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

30-005-60467

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

2180' FSL & 660' FWL of Section 3-9S-26E

At proposed prod. zone

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

19 miles northeast of Roswell, NM

M.C.C.

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

320.58

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320.58

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

Approx. 6420'

20. ROTARY OR CABLE TOOLS

Rotary

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

3863.8 GR

22. APPROX. DATE WORK WILL START*

December, 1977

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13-3/8"	48#	300'	200 sx - Circulate
12½"	8-5/8"	24#	1500'	200 sx
7-7/8"	5½ or 4½"	15.5 or 10.5#	TD	200 sx

Propose to drill and test the Ellenburger and intermediate formations. Approximately 300' of surface casing will be set and cement circulated. 8-5/8" casing will be set to approximately 1500'. If commercial, 5½ or 4½" production casing will be run.

Mud Program: - FW Gel and LCM to 1500'. FW & paper to 4600'. Flosal-Drispak, -KCL to TD. MW 8.6-8.9; Vis 32-65; WL uncontrolled from surface to 1500', 20-14 from 4600' to 5300', 14-7 from 5300' to TD.

BOP Program: BOP's will be installed on 8-5/8" casing and tested daily. Will Yellow Jacket prior to drilling Wolfcamp.

Gas Acreage not Dedicated

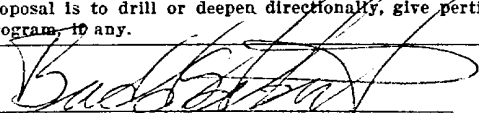
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NOV 29 1977

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 depths. Give blowout preventer program, if any.

24.

SIGNED



TITLE

Land Engineer

DATE

11-29-77

(This space for Federal or State office use)

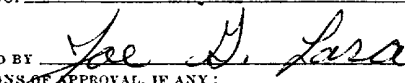
PERMIT NO.

APPROVAL DATE

DEC 15 1977

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:



TITLE

ACTING DISTRICT ENGINEER

DATE

DEC 15 1977

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES MAR 15 1978

*See Instructions On Reverse Side

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT**

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 IX		Well No. 1
Unit Letter L	Section 3	Township 9 South	Range 26 East	County Chaves	
Actual Footage Location of Well:					
2180 feet from the South line and		660 feet from the West line			
Ground Level Elev. 3863.8	Producing Formation Ellenberger-	Pool Undesignated	Dedicated Acreage: 320.58 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 leases consolidated by communitization, unitization, force-pooling, etc?

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

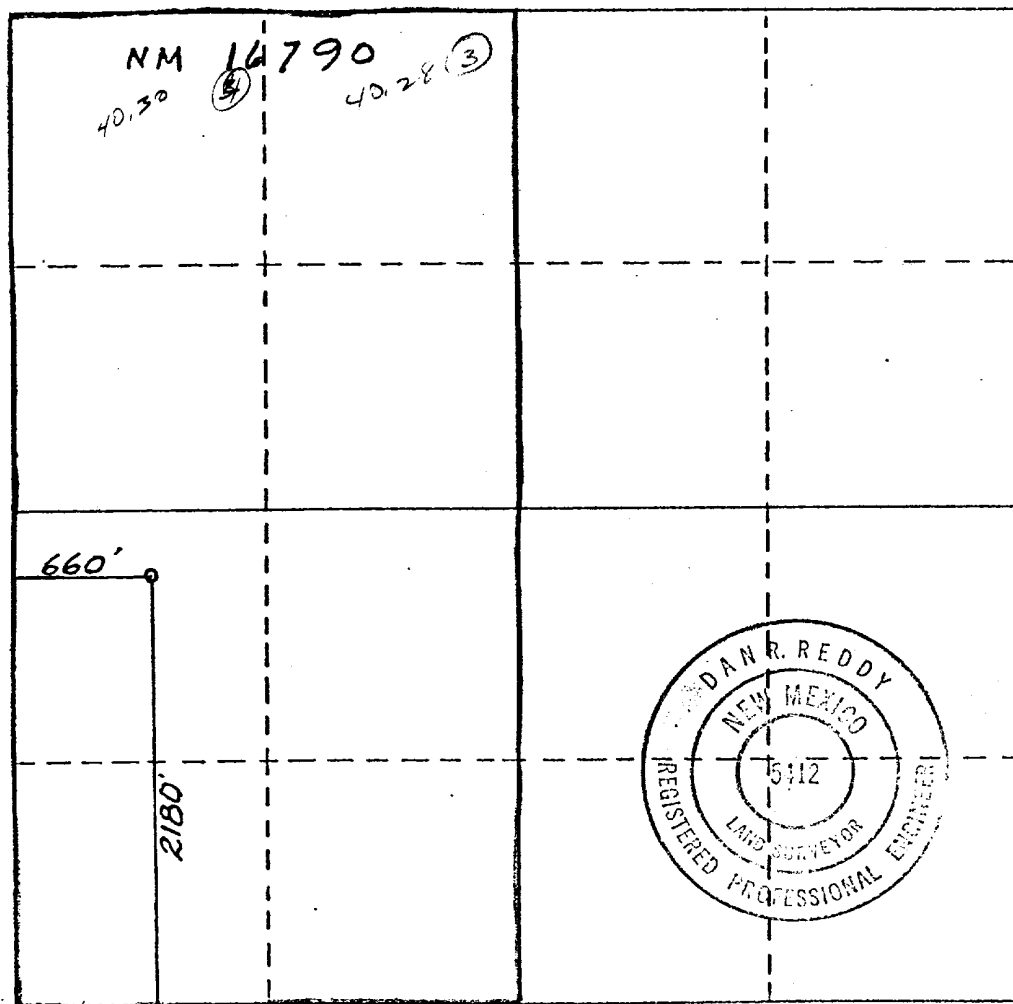
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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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**U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO**



