

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, NM 88210

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

At surface

330' FNL & 330' FEL of Section 31-6S-26E

At proposed prod. zone

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

32 miles NE of Roswell, N.M.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH
1400 ARTESIA. OFFICE17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3668 GR

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 9 1/2" | 7" | 20# | Approx. 200' | 75 sacks |
| 6 1/2" | 4 1/2" | 10.5# | Approx. 1400' | 150 sacks |

Propose to drill a San Andres Test well. Approximately 200' of surface casing will be set and cemented to surface. Production casing will be cemented with approximately 600' of cement over the pay. Will perforate and stimulate as needed for production.

MUD PROGRAM: F. W. Gel & LCM from surface to TD.

BOP PROGRAM: Pipe rams will be set on 7" casing and tested.

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 M. Halford TITLE Engineer DATE 2-1-77

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

FEB 1 1977
ACTING DISTRICT ENGINEER

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMPLETED WITHIN 3 MONTHS.
EXPIRES MAY 1 1977
See Instructions On Reverse Side

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 CORP. | | | Lease FEDERAL HJ | | Well No. #1 |
| Unit Letter A | Section 31 | Township 6 South | Range 26 East | County Chaves | |

Actual Footage Location of Well:

330 feet from the **North** line and **330** feet from the **East** line

| | | | |
|-----------------------------------|--|-----------------------------|---------------------------------------|
| Ground Level Elev. 3668 | Producing Formation San Andres | Pool Linda (S.A.) | 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 owner 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.

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CERTIFICATION

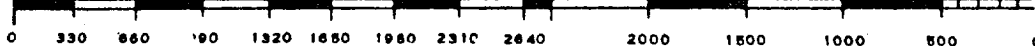
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

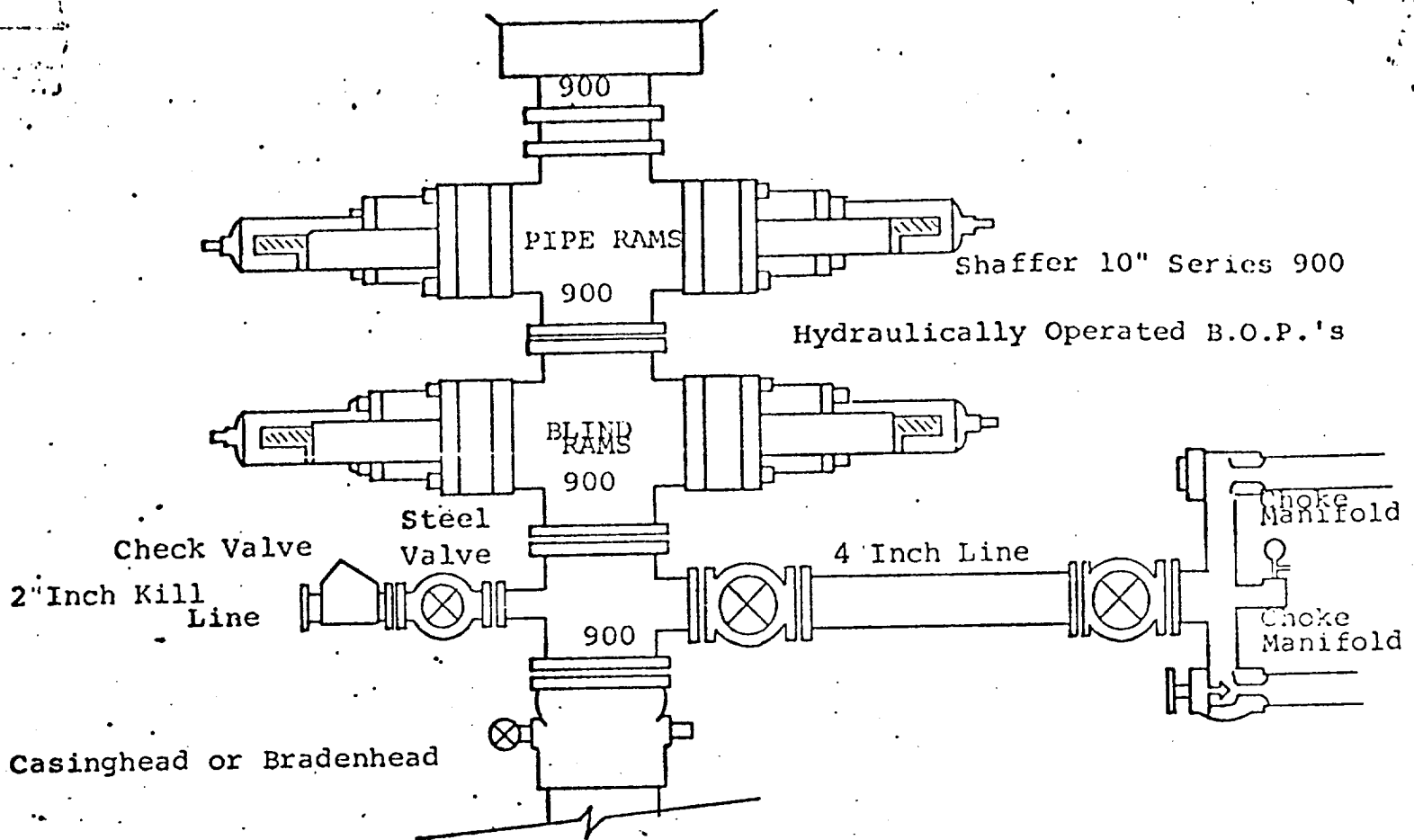
Eddie M. Mahfood
Name
Eddie M. Mahfood
Position
Petroleum Engineer
Company
Yates Petroleum Corp.
Date
1-29-77

