Form 9-331 C
(May 1963)

N.M.O.C.D. COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 (Agent for Phoenix Resources Co unit op)

3. ADDRESS OF OPERATOR

207 South 4th Street, Artesia, NM 88210

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

660' FSL & 1980' FWL

At proposed prod. zone

same

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

approx. 37 miles SW of Artesia, NM

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	560
17. NO. OF ACRES ASSIGNED TO THIS WELL	320		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	2500'	19. PROPOSED DEPTH	approx. 8000'
20. ROTARY OR CABLE TOOLS	Rotary		
21. ELEVATIONS (Show whether DF, RT, GR, etc.)	4573.0 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
17 1/2"	13 3/8"	48# J-55	Approx. 250'	250 sx circulate
12 1/4"	8 5/8"	24# J-55	Approx. 1550'	900 sx circulate
7 7/8"	4½" - 5½"	17#-15.5 11.6#-10.5	TD	1250 sx circulate

We propose to drill and test the Morrow and intermediate formations. Approximately 250' of surface casing will be set to shut off gravel and cavings, and intermediate casing will be set 100' below the Artesian Water Zone. If commercial, will run 4½" or 5½" casing with 600' cement cover, will perforate and stimulate as needed for production.

MUD PROGRAM: F.W. Gel and LCM to 1800', fresh water to 4300', starch-drispak KCL to 6700', flosal-drispak KCL to TD

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

GAS NOT DEDICATED.

NSP 7-6-81

RECEIVED
JUL 15 1981
O. C. D.
ARTESIA, OFFICE

JUL 29 1981

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 G. Thomas Cooke TITLE Regulatory Manager DATE June 24, 1981

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

ACCEPTED FOR RECORD
APPROVED
JUL 14 1981
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

/s/ J. A. LEWIS

NEW MEXICO OIL CONSERVATION COMMISS

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	Lease	Well No.
YATES PETROLEUM CORPORATION	Gardner Draw	#6

Unit Letter	Section	Township	Range	County
N	5	20 South	21 East	Eddy

Actual Footage Location of Well:
660 feet from the South line and 1980 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage
4573.	Yates	Undes.	320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