CERTIFICATION

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

[Signature]

Name
LAND ENGINEER
Position
YATES PETROLEUM CORP
Company
11-29-77

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
Nov. 23, 1977

Registered Professional Engineer and/or Land Surveyor

[Signature]
Certificate No.

NM PE&LS #5412

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

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YATES PETROLEUM CORPORATION - FEDERAL "IX" No. 1
2180' FSL & 660' FWL, Section 3-9S-26E, Eddy County, New Mexico NOV 29 1977


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

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

1. EXISTING ROADS: Refer to Exhibits A & B. The site is located approximately 19 miles northeast of Roswell off the Clovis highway (U.S. 70). Travel north-east on U.S. 70 13.6 miles from its intersection with U.S. 285. Turn south off U.S. 70 3 miles after crossing the Pecos River (an abandoned stone school house is located on the north side of U.S. 70 at the turn off; there is also a Holiday Inn sign on the south side of U.S. 70 at the turn off). After turning off U.S. 70, travel south through Bob Crosby Draw and over the railroad tracks (total distance from U.S. 70 to the end of the dirt road is 5.4 miles). The old Kitchen Ranch buildings are located 1.65 miles off U.S. 70. Continue south on the surfaced dirt road another 2.65 miles past the South windmill. At this point the existing road makes a sharp turn toward the north and terminates at a shut-in well located another 1.1 miles from the turn.
2. PLANNED ACCESS ROADS: Refer to Exhibit B. A new access road will be constructed from the existing road that terminates in Section 10-T9S-R26E. Approximately $\frac{1}{2}$ mile of new road, 12 feet wide with barditches will be constructed from the termination of the existing road to the proposed new site. Drainage swales will be provided to insure that the road does not wash out.
3. LOCATION OF EXISTING WELLS: Refer to Exhibits A & B. There are three oil wells within the accessible vicinity of the proposed site: Union Oil has a well in Sec. 6 just south of the Kitchens Ranch buildings; King Resources has a well in Sec. 16; and Honolulu has a shut-in well in Sec. 10 just south of the proposed well. There are five water wells within a two mile radius of the proposed site.
4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES: Refer to Exhibits A, B & C. Reserve & circulation pits to be located on the north side of pad. Tank battery will be located on the south side of the pad. Entrance to the pad will be from the south. Location of pipelines to the pad have not been established at present.
5. WATER SUPPLY: Refer to Exhibits A & B. The well will be drilled with a fresh water system. Water will be obtained from a commercial source and will be hauled to the location by truck over existing and planned roads.
6. CONSTRUCTION MATERIAL: Refer to Exhibits A & B. Some construction material can be accumulated from the minimal cut of the pad. A caliche pit exists at the intersection of the existing dirt road and U.S. 70 and a storage pit area is located south of the Kitchen Ranch houses.
7. WASTE DISPOSAL: Refer to Exhibit C. Well cuttings will be disposed of in 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 the well is productive, produced water will be collected in a tank and hauled to a disposal site.
8. ANCILLARY FACILITIES: No camps, airstrips, etc. will be constructed.

