

N.M.O.C.D. COPY

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

30-005-60761

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. US NM 28171
B. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> U.S. <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 207 South 4th Street, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Spear OA Federal
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL and 660' FEL At proposed prod. zone		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approx. 18 miles NE of Roswell, NM		10. FIELD AND POOL, OR WILDCAT Undesignated
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 9, T9S, R26E
16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N/A		12. COUNTY OR PARISH Chaves
17. NO. OF ACRES IN LEASE 1480		13. STATE NM
18. PROPOSED DEPTH 4900'		14. NO. OF ACRES ASSIGNED TO THIS WELL 320
19. ROTARY OR CABLE TOOLS Rotary		20. APPROX. DATE WORK WILL START* As soon as possible
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3806 GL		

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# J-55	approx. 400'	400 sx circulate
12 1/2"	8 5/8"	24# J-55	approx. 1400'	750 sx circulate
8 3/4 or 7 7/8"	5 1/2 or 4 1/2"	15.5 or 10.5#	TD 4900'	450 sx

We propose to drill and test the Wolfcamp and intermediate formations. Approximately 400' of surface casing will be set and cement circulated to shut off gravel and caving. Casing will be set 100' below the water zone. If commercial, 5 1/2 or 4 1/2 production casing will be run and cemented with an adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1400', brine KCL to 3250', KCL drispak and starch to 4300', flosal-driskak KCL to TD. NW 10-10.2, Vis 34-39, WL 14-7

BOP PROGRAM: BOP's will be installed on 8 5/8" casing and tested daily. Will Yellow Jacket before drilling Wolfcamp.

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 Johnny A. Lopez TITLE Regulatory Coordinator DATE June 18, 1980  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
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.

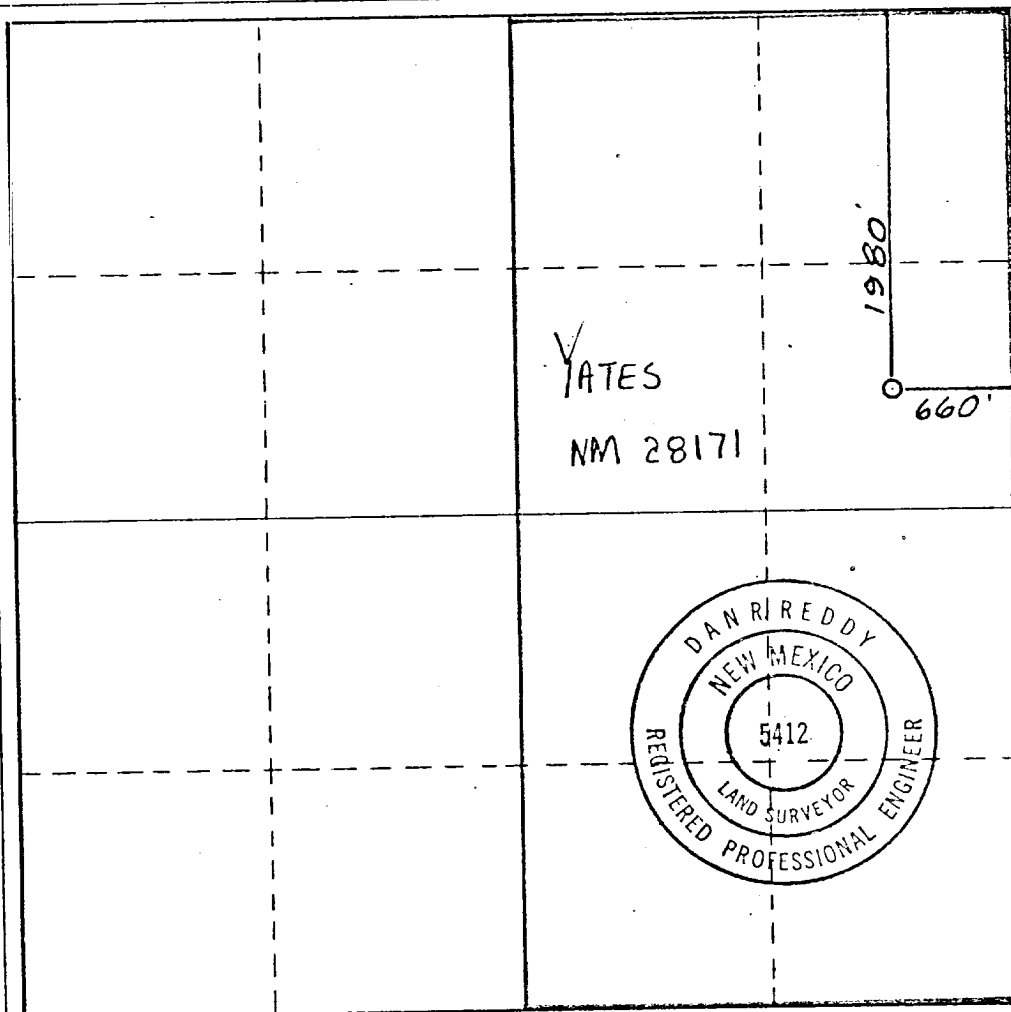
Operator <b>Yates Petroleum Corporation</b>			Lease <b>Spear OA Federal</b>		Well No. <b>1</b>
Unit Letter <b>H</b>	Section <b>9</b>	Township <b>9 South</b>	Range <b>26 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>North</b> line and <b>660</b> feet from the <b>East</b> line					
Ground Level Elev. <b>3806</b>	Producing Formation		Pool <b>UNDESIGNATED</b>	Dedicated Acreage <b>320</b> 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.

