

NMOCC COPY

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005-60429

5. LEASE DESIGNATION AND SERIAL NO.

NM 2351

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal "HY"

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK.

AND SURVEY OR AREA
Sec. 28-7S-25E

Unit K, NMPM

12. COUNTY OR PARISH 13. STATE

Chaves

NM

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

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DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

MAY 24 1977

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

D. C. G.

207 South Fourth Street, Artesia, NM 88210

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

At surface

1650' FSL & 1800' FWL of Sec. 28-7S-25E

At proposed prod. zone

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

22 miles NE of Roswell

15. DISTANCE FROM PROPOSED*

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

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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

19. PROPOSED DEPTH

Approx. 1500'

20. ROTARY OR CABLE TOOLS

Cable Tool or Rotary

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

3658 GR

22. APPROX. DATE WORK WILL START*

May, 1977

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11 or 12 1/4"	8-5/8"	24#	Approx. 250'	Circulate
7-7/8"	5 1/2 or 4 1/2"	15.5 or 10.5#	TD	Circulate

Propose to drill and test the San Andres formation. Approximately 250' of surface casing will be set & cement circulated. Production casing will be run after logging well, if commercial.

MUD PROGRAM: F. W. Gel & LCM as needed to clean hole.

BOP PROGRAM: A flow control head will be installed prior to drilling below 750' (top of pay anticipated @ 785').

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ARTESIA, NEW MEXICO

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 L. Halyard

TITLE

Engineer

DATE

4-21-77

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN MONTHS.
EXPIRES AUG 28 1977

*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 VATES PETROLEUM CORPORATION			Lease FEDERAL HY		Well No. 1
Unit Letter K	Section 28	Township 7 South	Range 25 East	County Chaves	
Actual Footage Location of Well:					
1800 feet from the West line and		1650 feet from the South line			
Ground Level Elev. 3658.7	Producing Formation San Andres	Pool Wildcat	Dedicated Acreage: 40 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?

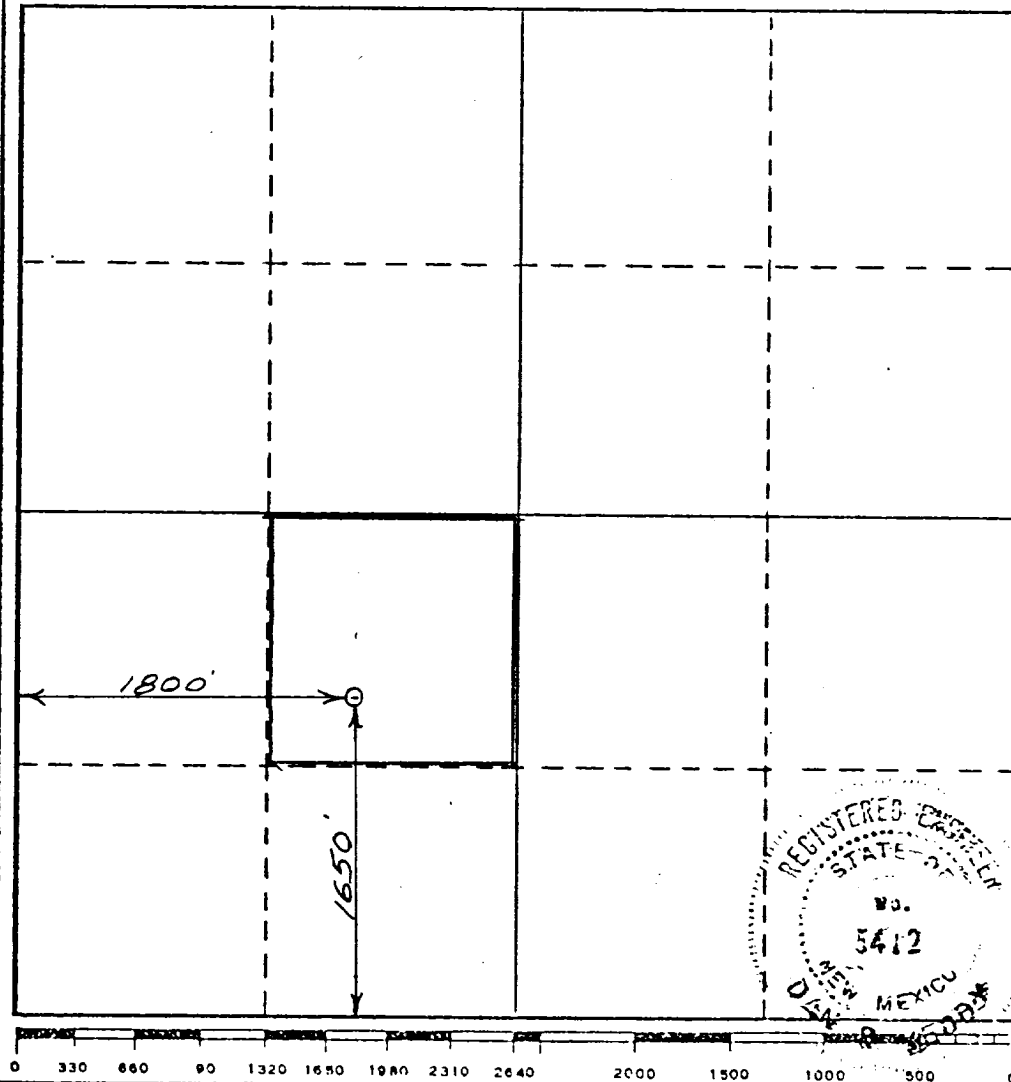
☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.