9. WELLSITE LAYOUT: Refer to Exhibit C. This shows the position of the drill pad, rig, reserve pits, burn pit, mud pits, jet pump, pipe racks, pumps, water tanks, parking area, and access road. Pad size is 270' X 220'. Cut and fill will be approximately 7' to 8' of cut on the south and 3' of fill on the north of the pad. Reserve pits will be located adjoining the northwest of the pad. Pad and pit areas are flagged.
10. RESTORATION OF SURFACE: If the well is productive, pits will be fenced until dry, then back-filled and leveled as soon as practical. Location will be cleaned and excess material removed from the location. Upon abandonment the location will be cleaned and leveled or restored in compliance with BLM stipulations.
11. OTHER INFORMATION:
- (a) Topography is gently rolling to the south of the proposed site and sharply undulating to the north and west.
 - (b) Soil is clayey sand.
 - (c) Flora includes prairie grass, mesquite, yucca and miscellaneous cactus.
 - (d) Fauna include hawks, rabbits, rodents, and snakes.
 - (e) Ponds, lakes and rivers in the area are all intermittent.
 - (f) Land use consists of grazing.
 - (g) Surface ownership is held by federal government. ~~FEE SURFACE~~
12. LESSEE'S OR OPERATOR'S REPRESENTATIVES: Contact Budd Hebert or Eddie Mahfood of Yates Petroleum Corporation, 207 South Fourth Street, Artesia, NM. Phone: 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 Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

 Land Engineer
Name and Title

November 29, 1977
Date

YATES PETROLEUM CORPORATION - FEDERAL "IX" No. 1
2180' FSL & 660' FWL, Section 3-9S-26E, Eddy County, New Mexico

1. SURFACE FORMATION: Dockum.
2. GEOLOGIC MARKERS ANTICIPATED:

San Andres	1045'	Wolfcamp	5113'
Glorieta	2235'	Penn.	5698'
Abo	4423'	Miss.	5987'
Abo Pay	4779'	Ellenburger	6093'.
3. SURFACE WATER: None.
4. CASING PROGRAM: 13-3/8" to 300'; 8-5/8" to 1500'; 4½" or 5½" to 6420'.
5. PRESSURE CONTROL: See Exhibit D; hydril and pipe rams on 8-5/8" casing to be tested daily; Yellow Jacket prior to drilling Wolfcamp.
6. MUD PROGRAM: Fresh water gel and LCM to 1500'; water and paper to 4600'; flosal-drispak-KCL to TD; MW 8.6-8.9; Vis 32-65; WL uncontrolled to 1500', 20-14 to 5300' and 14-7 to TD.
7. AUXILIARY EQUIPMENT: None.
8. DRILL STEM TESTS: As warranted.
9. WELL TYPE: This is an offset well to the Honolulu McConkey #1 in Sec. 10-T9S-R26E.
10. ANTICIPATED STARTING DATE: December, 1977.