*Johnny A. Lopez*  
Name  
**JOHNNY A. LOPEZ**  
Position  
**REGULATORY COORDINATOR**  
Company  
**YATES PETROLEUM CORP.**  
Date  
**6/18/80**

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  
**6/17/80**  
Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.

**NMPE&LS 5412**

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



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

AUG 4 1980

O. C. D.  
August 1, 1980 ARTESIA OFFICE

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

YATES PETROLEUM CORPORATION  
Spear "OA" Fed No. 1  
1980 FNL 660 FEL Sec. 9 T.9S R.26E  
Chaves County Lease No. NM-28171

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,900 feet to test the Wolfcamp is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Before drilling below the 8-5/8" casing, the blowout preventer assembly will consist of a minimum of two ram type preventers.
7. A kelly cock will be installed and maintained in operable condition.

8. After setting the 8-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures. Any equipment failing to test satisfactorily shall be repaired or replaced.
9. Notify the Survey by telephone 24 hours prior to spudding well.
10. Cement behind the 13-3/8" casing must be circulated.
11. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

George H. Stewart  
Acting District Engineer

Yates Petroleum Corporation  
Spear "OA" Federal #1  
1980' FNL and 660' FEL  
Section 9, T9S R26E  
Chaves County, New Mexico

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

1. The geologic surface formation is sandy alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	778'
Glorieta	1908'
Abo	4148'
Wolfcamp	4838'
T.D.	4900'
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water:	Approximately 150' - 280'
Oil or Gas:	Wolfcamp 4850'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
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 T.D.
DST's:	As Warranted
Logging:	Surface casing to T.D.
Coring:	CNL-FDC T.D. to casing with GR-CNL on to surface and DLL from T.D. to casing.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation  
Spear OA Federal #1  
Section 9, T9S R26E  
1980' FNL and 660' FEL  
(Exploratory Well)

RECEIVED  
JUN 1 1970  
U.S. DEPT. OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
ALBUQUERQUE, N.M.

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, the construction activities and operations plan, the surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation, so that a complete appraisal can be made of the environmental effect associated with the drilling of this well.

1. EXISTING ROADS.

Exhibit A is a portion of a county map showing the roads in the vicinity of the proposed location. The proposed wellsite is located approximately 18 miles NE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Travel northeast on U.S. 70, 15 miles from its intersection with U.S. 285. An abandoned stone building on north side of U.S. 70 and a Holiday Inn sign on the south side are located at the turn off.
2. Turn south and travel approximately 4.5 miles past outh indmill.
3. Turn NE at this point and continue for approximatley 3/4 miles.
4. The location will be located next to existing road.

2. PLANNED ACCESS ROAD.

- A. There will be no new access road. Existing roads will be used.

3. LOCATION OF EXISTING WELL.

- A. There are existing wells within a mile of wellsite. These well sites are shown on Exhibit A.

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 of 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 existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. No material will be required for construction of the drilling pad.

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 to the USGS for appropriate approval.
- D. Oil produced during operation 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 of 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. The pits will be to the northeast.
- B. The location surface is on a very minor slope, no cut and fill will be needed.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' area and road 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 is as pleasing a condition as possible.

- B. Ungarded pits, if any, containing fluids will be fenced until they have dried and leveled.
- C. If the proposed well is non-productive, all rehabilitation requirements of the BLM and the USGS will be complied with and will be as expeditiously as possible. All pits will be filled leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is near level and slopes westward immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consts of tobosa, terpine, pepper weed, and some mesquite. 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.
- C. The Pecos River is approximately four miles west.
- D. There are no inhabited dwellings but there are windmills within a mile of the vicinity of the proposed well. Refer to Exhibit A.
- E. Surface Ownership: The wellsite is on federal surface with federal minerals.
- F. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

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

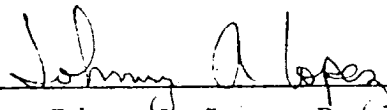
Gliserio "Rod" Rodriguez or Johnny A. Lopez  
Yates Petroleum Corporation  
207 South 4th Street  
Artesia, New Mexico 88210  
(505) 746-3558

13. CERTIFICATION.

I hereby certify that I, or person 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 Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6/18/80

