

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 FOURTH STREET, ARTESIA, NEW MEXICO 88210

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

At surface

1980' FSL & 1980' FEL

At proposed prod. zone

SAME

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

Approximately 17 miles SE of Vaughn, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1980'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

4400

16. NO. OF ACRES IN LEASE

2560

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

5450' 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"	48# H-40	475'	400 sx circulated
7 7/8"	5 1/2"	14# K-55	TD	200 sx

We propose to drill and test the Abo formations. Approximately 475' of surface casing will be set and cement circulated to shut off gravel and caving. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM : FW gel/LCM to 475', brine to TD.

BOP PROGRAM : BOP's will be installed at the offset and tested daily.

GAS NOT DEDICATED

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

Regulatory Agent

DATE

2/1/85

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

2-14-85

CONDITIONS OF APPROVAL, IF ANY:

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

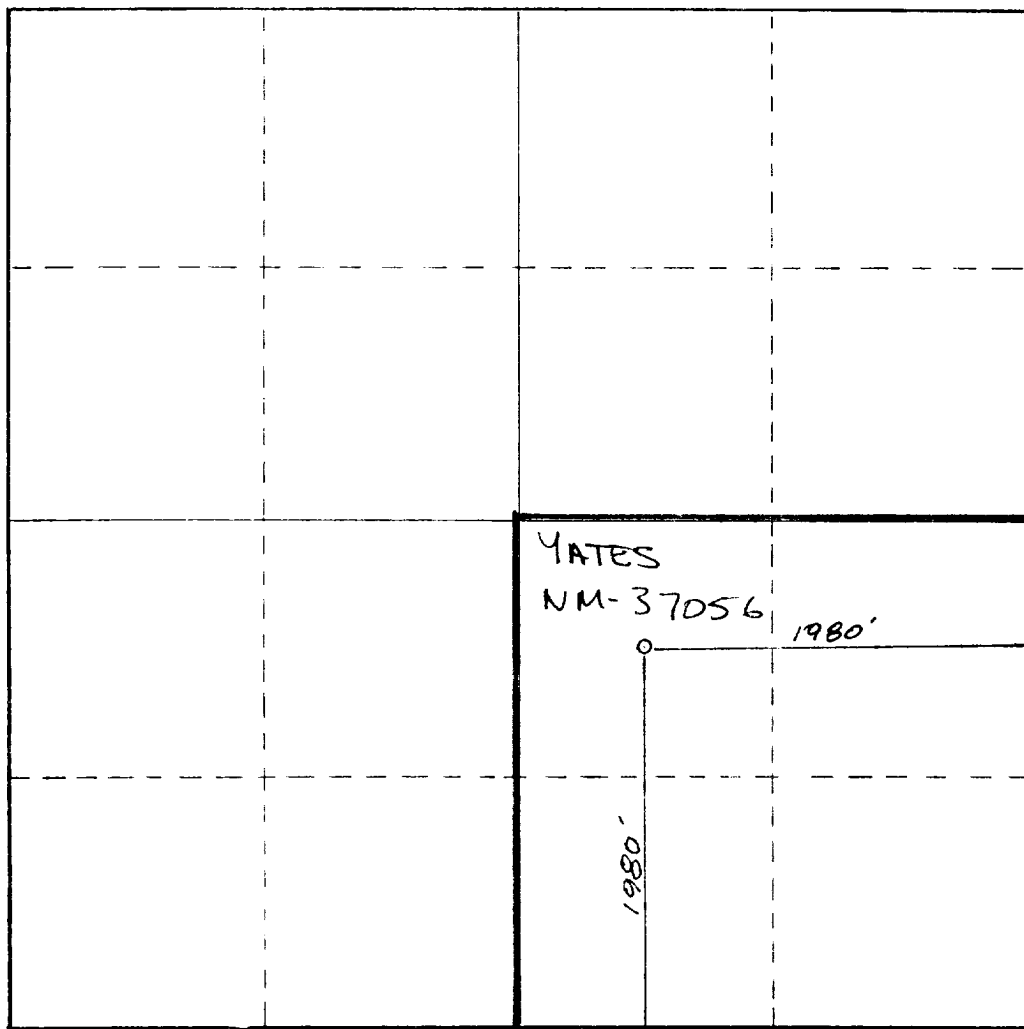
Operator YATES PETROLEUM CORPORATION			Lease Duoro AAX Federal		Well No. 1
Unit Letter J	Section 27	Township 3 North	Range 19 East	County Guadalupe	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 5450.	Producing Formation ABO		Pool Wildcat	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 _____

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.