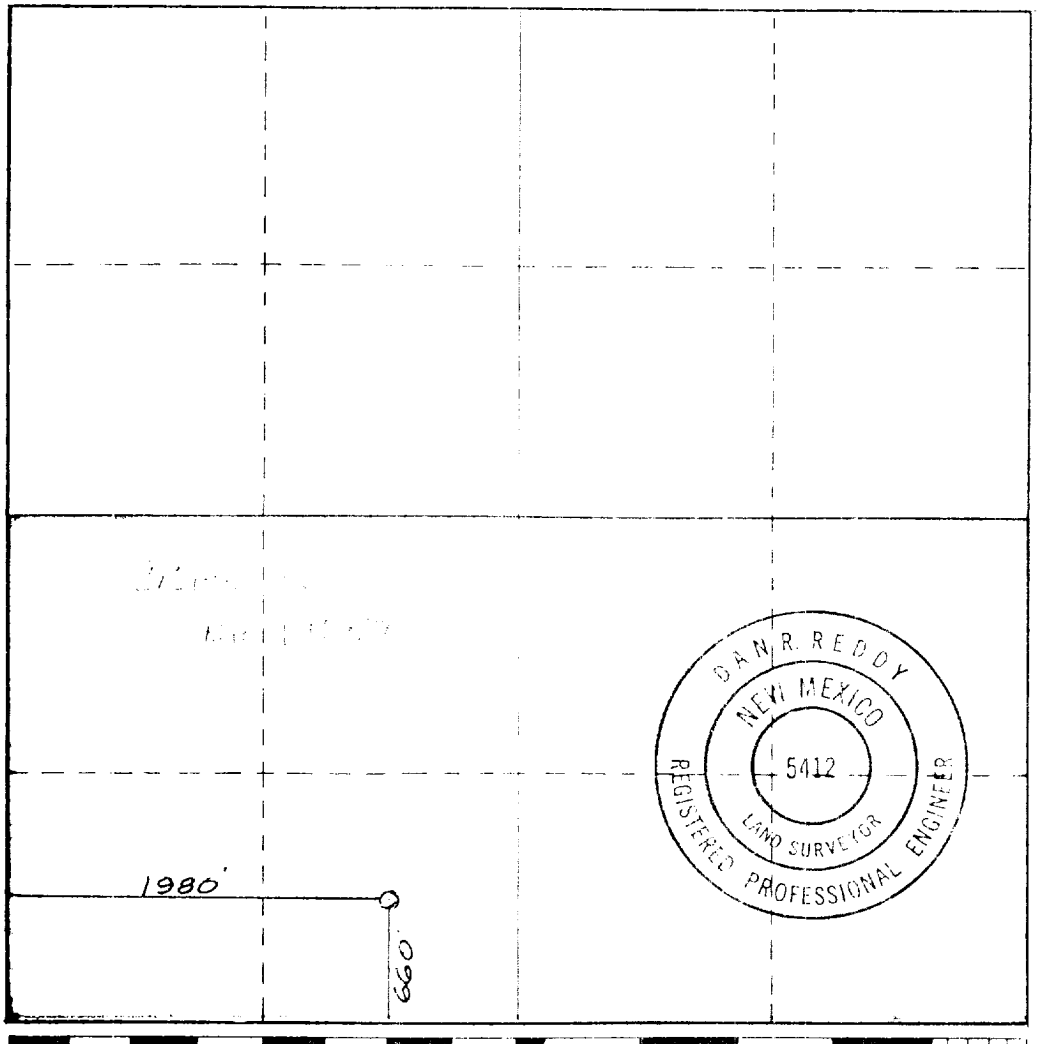
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 [X] 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.



DAN R. REDDY
NEW MEXICO
5412
REGISTERED PROFESSIONAL ENGINEER
LAND SURVEYOR

CERTIFICATION

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

Name

Position

Company

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
April 25, 1981

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

Certificate No.
NM PE&LS #5412

Yates Petroleum Corporation
Gardner Draw Unit #76
660' FSL and 1980' FWL
Section 5-T20S-R21E
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 sandy alluvium.

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

San Andres	On Surface	Strawn	6705
Tubb Sands	2738	Atoka	7223
Abo	3356	Morrow Clastics	7484
Wolfcamp Lime	4366	Chester Lime	7613
Cisco	5614	Miss. Lime	7764
Canyon	5855	TD	8000
Lower Canyon	6381		

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

Water:	Approximately 200-240'	Morrow	7500
Oil or Gas:	Strawn 6725	Chester	7645
	Atoka 7245		

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:

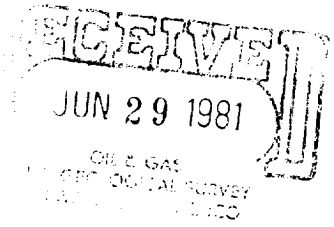
Samples: 10' samples caught out from under surface casing.
DST's: As warranted
Logging: CNL-FDC TD-casing with GR-CNL up to surface; DLL TD-casing with R_{xo} over bottom 2000 ft.
Mudlogging: One mand unit on out from under intermediate casing to TD.

9. No abnormal pressures or temperatures are anticipated.

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Gardner Draw Unit #7
660' FSL and 1980' FWL
(Developmental Well)



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 of the proposed well, the proposed construction activities and operations plan, the magnitude of surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operation.

1. EXISTING ROADS.

Exhibit A is a portion of a USGS topographic map showing the wells and roads in the vicinity of the porposed location. The proposed well site is located approximately 37 miles SW of Artesia, New Mexico and the access route to the location is exhibits A and A'.

DIRECTIONS:

1. Travel west from Artesia on Highway 82 to Hope, NM. Turn south on black top road.

2. Proceed south approximately 7 miles to the fork in the road. Take the right fork (sign saying Tulk Ranch) and continue south to the ranch approximately 10.3 miles.