Date



Johnny A. Lopez Regulatory Coordinator



SHELL  
COMMACHRE #11  
D-33

R.25E

R.26E

BRADLEY  
FED #1

WATERS  
FED #1

U.S. 70

EXHIBIT A

YATES PETROLEUM CORPORATION

SPEAR OA FEDERAL #1

Section 9, T9S R26S

1980' FNL & 660' FEL

CHAVES COUNTY, NM

NATIONAL  
WILDLIFE  
REFUGE

Crosby

Draw

SANTA FE

EL PASO

Arroyo

Draw

TORRE

ALFONSO

TORRE

31

32

33

T.8S

T.9S

KIRKMAN  
WATER

WATER

6

5

4

3

YATES  
FED #1

H. STANLEY  
McCONKEY #1

SPEAR OA  
FED #1

10

Lloyds

8

9

WATER

Canyon

12

19

17

16

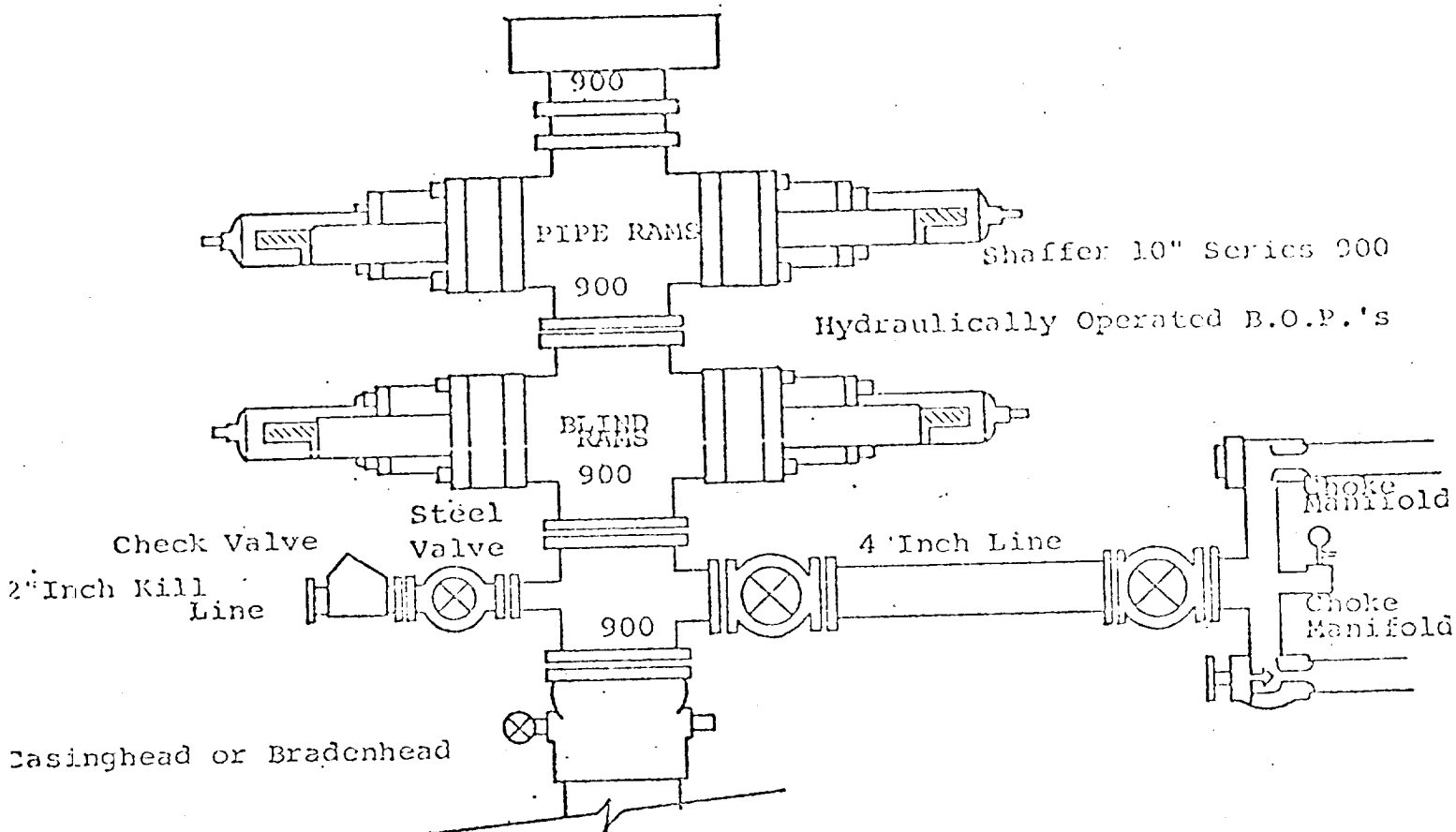
15

WATER

YATES  
SPEAR  
ST. 1

KING'S  
PRINCIPLES #1

# 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.

YATES PETROLEUM CORPORATION