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
1/25/77
Registered Professional Engineer and/or Land Surveyor

Herschel Jones
Certificate No.
3640





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. 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.

Exhibit "D"

YPC - Federal "HJ" No. 1, 330/N 330/E, Sec. 31-6S-26E, Chaves Co.

Other information to accompany form 9-331-C:

1. Surface Formation: Quaternary Alluvium
2. Geologic Markers anticipated: San Andres @ 510'
Glorietta @ 1683
3. Surface Water: Approx. 60-120 ft
Oil & Gas: Approx. 968-1400 ft; pass. 1683-1720
4. Casing Program: Approx 200' 7" 20" J55 New; Approx 1700' 4 1/2" 10.5" J55
5. Pressure Control: See Exhibit "D"; pipe rams tested daily
6. Mud Program: Fresh water gel w/ LCM, mw 8.6 uncontrolled water loss.
7. Auxiliary Eqmpt: Sub w/ full opening valve for drill pipe.
8. No testing or coring. Sampling 30' from Surf to 400', 10' from 400' to TD
9. No abnormal pressures or temperatures anticipated; hydrogen sulfide and other toxic gases are minimal or non-existent; hole will be flooded at all times with mud or water.
10. Anticipated starting date: Soon as approved; rig available 2-21-77.

ELM. 2-4-77

Surface Use Plan to accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) Go 69 miles north from Artesia (or 29 miles north from Roswell) on U.S. 285, then east on Cottonwood Ranch road for 15 miles to access road. This road is bladed only and county maintained, no gates or turnouts required.
2. PLANNED ACCESS ROADS: See Plat (Exhibit B) Approximately 200' of new road, 12' wide, will be bladed and watered as needed. There will be no fences to cut; no culverts or turnouts required.
3. LOCATION OF EXISTING WELLS: See Plat (Exhibit B) This test well will be a development well in the Linda San Andres field and is less than 1/2 mile from two producing oil wells (N-29-6S-26E and C-33-6S-26E). There are several windmills in area, the closest being approximately 360' NE of location.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit B & C) The first well for Yates Petroleum Corporation, first tank battery, located on east end of pad with adequate loading and turnaround for transport; above-ground steel flowline; fenced battery with berm; fenced unlined burn pit as provided for under NTL-2B.
5. LOCATION AND TYPE OF WATER SUPPLY: Fresh water supply for drilling to be hauled to location from any available commercial source.
6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit C) If gravel needed, there is a gravel pit 0.3 mile north of location.
7. METHODS FOR HANDLING WASTE DISPOSAL: Well cuttings will be disposed of in mud pit. Barrel containers will be located on drill site for trash. Waste will be hauled away periodically or burned. Treating water will be accumulated in one storage tank and hauled away periodically.
8. ANCILLARY FACILITIES: None.
9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) (a) Mat size - 100' X 50', no caliche needed.
(b) No cut and fill; location is fairly level.
(c) Pit area will be 50' X 30', unlined.
(d) Surface will be bladed & watered as needed.
(e) Pad and burn pit are flagged.
(f) A single-phase 120v. highline runs E-W 160' north of location, and 3-phase 220-440v. lines run N-S 330' east of location.
10. PLANS FOR RESTORATION OF SURFACE: If productive, mud pit will be fenced and used as burn pit; an evaporative pit 100' X 100' will be built north of the tank battery and fenced. Location will be cleaned and all surplus material removed. Upon abandonment, all pits will be filled and leveled. Location will be cleaned, and surface restored to near original or in compliance with BLM stipulations.
11. OTHER INFORMATION: (a) Land surface is flat with very gentle slope to the east, horseshoe ridge to north, west and south at distance ranging 0.3 to 1 mile.
(b) Soil is sandy loam underlaid with red beds.
(c) Vegetative cover is prairie grass & filaree, scattered mesquite.
(d) Location is approximately 1 mile west of Rio Pecos.
(e) Nearest occupied dwelling is ranch house approximately 1-3/4 miles west of location.
(f) Land use is cattle grazing.
(g) Surface is BLM with grazing lease issued to Thomas S. Cooper of Las Cruces, NM.