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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
Engineer

Company
Vates Petroleum Corp.

Date
4-22-77

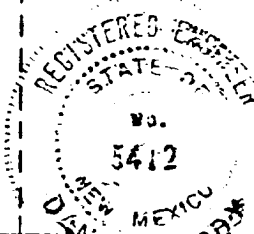
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
4/21/77

Registered Professional Engineer and/or Land Surveyor

Don P. Reddy

Certificate No.
5412



YPC - Federal "HY" No. 1, 1650/S 1800/W Sec. 28-7S-25E, Chaves Co.

Other information to accompany form 9-331-C:

1. Surface formation: Quaternary Alluvium or Seven
2. Geologic Markers Anticipated: San Andres @ 360'
Glorieta @ 1436'
3. Surface Water: Approx. 60-120'; Glorieta ~~1436~~ @ 1436-1500?
Oil & Gas Shows: Approx 785-1000'.
4. Casing Program: Approx 250' of 8 7/8" 24" J55 New; 5 1/2" 15.5" J55 New.
5. Pressure Control: Flow Control head or pipe rams.
6. Mud Program: Fresh Water gel w/ LCM; MW-86, water loss uncontrolled.
7. Auxiliary Equipment: Sub w/ full-opening valve for drill pipe.
8. No testing openhole, no coring. Samples every 10' from csg pt to TD.
9. No abnormal pressures or temperatures anticipated. Hydrogen sulfide and other toxic gases are minimal or non-existent.
10. Anticipated starting date: Soon as approved (r May 1977).