3. Continue south on the black top past the ranch house for 2.1 miles. Turn south east at the city service sign with red and white flagging on it.

4. Follow the lease road up the hill and through the gate for .8 of a mile. At the marker turn north on an existing ranch road.

5. Follow the existing ranch road (which will be upgraded) for .5 of a mile. The new access road will start here going in a Northeasterly direction.

2. PLANNED ACCESS ROAD.

A. The new access road will run in a northeasterly direction for approximately 110 It will meet the southwest corner of the drilling pad.

B. The new road will be 12 feet in width except for the point of origin where enough additional width will be provided to allow trucks and equipment to turn.

3. LOCATION OF EXISTING WELLS.

A. Drilling activity within a one-mile radius of the wellsite is shown on Exhibit

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 MATERIAL.

   A. Due to the location and topography the pad and road should surface themselves.

7. METHODS OF HANDLING WASTE DISPOSAL.

   A. Drill cutting 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 of dirt. All waste material will be contained to 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. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, etc.

   B. The location surface is on a slope, cut and fill will be needed.

   C. The reserve pits will be plastic lined and to the northeast. The bottom edge of pad will act as a water-diversion.

   D. A 400' X 400' 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 well-site 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 irregular consisting of mountain-type terrain with hard surface. The immediate area of the wellsite is discussed above in paragraph #9.

B. Flora and Fauna: The vegetation cover consists of grass, cactus, mesquite, 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 cattle grazing.

C. There are no ponds, lakes, or rivers in the area.

D. There are no inhabited dwellings in the vicinity of the proposed well.

E. Surface Ownership: The wellsite is on federal surface and minerals.

F. There is no evidence of any archaeological, historical or cultural sites in the area. See Archaeological Report.

12. OPERATOR'S REPRESENTATIVE.

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

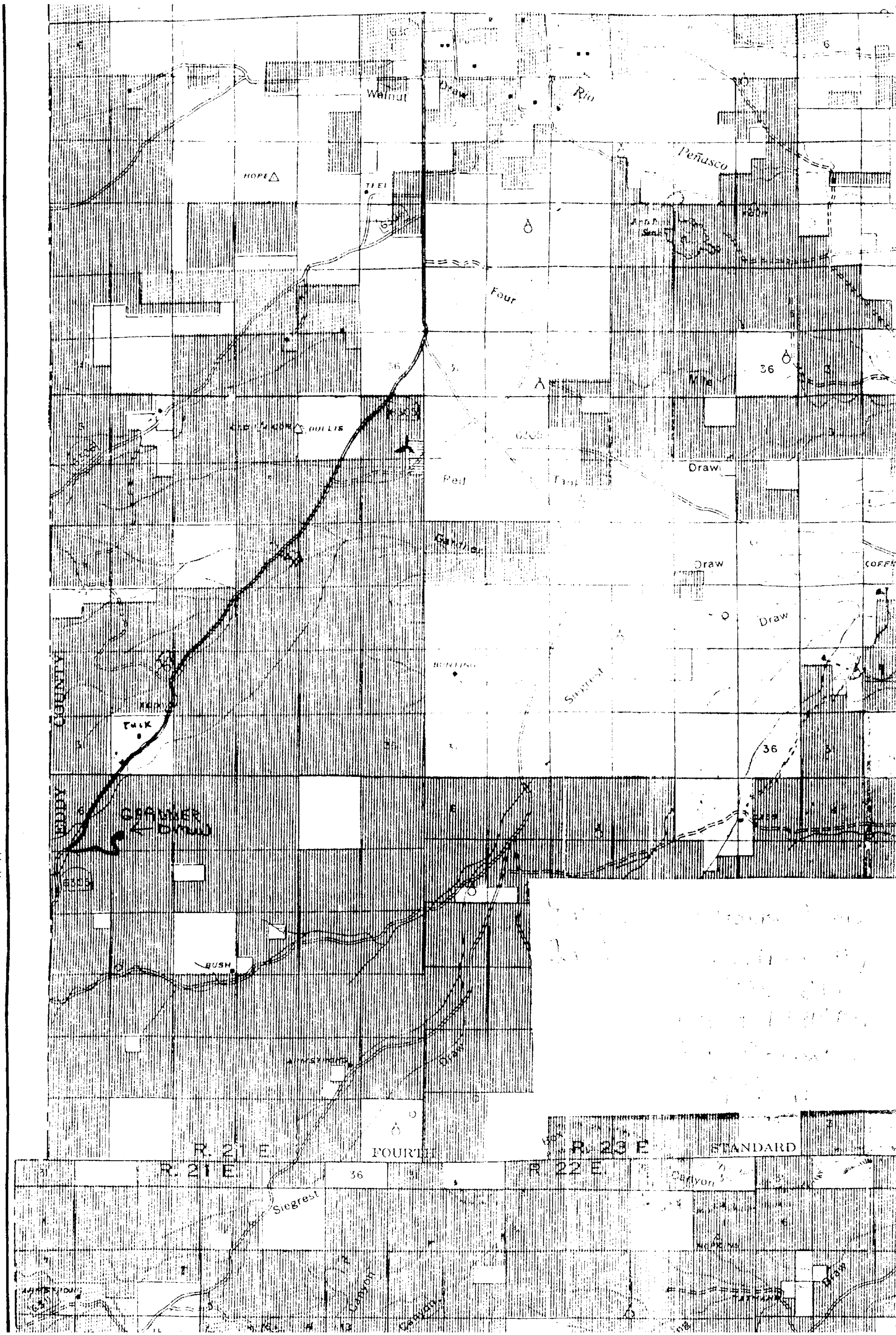
Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