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ARTESIA, NEW MEXICO

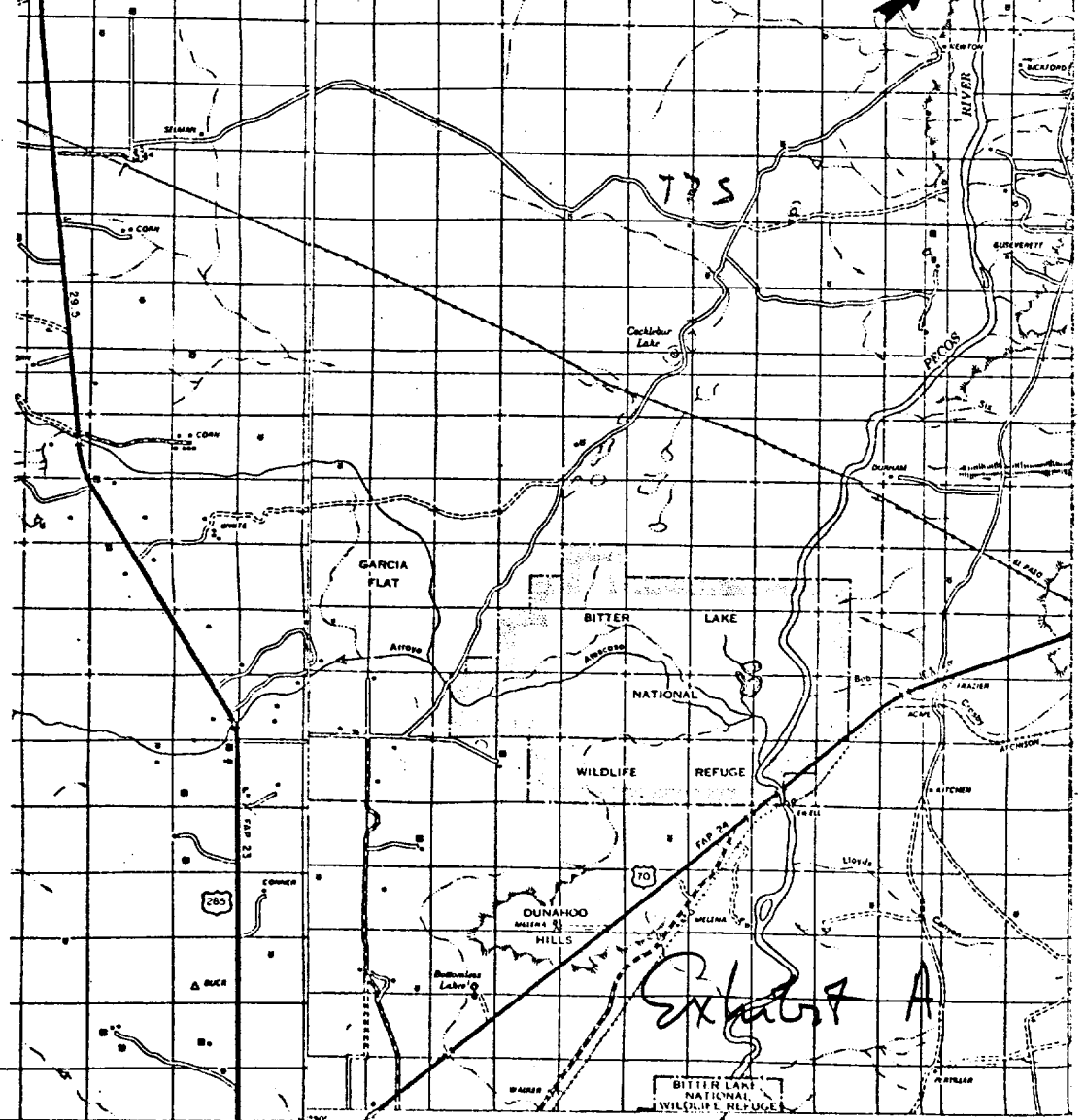