Elm. W. 4-20-77

YATES PETROLEUM CORPORATION - FEDERAL "HY" NO. 1

1650' FSL & 1800' FWL, Section 28-7S-25E, Chaves County, New Mexico

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

1. EXISTING ROADS: See Plat (Exhibits A & B) Go 56 miles north from Artesia (or 13 miles north from Roswell) on U. S. 285, then east 2½ miles and northeast 8 miles on Red Bluff Ranch Road, a county maintained road, onto north side of lakes.
2. PLANNED ACCESS ROADS: See Plat (Exhibits A & B) From county road approximately 2600' new road, 12' wide, bladed and watered. Roadway flagged with red tape.
3. LOCATION OF EXISTING WELLS: See Plat (Exhibits A & B) Nearest oil exploration well is dry hole 1.6 miles east of this location in NW SW Sec. 26-7S-25E. There are at least 4 windmills within a 2 mile radius of this wellsite.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) The tank battery will be located on east end of pad with adequate loading & turnaround for transport; above-ground steel flowline; fenced battery with berm; fence-lined burn pit as provided for under NTL-2B.
5. LOCATION AND TYPE OF WATER SUPPLY: Drilling water will be trucked from any available commercial source.
6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit B) Rock and gravel from pad and roadway.
7. METHODS FOR HANDLING WASTE DISPOSAL: See Plat (Exhibit C) Well cuttings will be disposed of in the reserve pits; mud sacks, paper & garbage will be burned; garbage will be accumulated in trash barrels and disposed of by burning or buried three feet in the burn pit. If productive, produced water will be collected in a tank and hauled away.
8. ANCILLARY FACILITIES: None.
9. WELL SITE LAYOUT: (rig, tanks, pits, racks & etc.) See Sketch (Exhibit C) Exhibit C shows position of drill pad, rig, reserve pits, burn pit, mud pits, jet sump, pipe racks, pumps & water tanks. Pad size - 50' X 100'; cut and fill approximately 1-2' from NW to SE. Surfaced with native rock or gravel. Reserve Pit - 30' X 50'. Pad is flagged with red tape; pit area is flagged with blue tape.
10. PLANS FOR RESTORATION OF SURFACE: If well is productive, pits will be fenced until dry, then backfilled and levelled as soon as practical. Location will be cleaned, all excess material removed from location. Upon abandonment, location will be cleaned and levelled or restored in compliance with BLM stipulations.
11. OTHER INFORMATION: (a) Terrain is hilly and draining to southeast.
 (b) Soil is rocky with windblown sand.
 (c) Vegetation consists of some prairie grass, filaree, cockleburrs, mesquite and greasewood.
 (d) There are no streams in area, only two dry lake beds within ¼ mile of location. The nearest windmills or water wells are located 1½ miles northeast and southwest of location.
 (e) The nearest residences or buildings are located approximately 2 miles to the northeast.
 (f) Surface use is grazing.
 (g) The effect on the environment will be minimal; drillsite is in semi-arid desert country, wind-blown and natural re-seeding.
 (h) Surface ownership is BLM. Grazing allotment is to Spool Cattle Co., P. O. Box 9354, Amarillo, TX 79105.
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood or Jim Jonas, 207 South Fourth Street, Artesia, NM 88210. Phone 746-3558.

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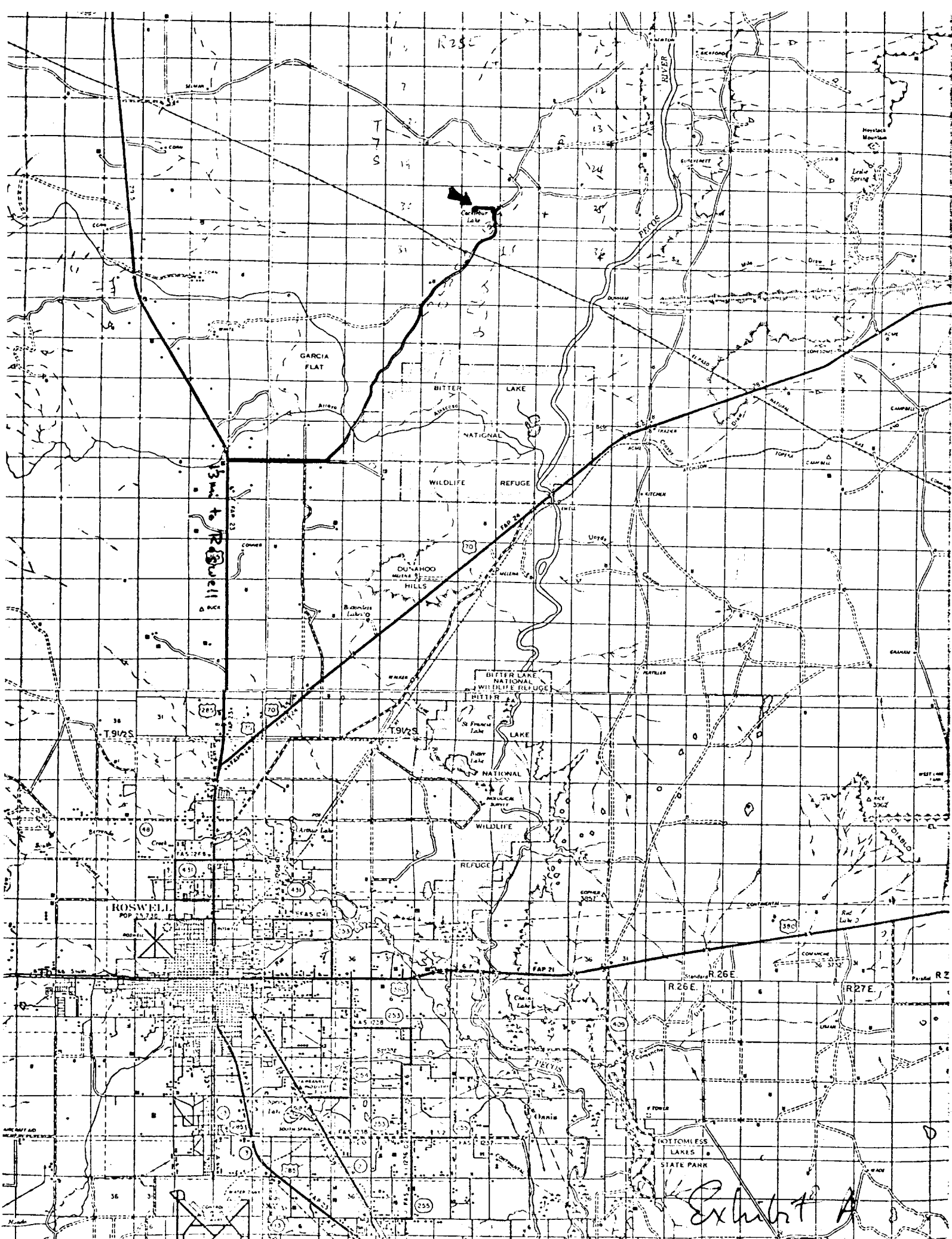
CERTIFICATION:

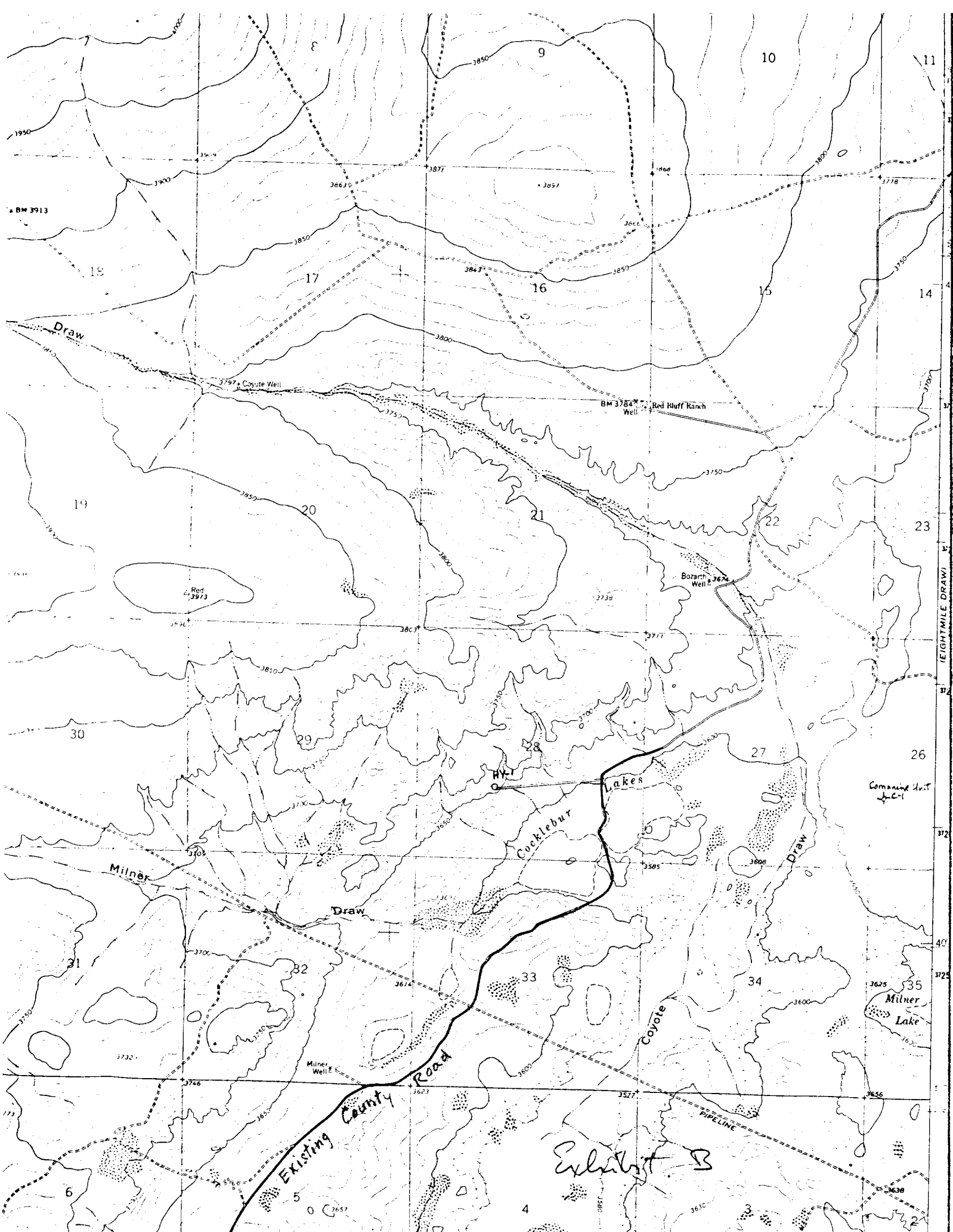
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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.

