

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN "LIGATE"
Other Inst. on reverse side

Form approved,
Budget Bureau No. 42 R1425.

30-015-21591

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 ✓

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 2310' FSL & 660' FEL of Sec. 13-21S-26E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approx 3 miles north of Carlsbad, New Mexico

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 660'

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3220' GR

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#	Approx 600'	Circulate
12 1/2"	9-5/8 or 8-5/8"	36# J-55	" 2700'	Circulate
7-7/8"	4 1/2"	11.6 & 13.5# N-80	" 11700 TD	300 sacks

Propose to drill a 11700' Morrow test.

Mud Program: - Surface to 2700' - Fresh water, w/hulls and FW gel mud slugs if necessary.
 2700' to 8500' - Fresh water
 8500-9900' - Brine & Flocal
 9900 to TD - Flosal & Drispak, brine water.

BOP Program: - BOP's to be installed on intermediate strings to 8500'. See attached BOP diagram.
 Pipe rams tested daily; blind rams on trips. BOP's Yellow Jacketed prior to drilling Wolfcamp.

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 Eddie J. Kealy TITLE Engineer DATE 6-19-75

PERMIT NO. _____ SUBJECT TO ATTACHED DEEP WELL CONTROL REQUIREMENTS DATED JUN 23 1973 APPROVAL DATE _____ TITLE _____ DATE _____

APPROVED
 JUL 10 1975
 L. L. BEEKING
 ACTING DISTRICT ENGINEER

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.
 See Instructions On Reverse Side
 EXPIRES OCT 17 1975

DECLARED WATER BASIN
 13 3/8"
 CEMENT SET IN THE 8 1/2"
 CASING MUST BE CIRCULATED
 NOTIFY USGS IN SUFFICIENT TIME TO WITNESS CEMENTING THE CASING. 8 1/2"

RECEIVED
 JUL 18 1975
 D. C. C.
 ARTESIA, OFFICE

5. LEASE DENOMINATION AND SERIAL NO.
 NM-0489599
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
 ARCO "EI" Federal
 9. WELL NO.
 1
 10. FIELD AND POOL, OR WILDCAT
 Wildcat
 11. SEC. T. R. M. OR BLK. AND SURVEY OR AREA
 Sec. 13-21S-26E
 12. COUNTY OR PARISH
 Unit I NMPM
 13. STATE
 Eddy NM
 22. APPROX. DATE WORK WILL START*
 As soon as approved

NE 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.