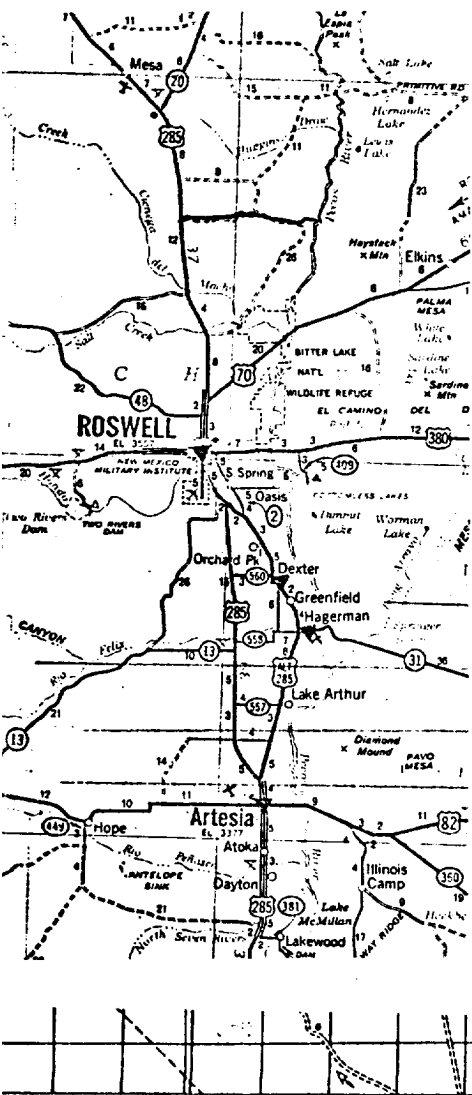
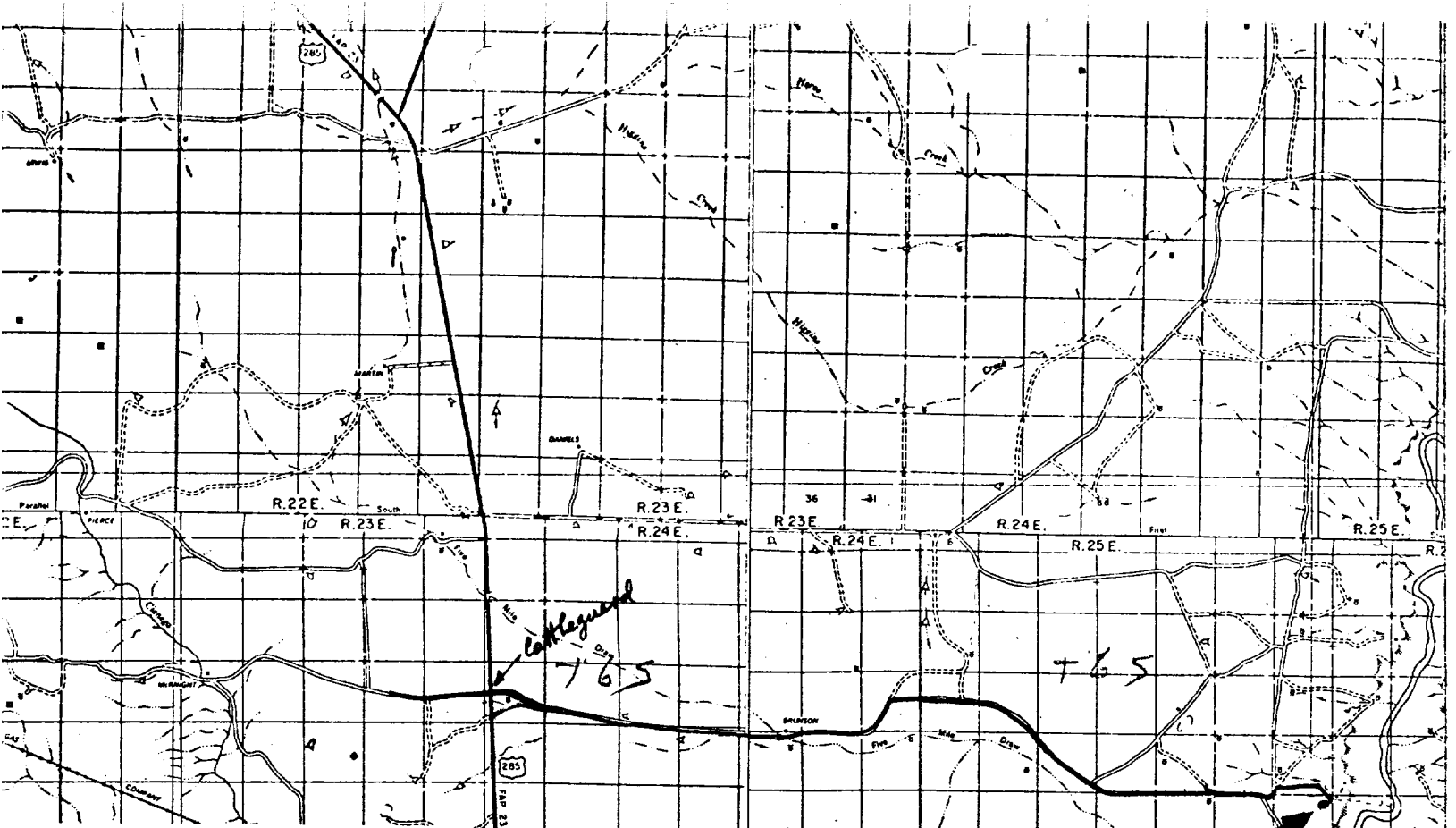
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: (a) Eddie Mahfood, Office ph: 746-3558, Home ph: 746-4415.
(b) Leon Bergstrom, Office ph: 746-3558, Home ph: 748-1072.