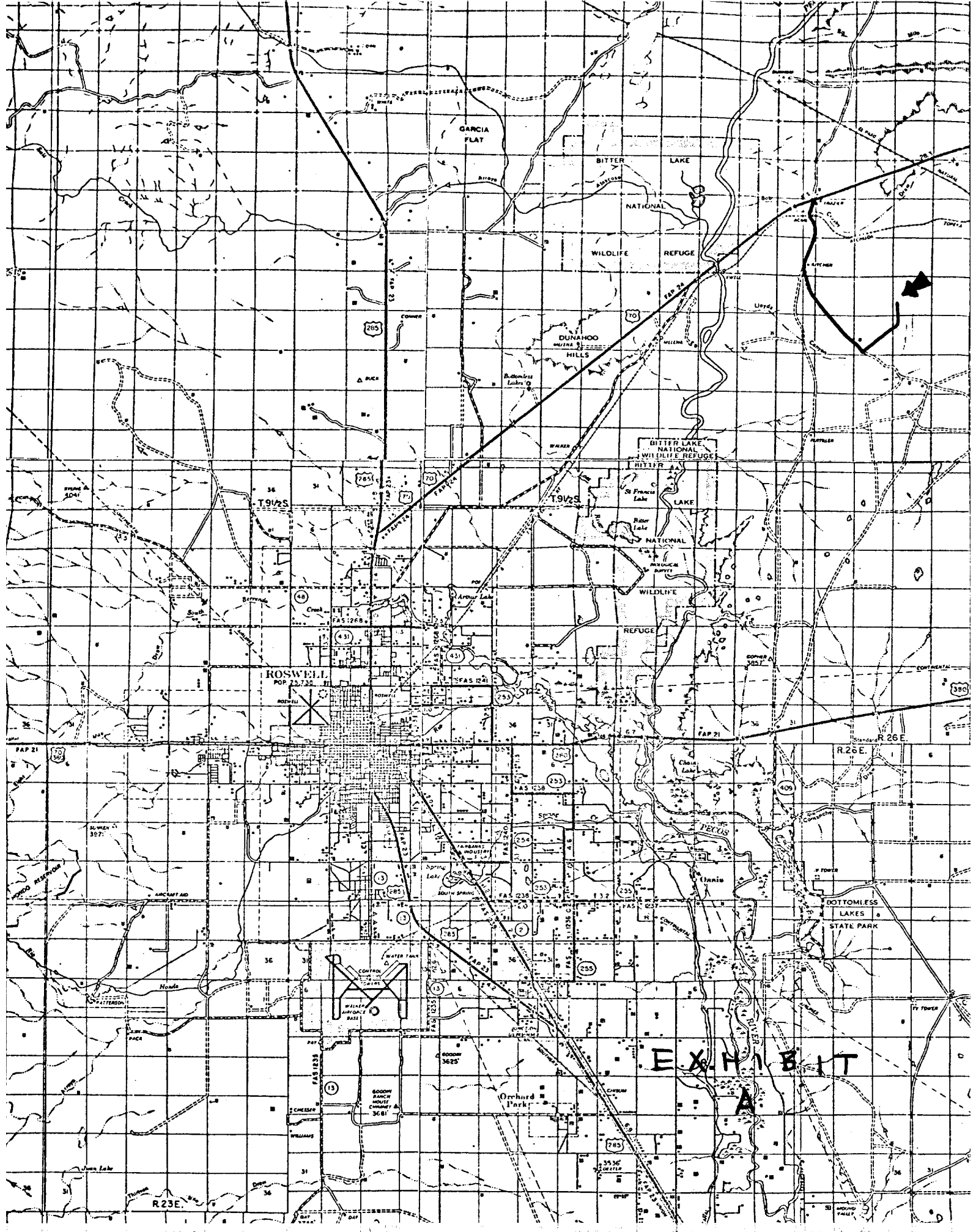


EXHIBIT
A