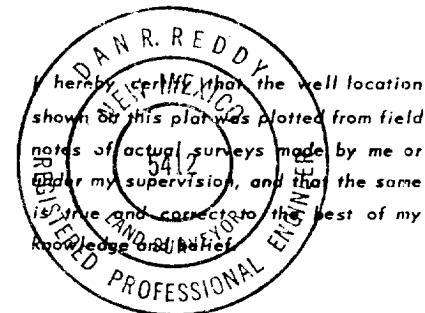
GLISERIO RODRIGUEZ
Name

GLISERIO RODRIGUEZ
Position

REG AGT

Company
YATES PET. CORP

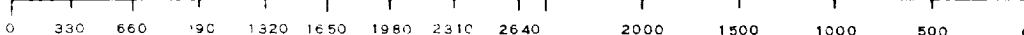
Date
2-1-85



Date Surveyed
January 25, 1985
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.

NM PE&LS NO. 5412



Duoro "AAX" Federal #1
1980' FSL & 1980' FEL
Section 27-T3N-R19E
Guadalupe County, N1

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

1. The geologic surface formation is San Andres.
2. The estimated tops of geologic markers are as follows:

San Andres	SS	400'	Wolfcamp	2365'
San Andres	LS	565'	Penn	3750'
Glorieta		843'	Pre Cambrian	4250'
Yeso		922	TD	4400'
Abo (Tubb)		2285'		
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 350'-450'

Oil or Gas: 2300'
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:

Samples: Surface casing to TD. 10' samples.

DST's: As warranted

Coring: As warranted

Logging: CNL-FDC TD to csg w/GR-CNL up to surface, DLL w/RxO from TD to csg.
EPT-TD to csg.

Mudlogging: One man unit from surface to TD.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

YATES PETROLEUM CORPORATION
Duoro "AAX" Federal #1
1980' FSL & 1980' FEL
Section 27-T3N-R19E
Guadalupe County, NM

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 operations.

1. EXISTING ROADS.

Exhibit A is a portion of a State and BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 17 miles SE of Vaughn, New Mexico and the access route to the location is indicated in red and green.

DIRECTIONS:

1. Proceed north from Roswell on US 285 for approximately 70 miles. This is one mile north of the county line.
2. Turn east on County Road 3A and continue for approximately 1.2 miles. Turn and go north for 9 miles to the Byrd Ranch, continue north for 2 more miles. The new road will start here going east.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1800' in length from point of origin to the southwest edge of the drilling pad.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side. No turnouts will be built.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is no drilling activity within a one-mile radius of the wellsite.

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 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 MATERIALS.

- A. No surfacing material will be needed.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings 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.
- D. Oil produced during operations 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 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 slightly sloping.
- C. 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 wellsite in as aesthetically pleasing a condition as possible.

- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Operator-Landowner Agreement (See 11E) will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is slightly sloping. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of native grasses cactus 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 and sheep grazing.
- C. Waterways: None
- D. There are no inhabited dwellings in the vicinity of the proposed wellsite.
- E. Surface Ownership: Federal minerals and private surface owned by Bob H. Byrd, Box A M, Elephant Butte, New Mexico 87935.

12. OPERATOR'S REPRESENTATIVE.

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

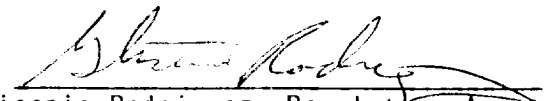
Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 S. 4th Street
Artesia, New Mexico 88210
(505) 748-1331

