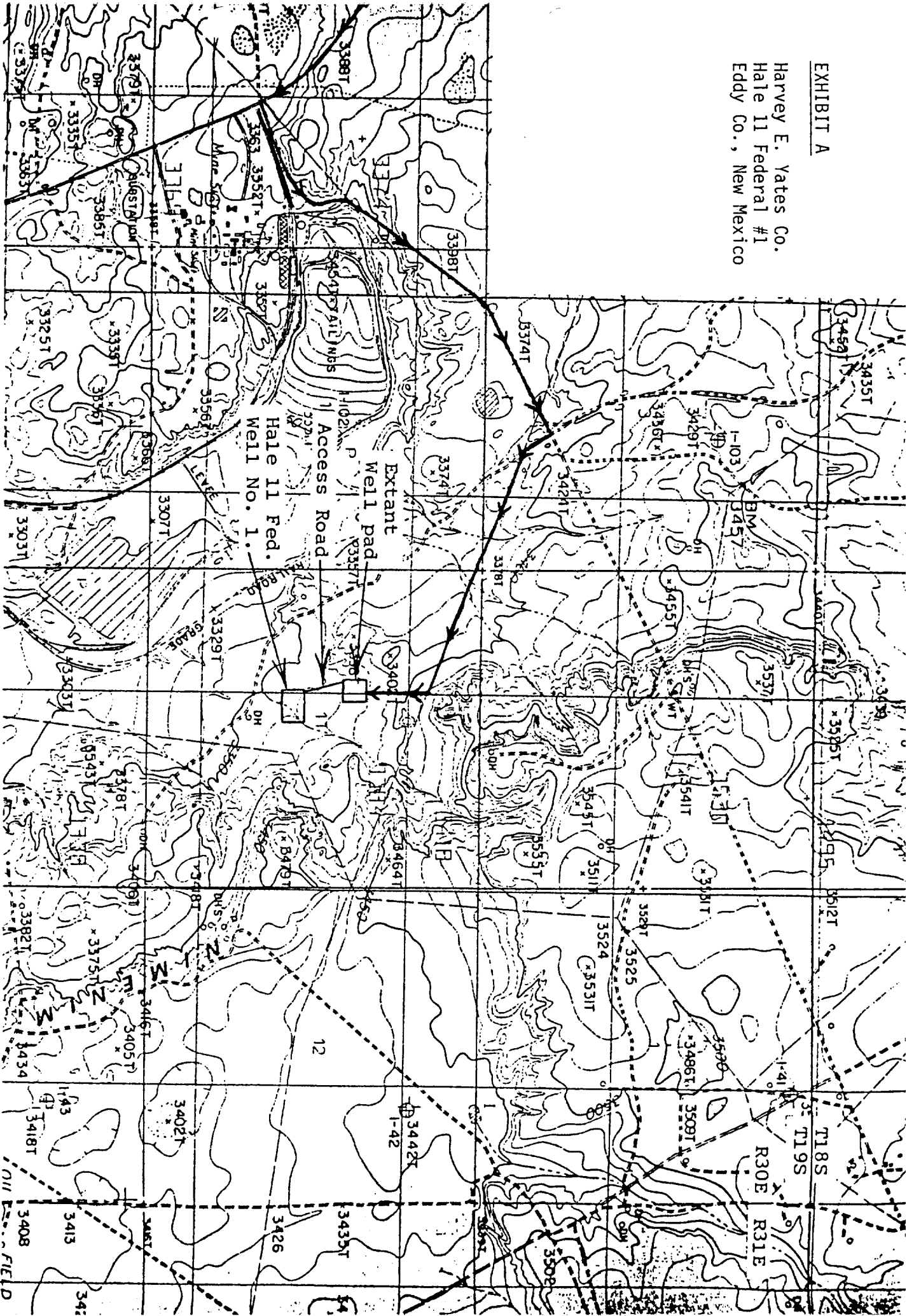


N.M. Young
Drilling Superintendent

June 10, 1987

EXHIBIT A

Harvey E. Yates Co.
Hale 11 Federal #1
Eddy Co., New Mexico



Map showing the location of the Harvey E. Yates Company Hale 11 Federal Well No. 1 and Access Road. T19S, R30E, Section 11, NE/4NE/4SW/4 [2310 FSL, 2160 FWL], Eddy County, New Mexico. Squares show locations of well pads; solid line shows location of access road. U.S.G.S. 7.5 minute series, HACKBERRY LAKE, NEW MEXICO, 1985. ASC project: 87-134.

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EXHIBIT C

Harvey E. Yates Co.
Hale 11 Federal #1
Eddy Co., New Mexico

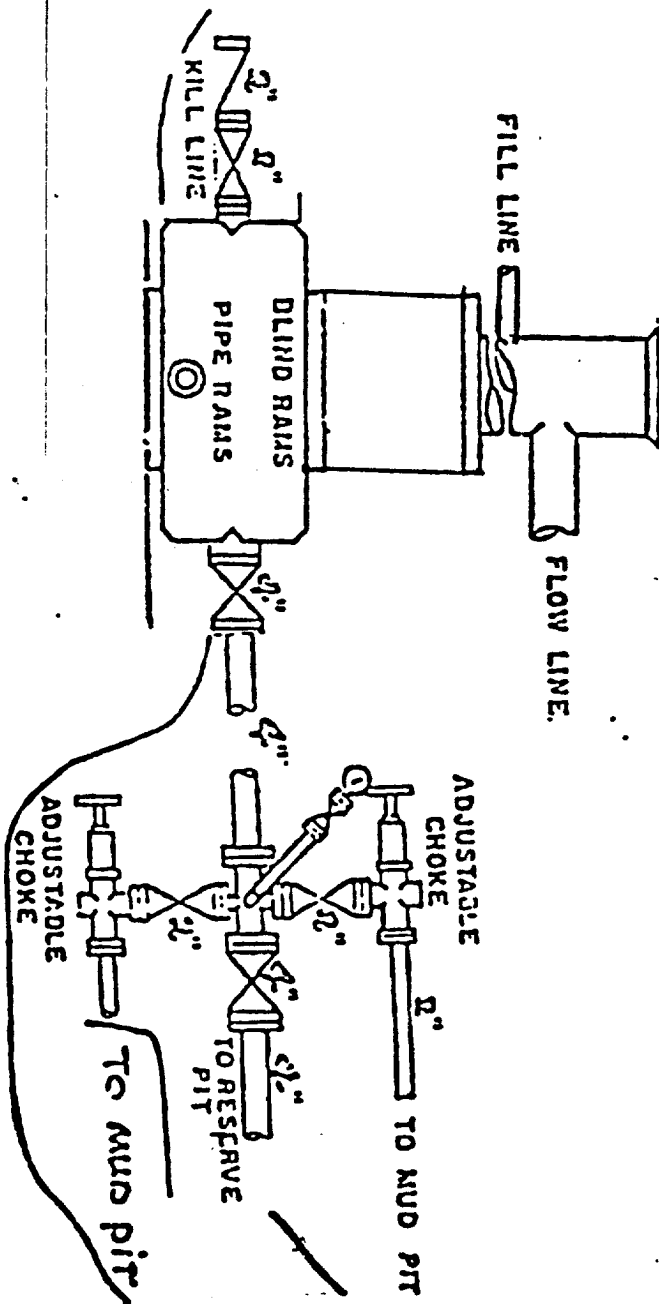


EXHIBIT D

Harvey E. Yates Co.
Hale 11 Federal #1
Eddy Co., New Mexico