April 21, 1977
 Date

Eddie M. Mahfood, Engr.
 Name and Title

U.S. GEOLOGICAL SURVEY
 ARTESIA, NEW MEXICO





YPC- Federal 'HY' No.1, 1650/s 1800/w, Sec 28-7s-25E
Wildcat - San Andres - Chaves County, N. Mex.

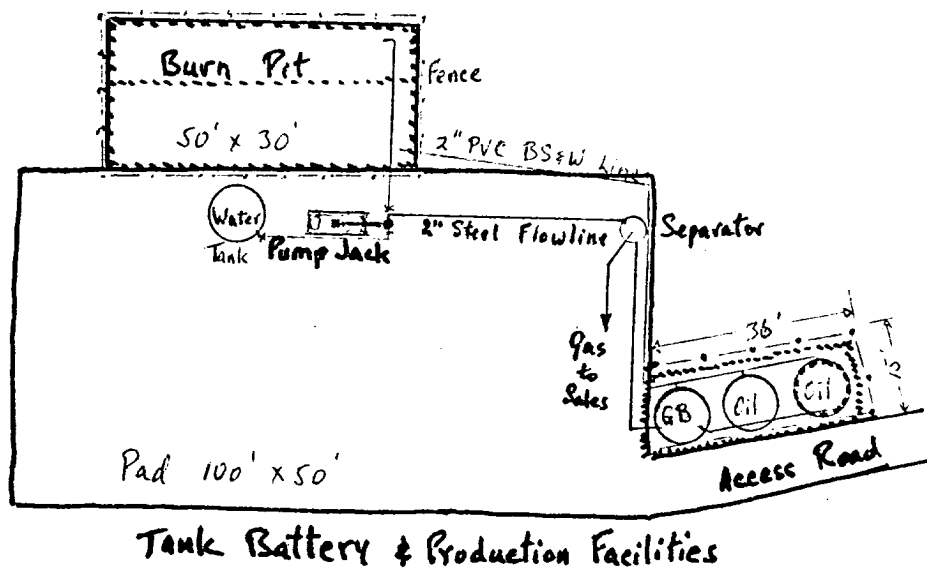
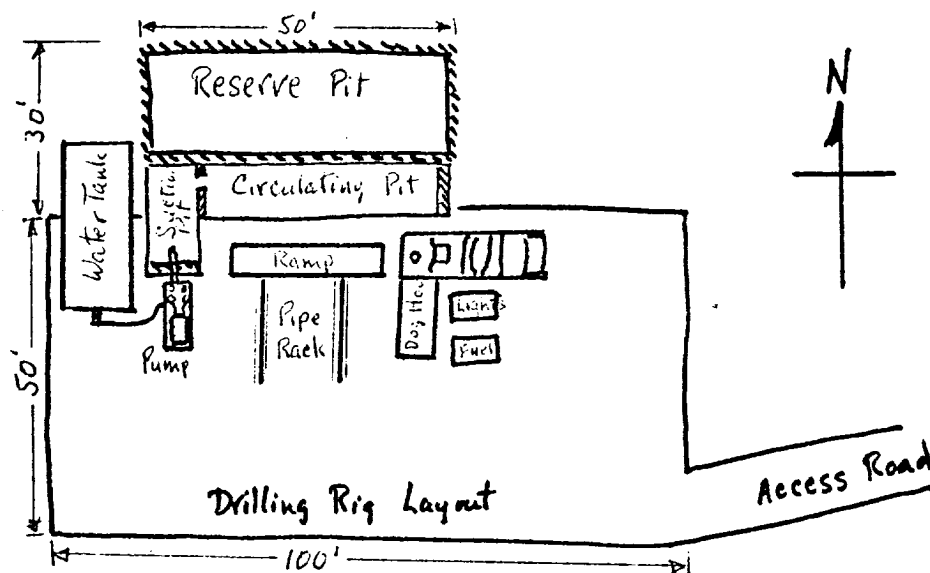


Exhibit "C"