

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN PLICATE*
(Other instructions on reverse side)

30-015-26071
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

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

RECEIVED

3. ADDRESS OF OPERATOR

105 South Fourth Street - Artesia, NM 88210

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

At surface

2080' FSL & 660' FEL

At proposed prod. zone

Same

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

Approximately 26 miles southwest of Artesia, New Mexico

15. DISTANCE FROM PROPOSED*

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

660'

16. NO. OF ACRES IN LEASE

479.72

17. NO. OF ACRES ASSIGNED
TO THIS WELL

319.72

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

19. PROPOSED DEPTH

9600'

20. ROTARY OR CABLE TOOLS

Rotary

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

3692.7' GR

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
14-3/4"	9-5/8"	32#	Approx. 1200'	1000 sacks - <u>circulate</u>
8-3/4"	7"	20 & 23#	TD	as warranted

We propose to drill and test the Morrow and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

RECEIVED
MUD PROGRAM: FW gel to 1200', fresh water to 7500', cut brine, SW gel & starch to TD

BOP PROGRAM: BOP's and hydril will be installed on 9-5/8" casing and tested daily

GAS NOT DEDICATED

POST ID-1
NL & API
3-3-89

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 Landman

DATE February 6, 1989

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY Orig. Signed by Richard L. Manua

AREA MANAGER

TITLE CARLSBAD RESOURCE AREA

DATE 2-23-89

CONDITIONS OF APPROVAL, IF ANY

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

**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.

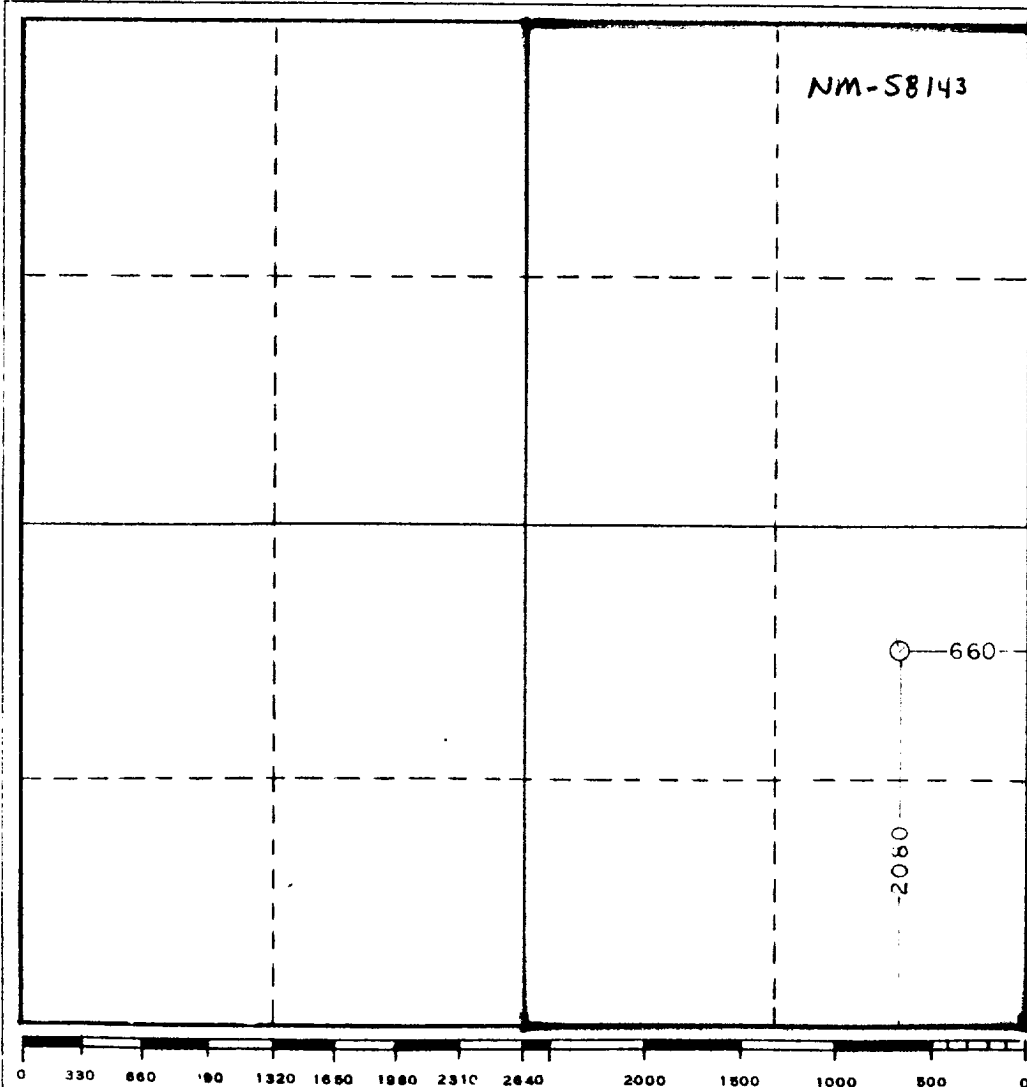
Operator YATES PETROLEUM CORPORATION		Lease CHOLLA "AGE" FEDERAL		Well No. 1
Unit Letter "1"	Section 3	Township 20 South	Range 24 East	County Eddy
Actual Footage Location of Well: 2080 feet from the South line and 660 feet from the East line				
Ground Level Elev. 3892.7	Producing Formation Morrow	Pool Wildcat	Dedicated Acreage: 319.72 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