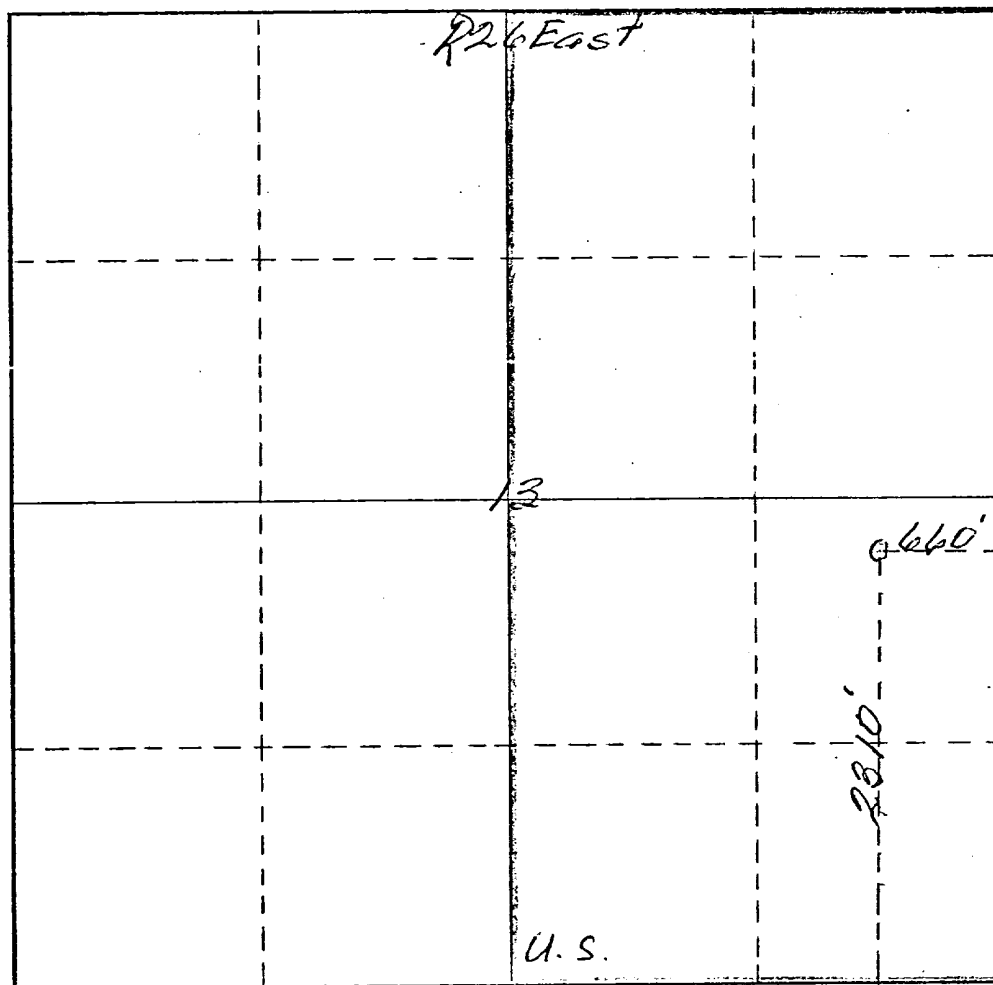
Operator <i>Yates Petroleum Corp.</i>		Lease <i>ARCO ET Federal</i>			Well No. <i>1</i>
Unit Letter <i>I</i>	Section <i>13</i>	Township <i>21 South</i>	Range <i>26 East</i>	County <i>Eddy</i>	
Actual Postage Location of Well: <i>2310</i> feet from the <i>South</i> line and <i>660</i> feet from the <i>East</i> line					
Ground Level Elev. <i>3220</i>	Producing Formation <i>Morrow</i>		Pool <i>Avalon</i>	Dedicated Acreage: <i>320</i> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

Eddie M. Mahfood
Name

Eddie M. Mahfood

Position
Engineer

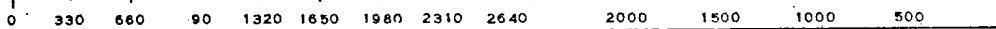
Company
Yates Pet. Corp.

Date
6-19-75

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
June 5th 1975
Registered Professional Engineer
and/or Land Surveyor