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 subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6-24-81
DATE

Gliserio Rodriguez, Geographer



Walnut
Draw
Rio
Peñasco
HOPE
TEEL
Four
Mile
Draw
Red
BUNTING
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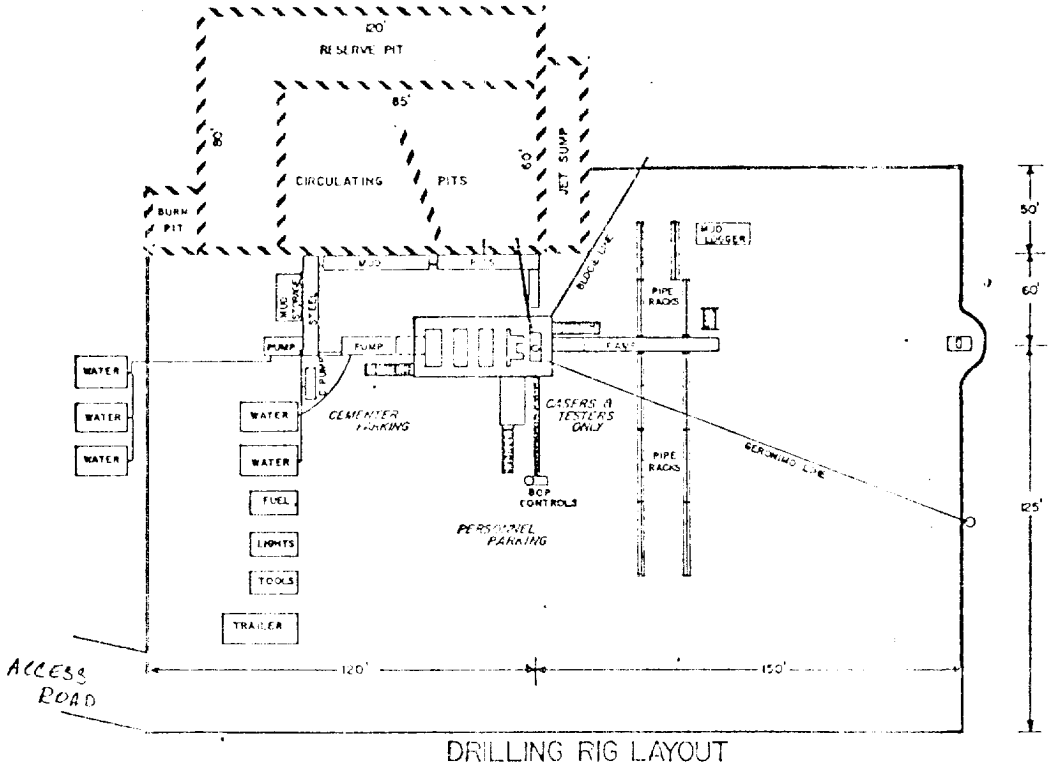
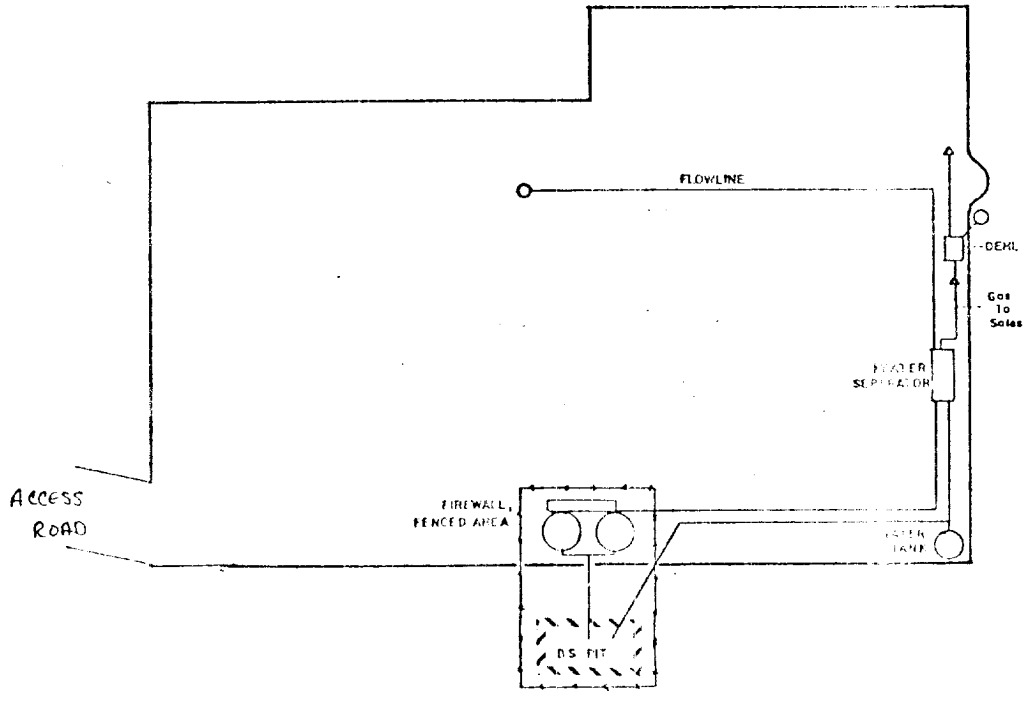
36
EDDY
COUNTY
FALK
GARDNER
DRAW
BUSH
Draw
R. 21 E.
FOURTH
R. 23 E.
STANDARD
R. 21 E.
R. 22 E.
36
Canyon
Siegrest
Canyon
Draw