LANDMAN

Position

YATES PET. CORP.

Company

2-1-89

Date

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 24, 1989

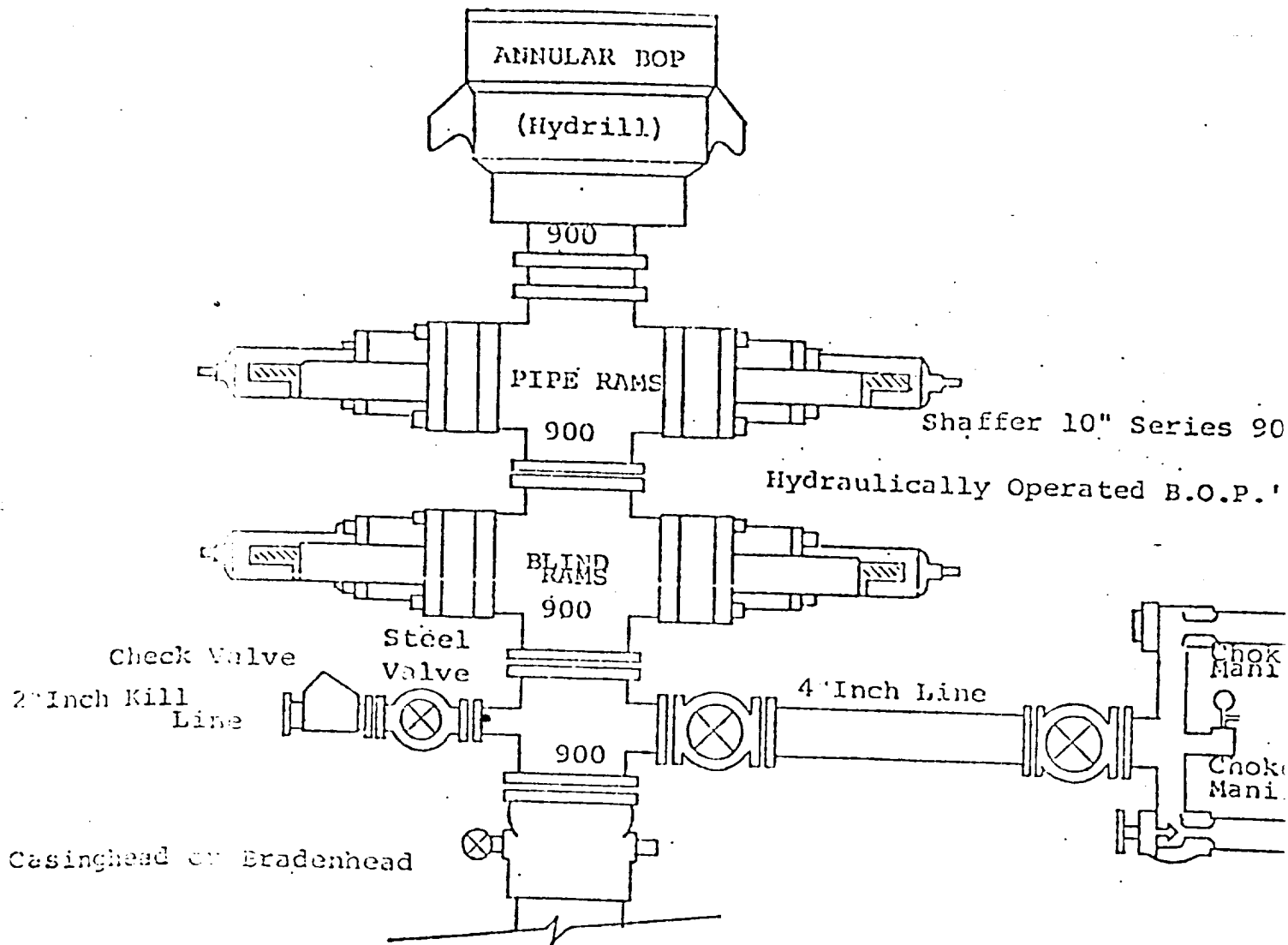
Registered Professional Engineer and/or Land Surveyor

3640

Certification

LAND SURVEY

(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.
10. D. P. float must be installed and used below zone of first gas intrusion.