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

February 1, 1985

Date


Gliserio Rodriguez, Regulatory Agent

EW MEXICO

RAMON

R. 18 E.

R. 20 E.

R. 21 E.

T. 3 N.

T. 2 N.

T. 1 N.

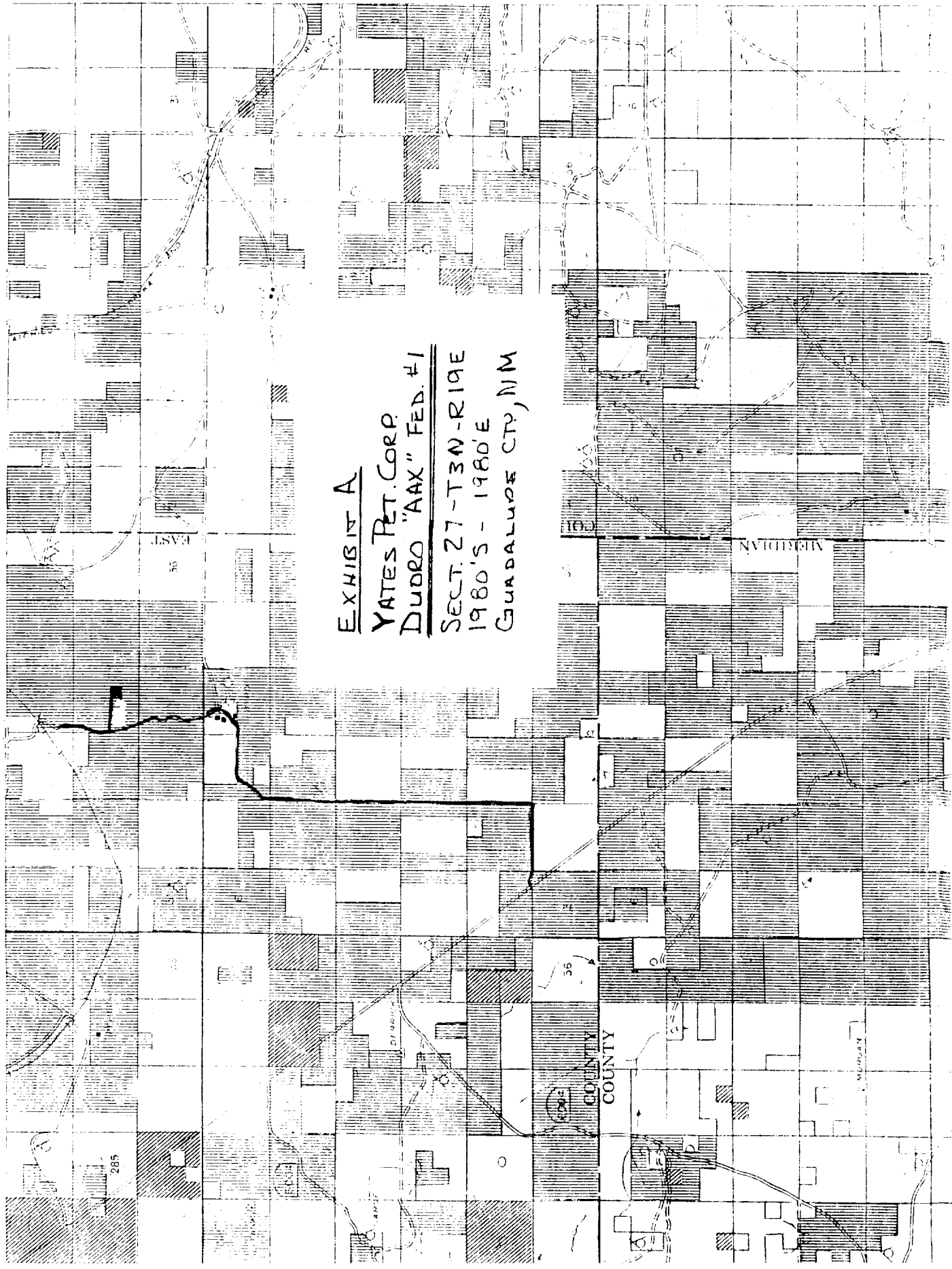
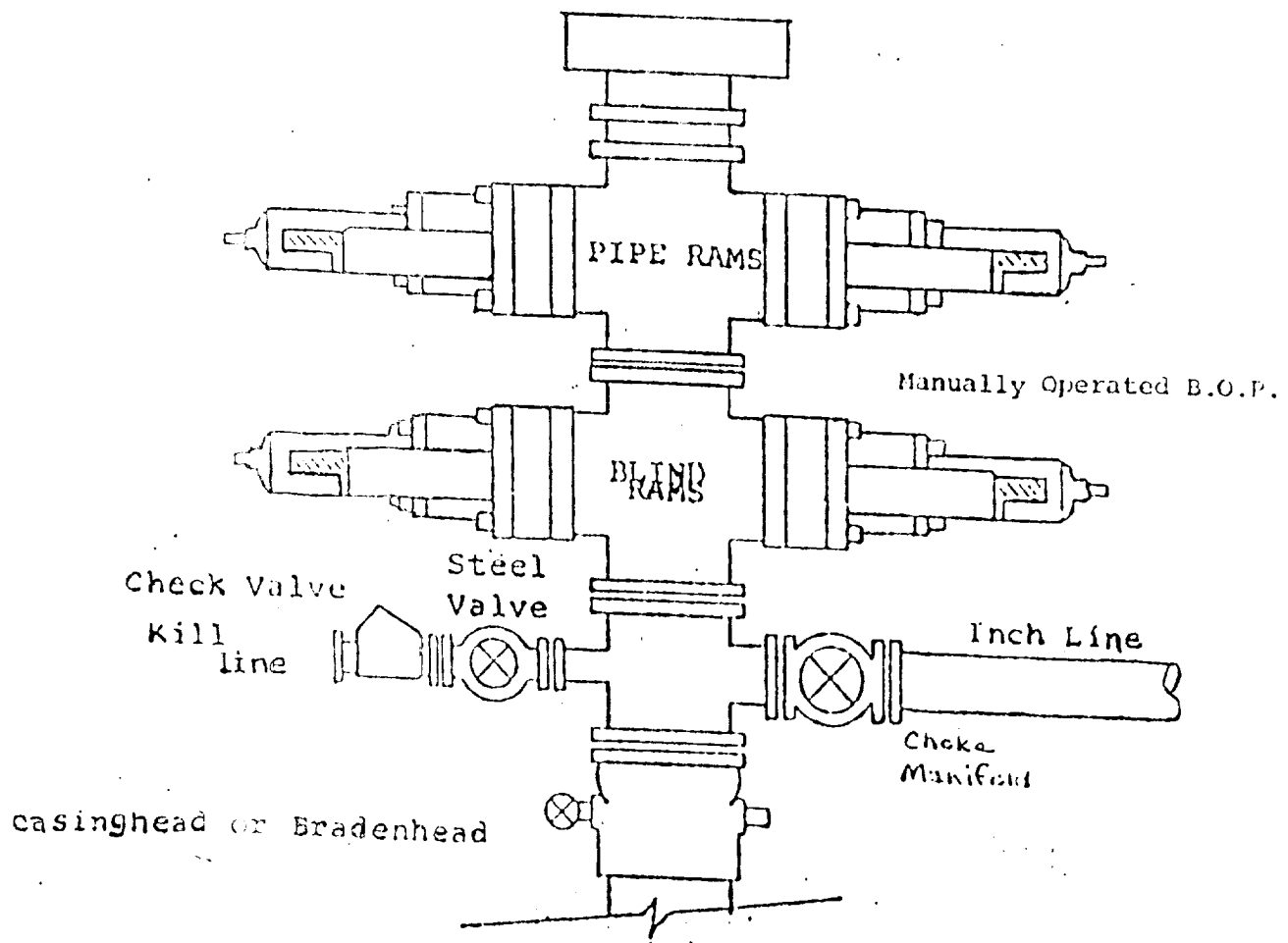