YATES PETROLEUM CORPORATION



DRILLING RIG LAYOUT

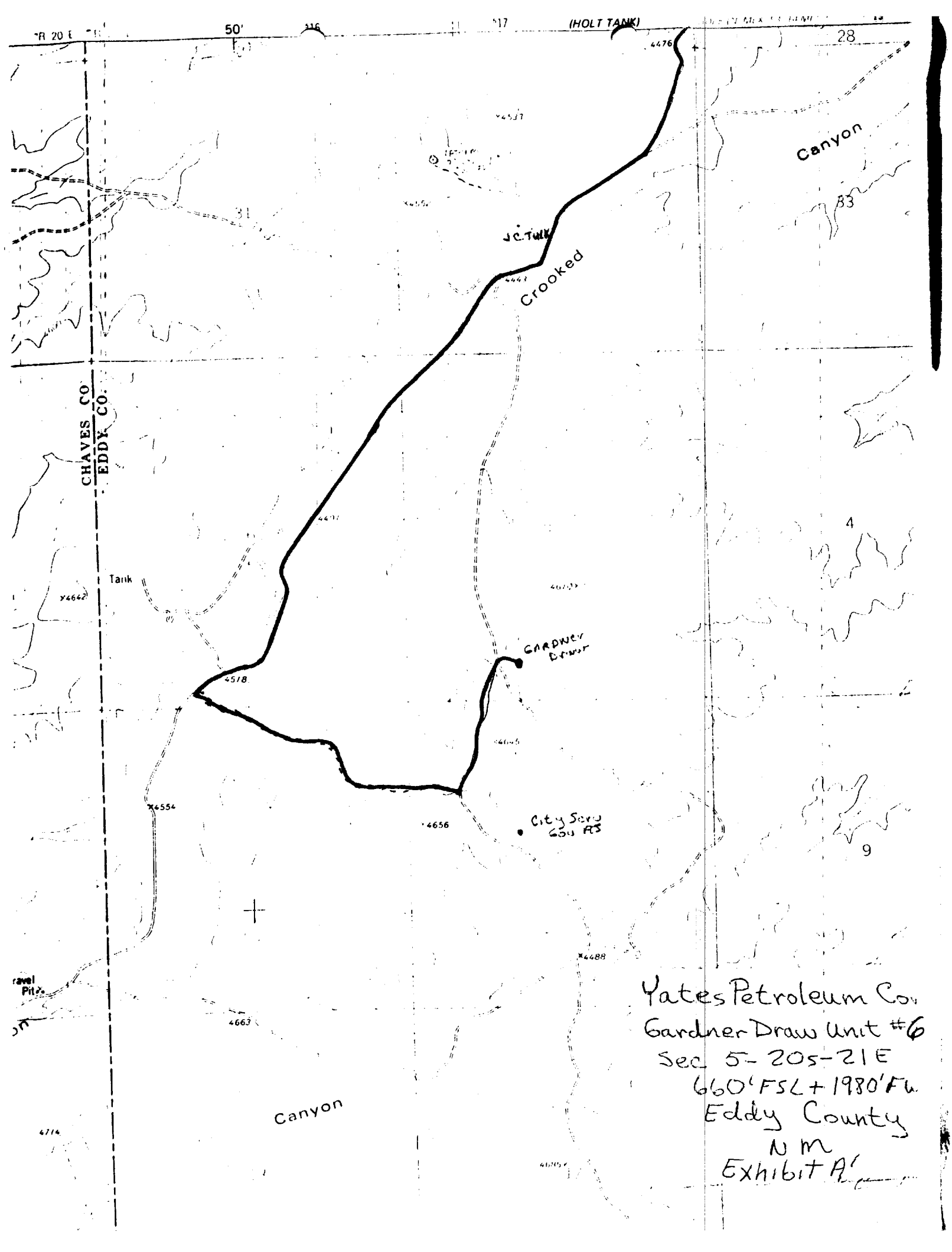
Scale: 1 inch = 50 feet



TANK BATTERY LAYOUT

Scale: 1 Inch = 50 Feet

EXHIBIT C


R 20 E
50'
(HOLT TANK)
28
Canyon
33
31
J.C. Tull
Crooked
CHAVES CO.
EDDY CO.
4
Tank
Gardner Draw
City Serv Gas #3
9
Canyon
Yates Petroleum Co.
Gardner Draw Unit #6
Sec 5-20S-21E
660'FSL + 1980'FW
Eddy County
N M
Exhibit A'