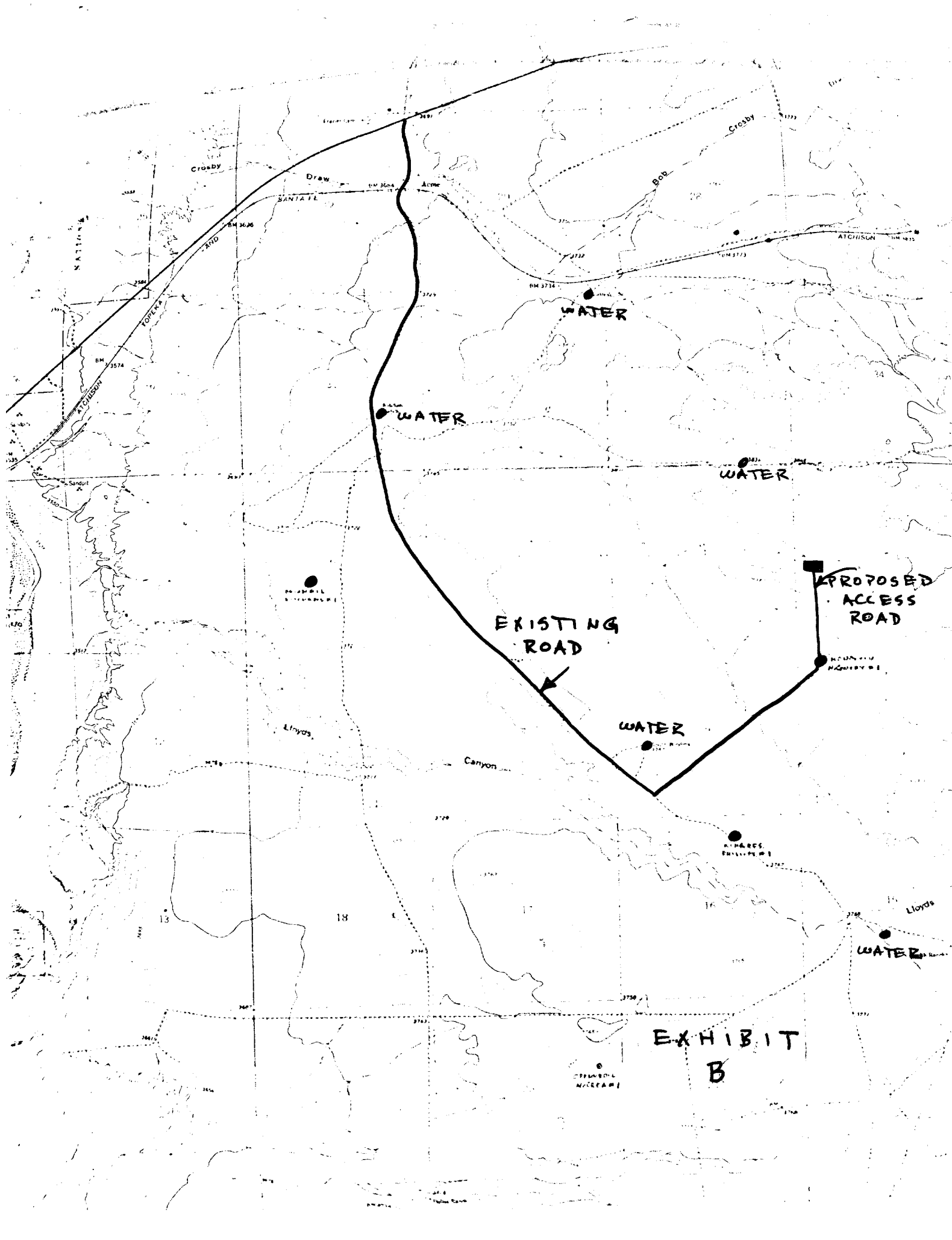
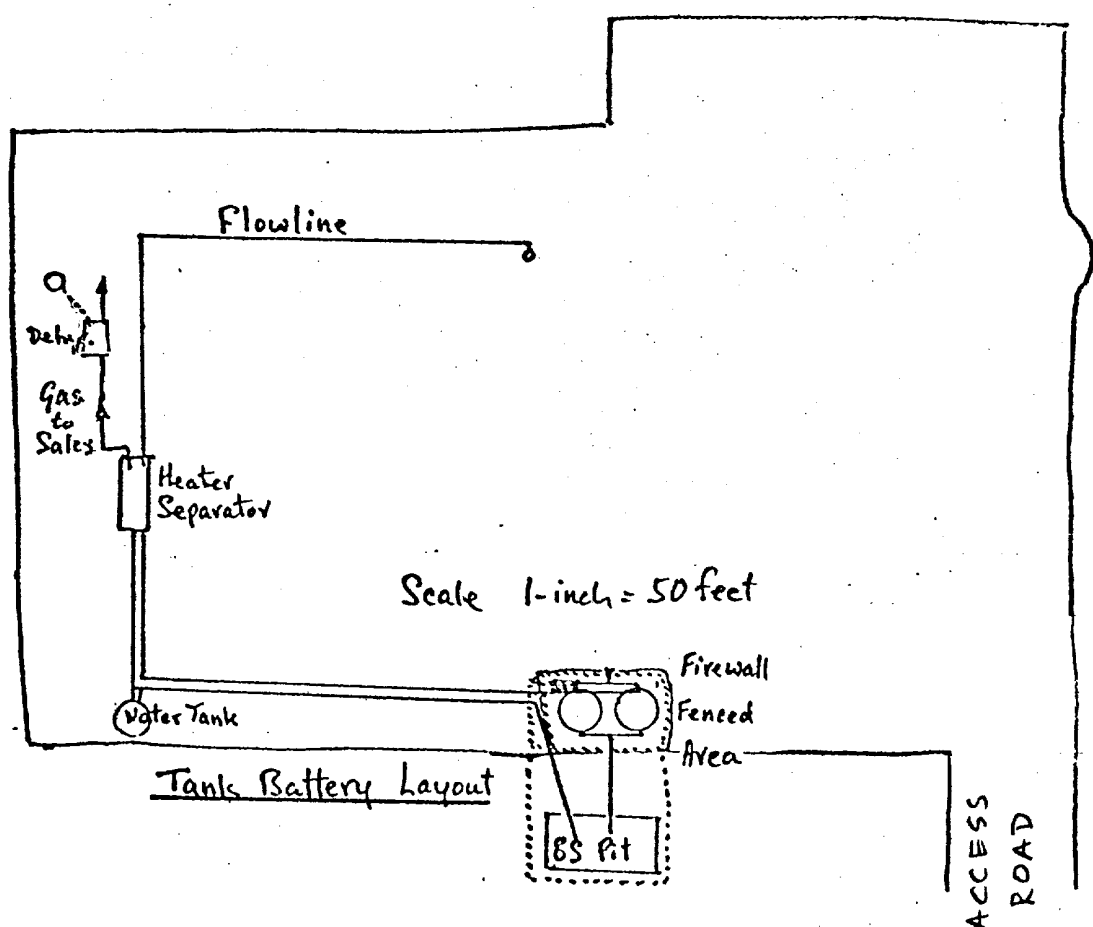