James H. Brown
Certificate No. *542*



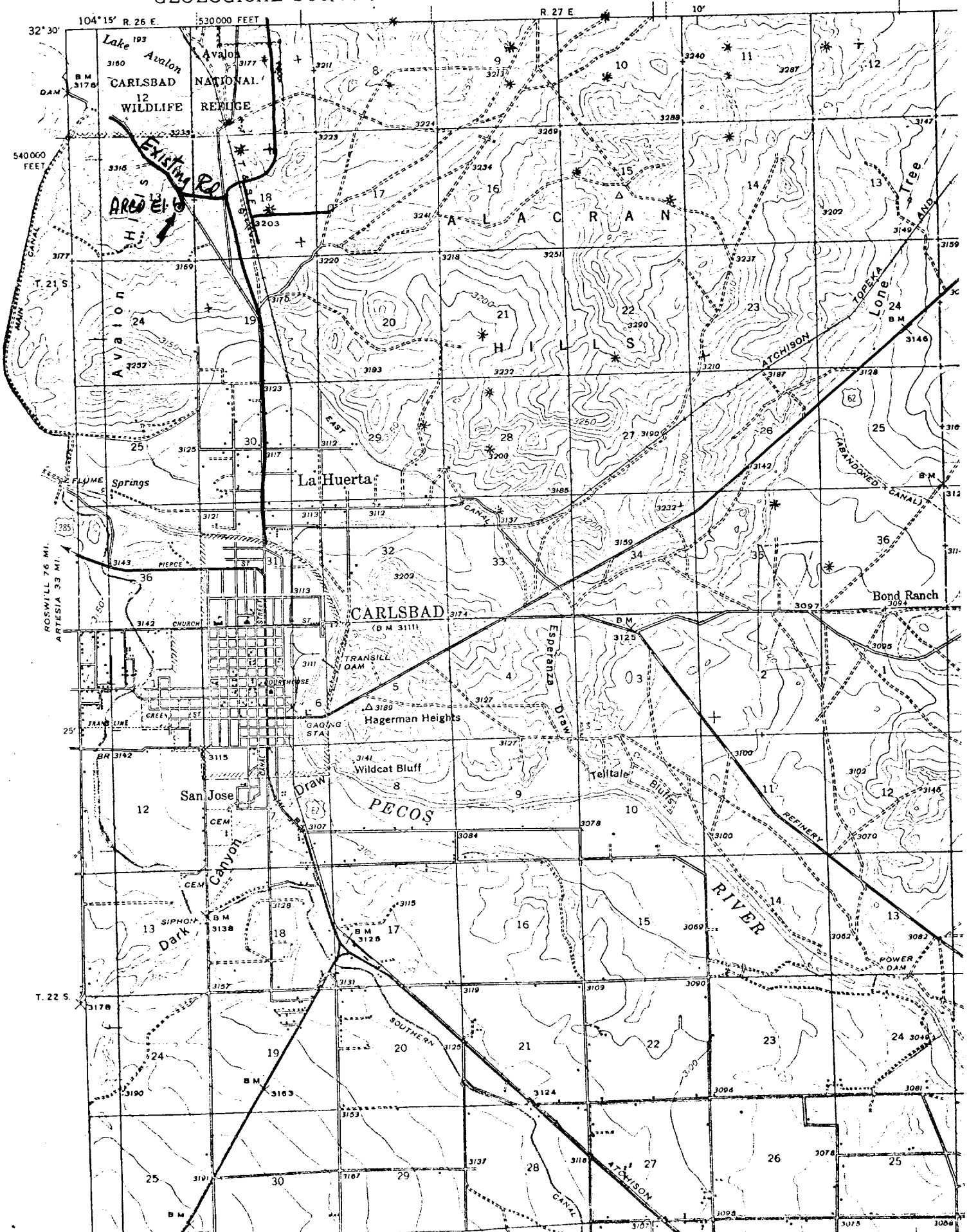
T
21
5

Yates Petroleum Corporation
ARCO "EI" Federal No. 1
2310' FSL & 660' FEL
Section 13-21S-26E - Unit I
Eddy County, New Mexico