YATES PETROLEUM CORPORATION
Cholla AGE Federal #1
2080' FNL and 660' FEL of
Section 3-T20S-R24E
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 BLM requirements.

1. The geological surface formation is alluvium.

2. The estimated tops of geologic markers are as follows:

San Andres	386'	Strawn	8155'
Glorieta	1838'	Atoka	8690'
Abo	4074'	Morrow Clastics	9054'
Abo Reef	4142'	Austin Cycle	9259'
Wolfcamp Lime	5280'	Chester Lime	9344'
Lower Canyon Lime	7515'	TD	9600'
Lower Canyon Dolomite	7797'		

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

Water: Approximately 275'

Oil or Gas: 5280', 8155', 8690' & 9054'

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: 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 by drilling breaks and shows

Logging: CNL/FDC from TD to casing with GR-CNL on to surface; DLL from TD to casing with Rxo over selected intervals.

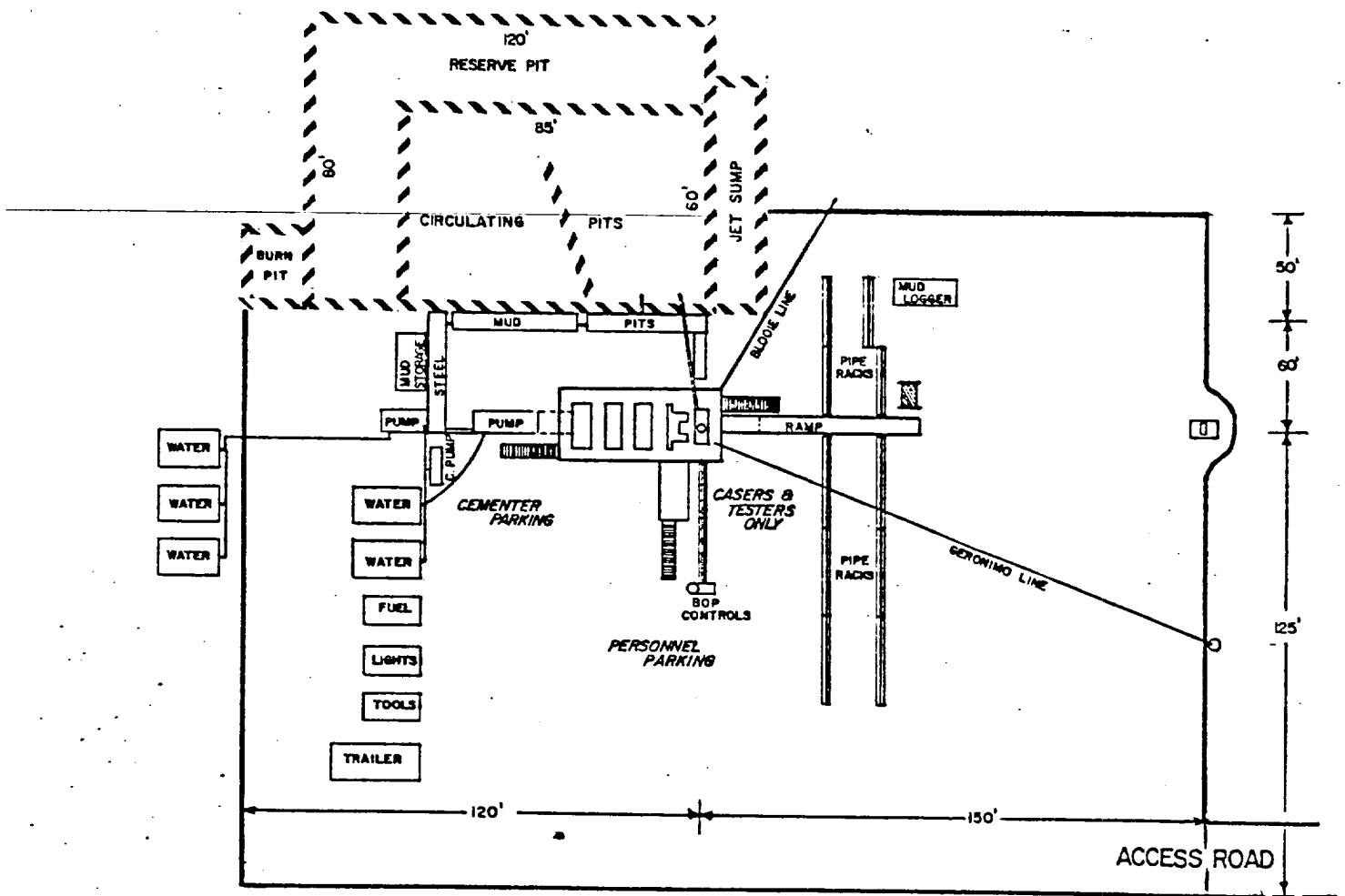
Samples: 10' samples out from under surface casing to TD