EXHIBIT A
YATES PET. CORP.
DURO "AAX" FED. #1
SECT. 27-T3N-R19E
1980'S - 1980'E
GUADALUPE CTY, N.M.

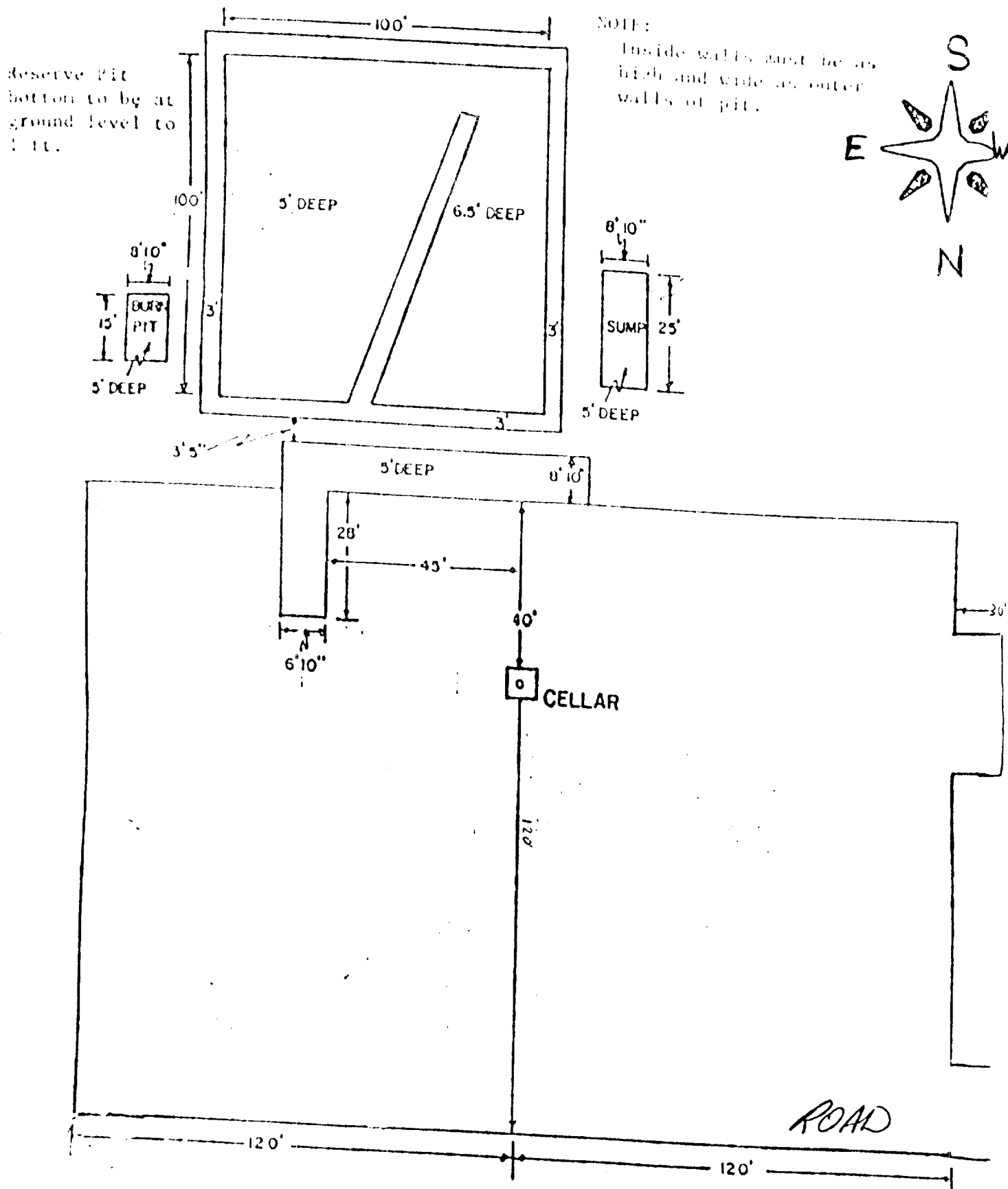
EXHIBIT B

BDP DIAGRAM

RATED 3000[#]



YATES PETROLEUM CORP.
Exhibit C



Amendment to Surface Use Plan

Duoro "AAX" Federal
1980'S 1980'E
Section 27 T3N R19E
Guadalupe County, NM

AMENDED DIRECTIONS:

1. Proceed north from Roswell on US285 for approximately 76 miles. This is seven miles north of the county line.
 2. Turn east on to the county road going to the Raymond Perez Ranch (3 miles).
 3. Go past ranch and continue east toward the Bob Byrd Ranch for five miles than turn north for 1 mile.
- The two track road will be upgraded from here to the location.
No new road will be built.

[illegible]

Duoro "AA" Fed. #1
27-30-19E
1980's - 1980's
GUNDALUPE CTY.

DUORO #1
"AAX" Fed.