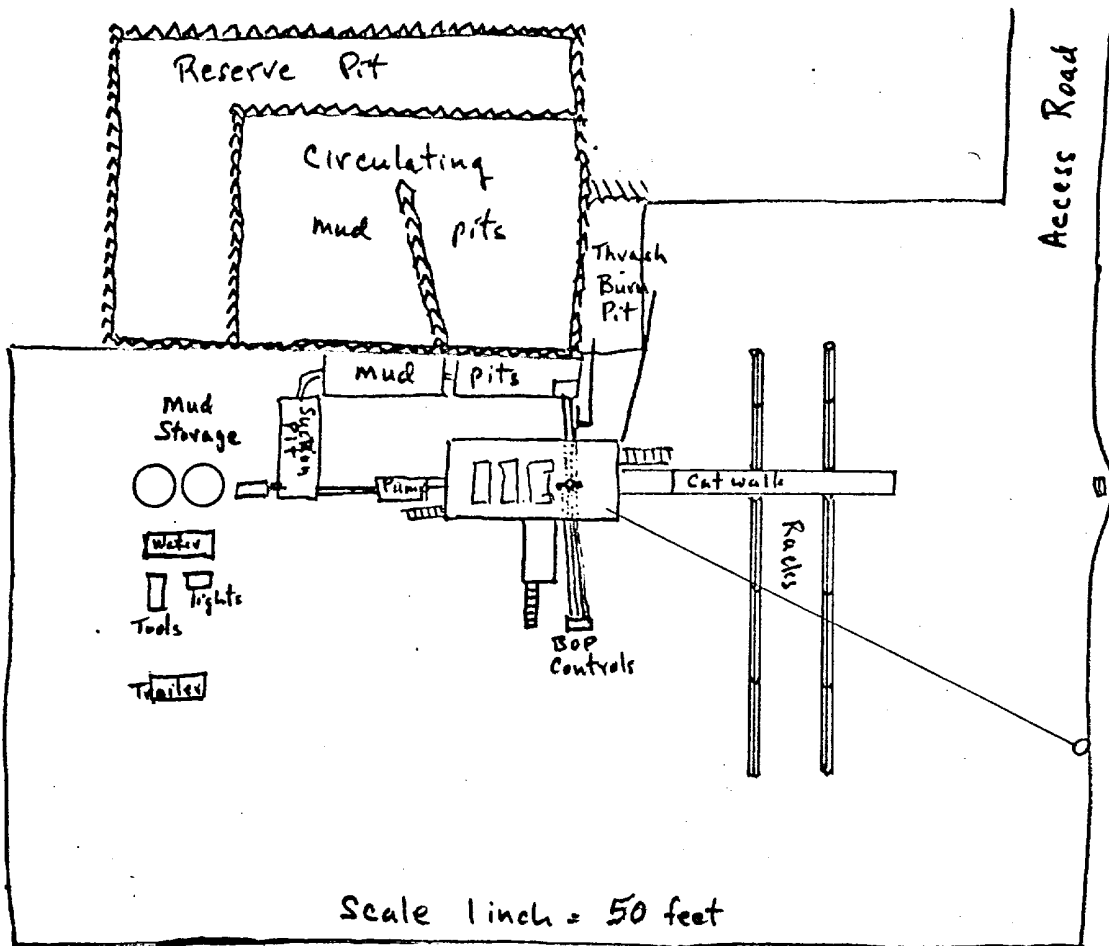
Development plan to accompany "Application to Drill, Federal Lease".
12-Point Plan.

1. Existing Roads:- See Plat (Exhibit A) - Paved county road running east west to Lake Avalon, Shown in green
2. Planned Access Roads: - See Plat (Exhibit A) - South from existing road approx 1/10th of mile shown in red
3. Location of Wells: - See Plat (Exhibit A) First deep test in Section, productive gas wells offset to the east and northeast
4. Lateral Roads to Location: - See Plat (Exhibit A) - Original caliche road running SE - NW to Lake Avalon abandoned
5. Location of Tank Battery & Flowlines: - See Plat (Exhibit C) Tanks will be on pad with berm around tanks and fenced
6. Location & Types of Water Supply : - See Plat (Exhibit A) - Negotiating for water supply from rancher with irrigation approx 1 mile south of location
7. Methods for Handling Waste Disposal: - See Sketch (Exhibit C) Trash & Engine oil in burn pit, mud in reserve pit.
8. Location of Camps: - Not Applicable.
9. Location of Airstrips: - Not Applicable.
10. Location Layout (rig, tanks, pits, racks, etc): - See Sketch (Exhibit C)
11. Plans for Restoration of Surface: - Will fence pits and allow to dry then level, will clean up location upon abandonment. Tiered surface is an improvement of topography and need not be returned to original slope.
12. Other Inviornment Information: - Caliche outcrop sloping southward with sparse grass, grease wood, tumble weed and yellow top weeds. Need to cut 3 feet at northeast pad and fill 1-3 feet on south and west pad.