Coring: None

9. No abnormal pressures or temperatures are anticipated.

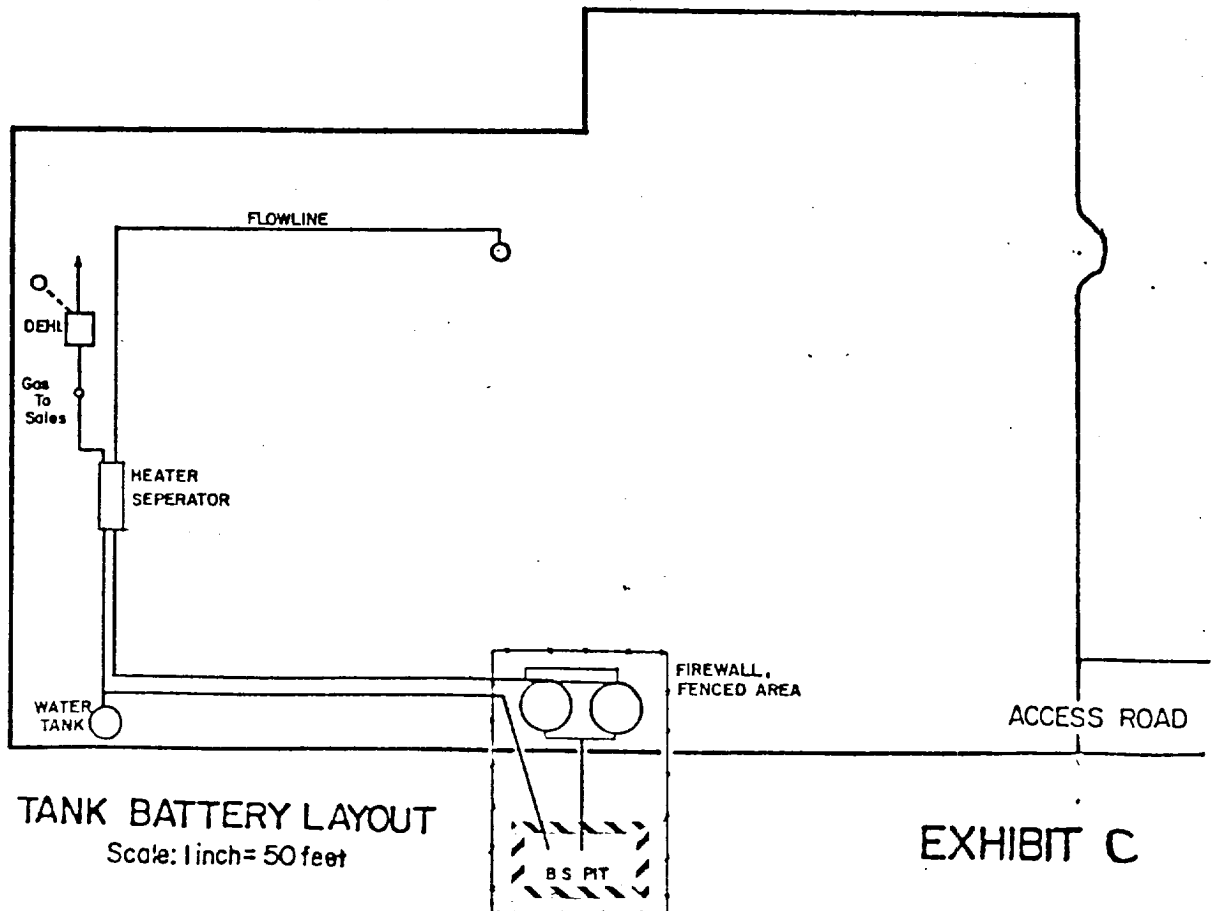
10. Anticipated starting date: As soon as possible after approval.

YATES FERTROLEUM CORPORATION



DRILLING RIG LAYOUT

Scale: 1 inch = 50 feet



TANK BATTERY LAYOUT

Scale: 1 inch = 50 feet

EXHIBIT C