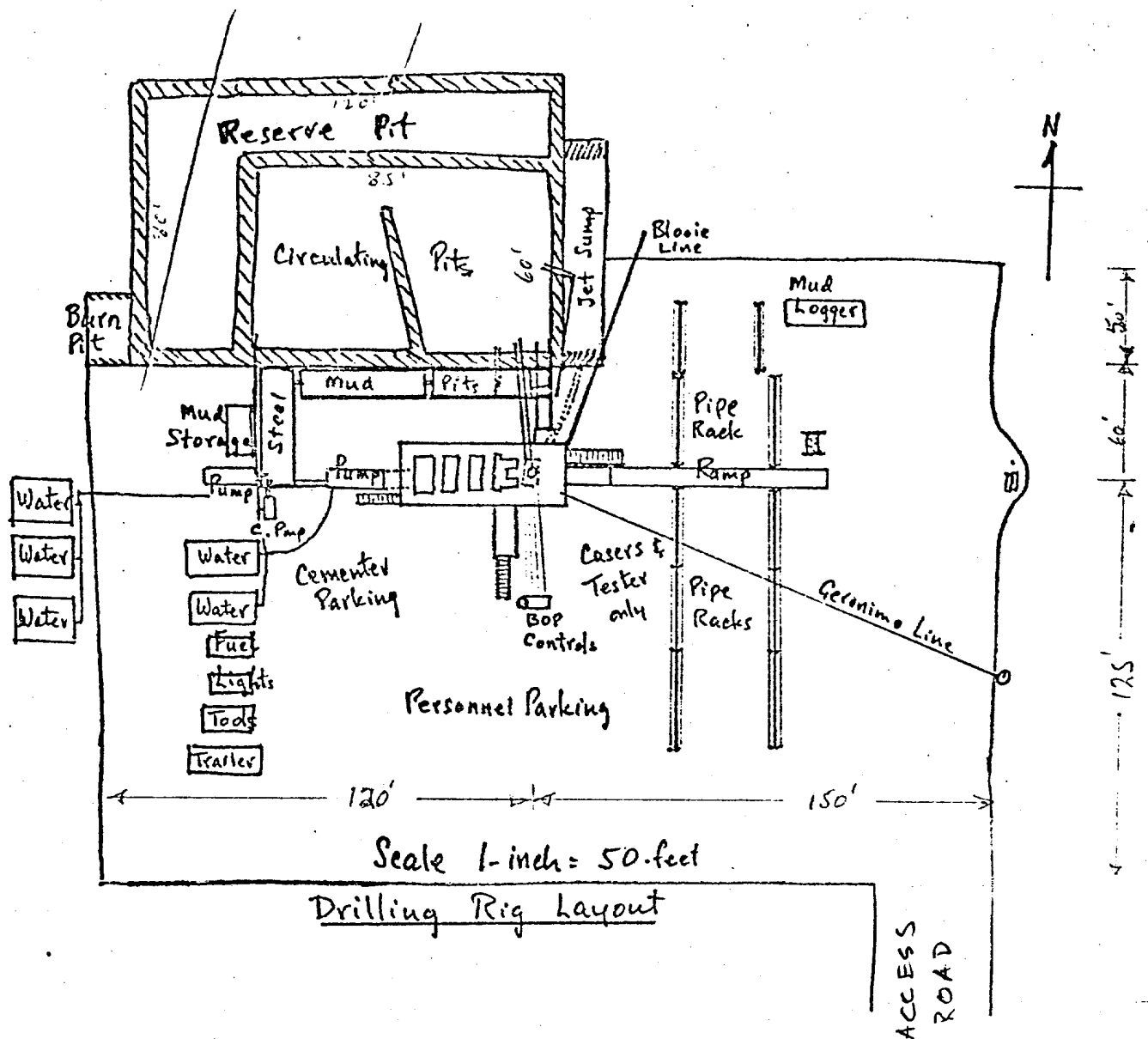
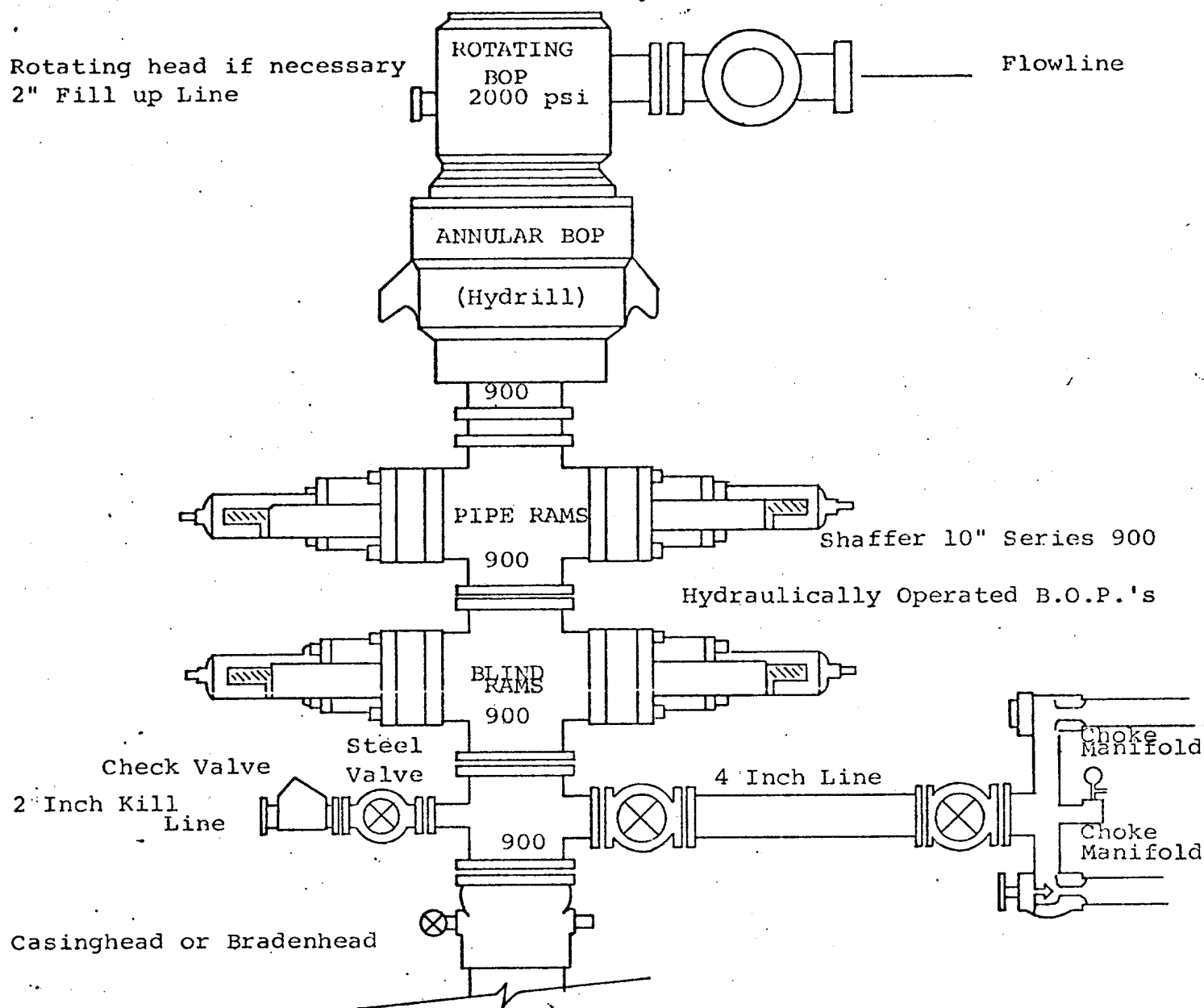


EXHIBIT
B





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