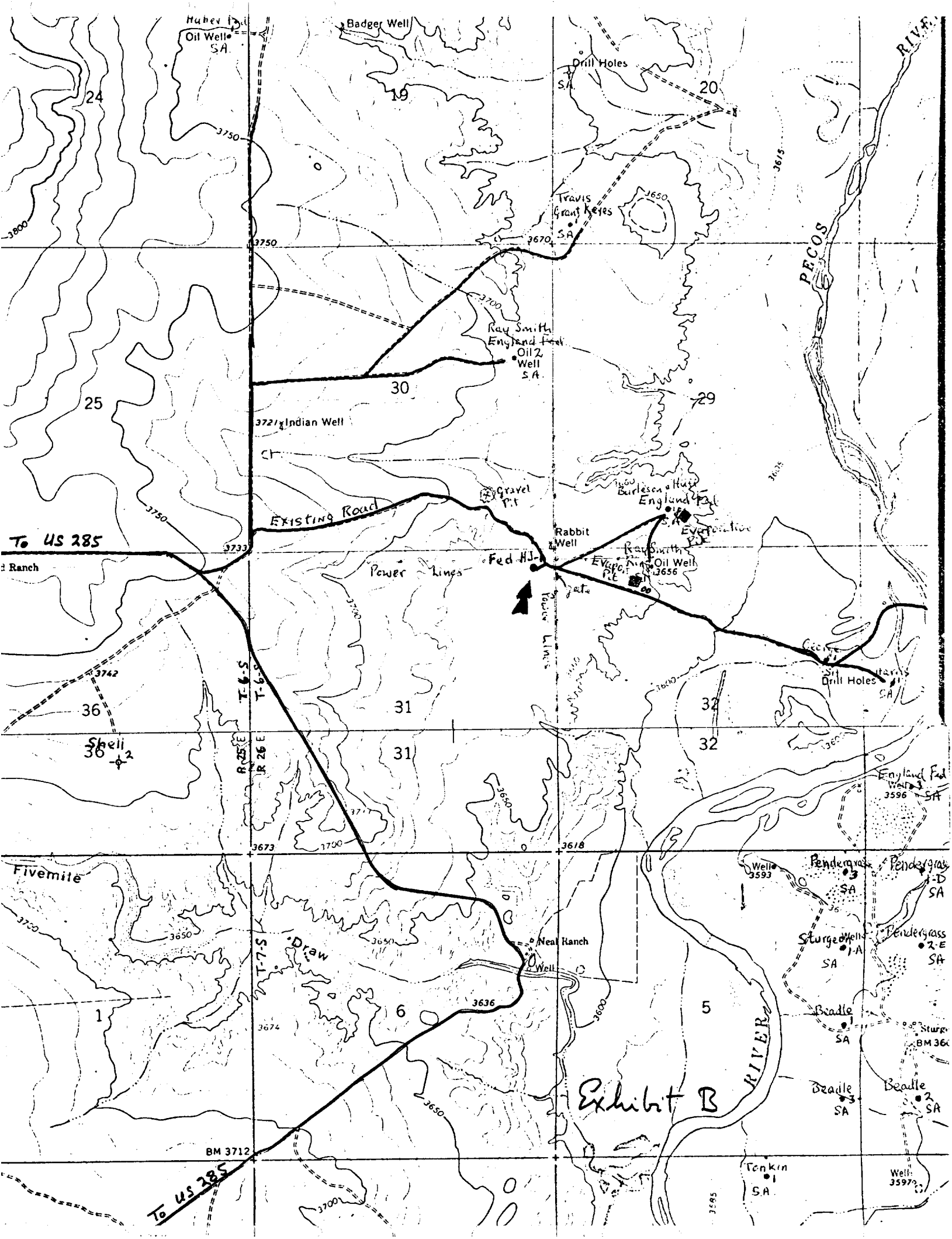
13. CERTIFICATION:

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

February 2, 1977
Date

Eddie M. Mahfood, Sr.
Name and Title





YPC- Federal "HJ" No.1, 330/N 330/E, Sec 31-6S-26E, Chaves Co

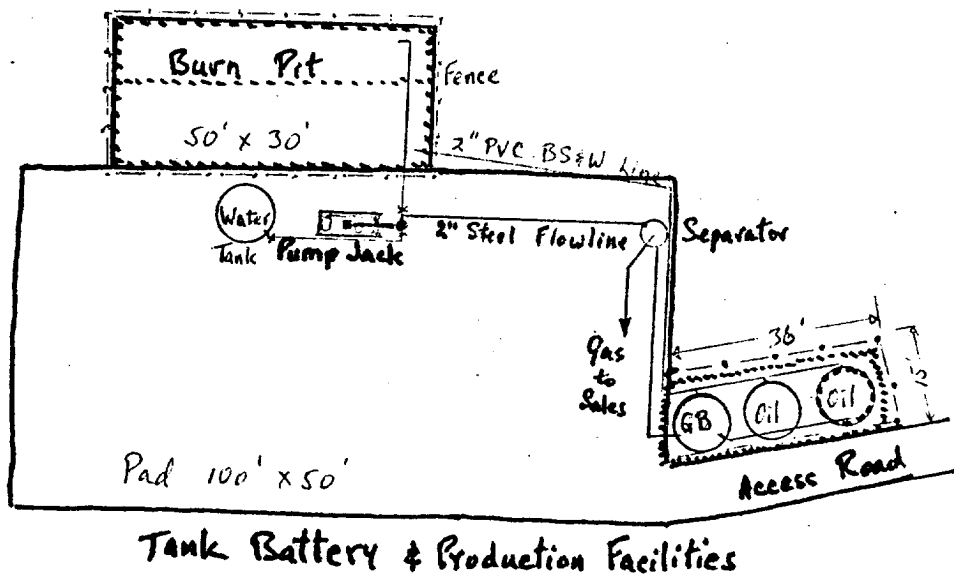
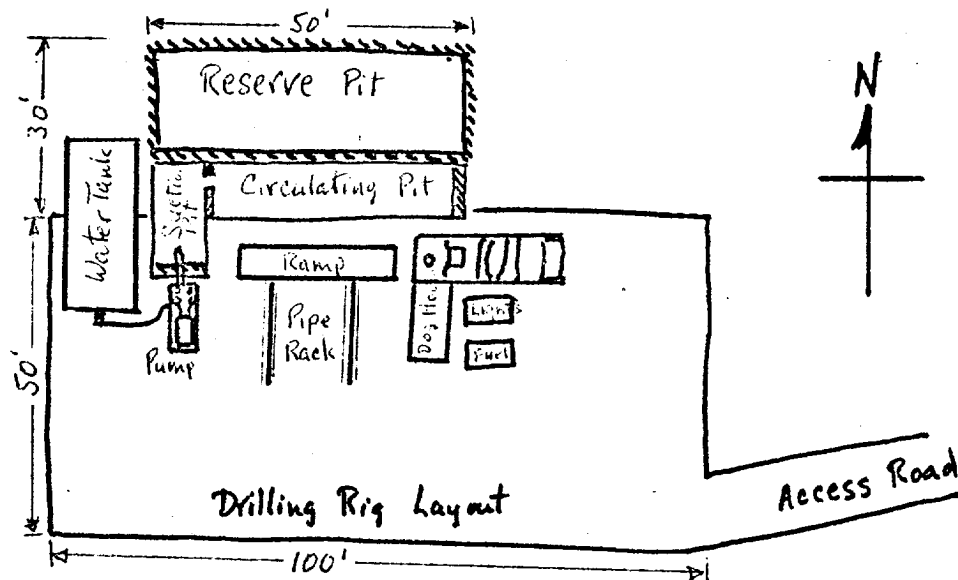


Exhibit "C"