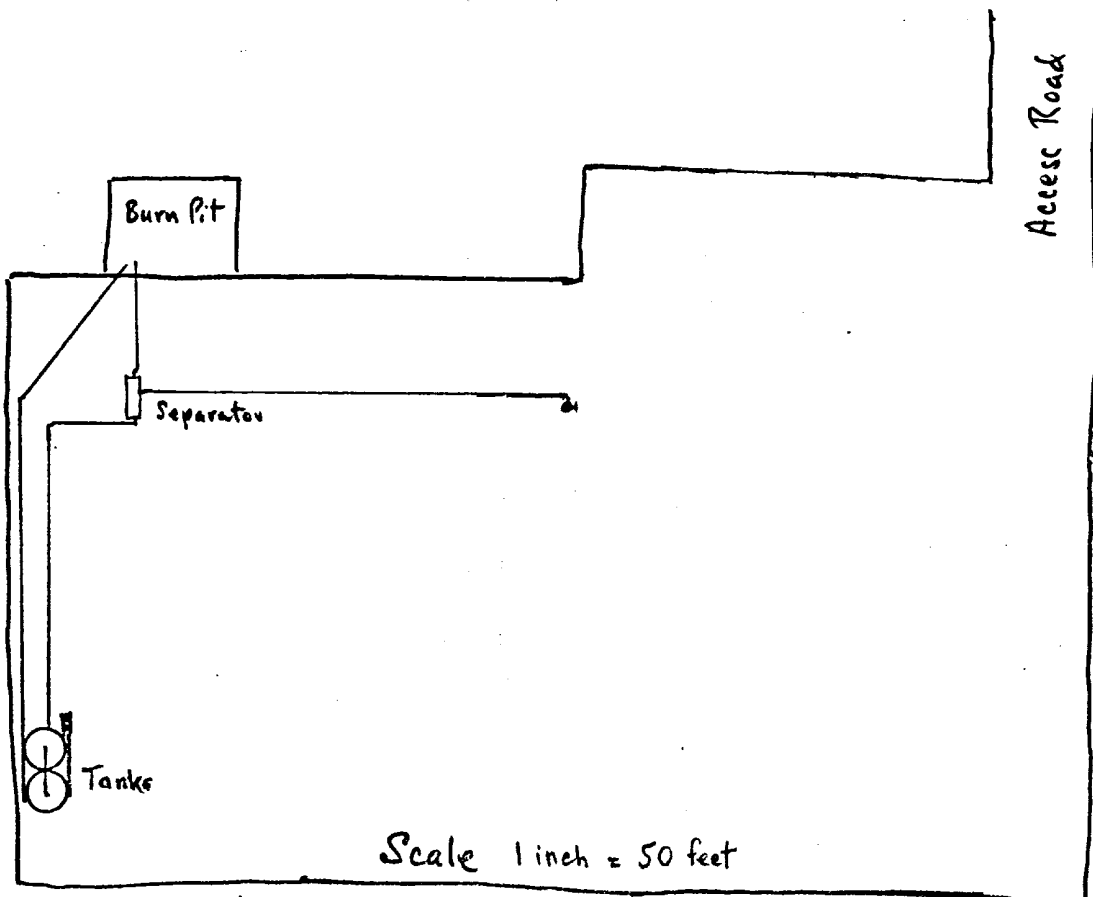
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



Yates Petroleum Corporation
 ARCO FEDERAL "E1" No. 1
 Unit I Sec 13-21S-26E, Eddy Co.



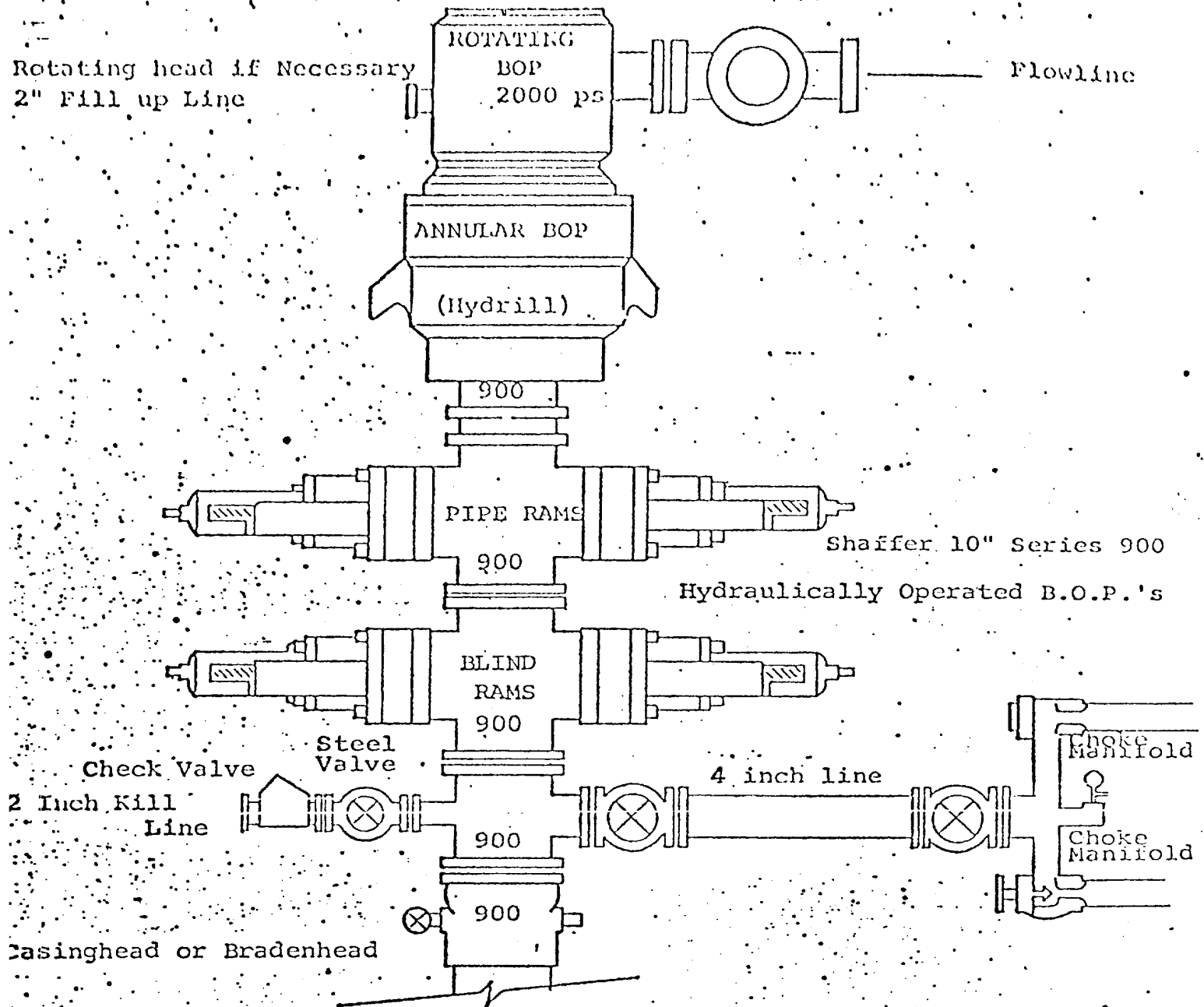
Rig Layout



Layout of Production Facilities.

Exhibit "C"

DIAGRAMMATIC SKETCH OF 3000 PSI BOP ASSEMBLY



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.
5. 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.

Yates Petroleum Corporation
ARCO "EI" Federal No. 1
Section 13-21S-26E - Unit I
Eddy County, New Mexico