

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005-60847

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 9539	
2. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME	
4. ADDRESS OF OPERATOR 207 S. 4th Street, Artesia, NM 88210		8. FARM OR LEASE NAME Williamson LC Federal	
9. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL 660' FEL At proposed prod. zone		9. WELL NO. 2	
10. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 18 miles NNE of Roswell, NM		10. FIELD AND POOL, OR WILDCAT Wildcat	
11. 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 BLK. AND SURVEY OR AREA U-P Sec. 9, T8S R25E	
12. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4450'		12. COUNTY OR PARISH 13. STATE Chaves NM	
14. ELEVATIONS (Show whether DF, RT, GR, etc.) 3650.4 GL		17. NO. OF ACRES ASSIGNED TO THIS WELL 160	
15. PROPOSED CASING AND CEMENTING PROGRAM		20. ROTARY OR CABLE TOOLS Rotary	
21. APPROX. DATE WORK WILL START* As soon as approved		22. APPROX. DATE WORK WILL START* As soon as approved	

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O. C. D.

Produced by
APR 10 1981
1-16

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48# J-55	450'	300 sx circulate
7 7/8"	5 1/2 or 4 1/2"	15.5# or 10.5#	TD	450 sx circulate

We proposed to drill and test the Abo and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation), 8 5/8" intermediate casing will run to 1500' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1500', brine KCL to 3200', KCL drispak & starch to TD MW 10-10.2, Vis 34-39, WL 14-7.

BOP PROGRAM: BOP's will be installed on 13 3/8" casing 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.

SIGNED George H. Stewart TITLE Geographer DATE 12-23-80
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

(Orig. 8gd.) GEORGE H. STEWART

APPROVED BY _____ ACTING DISTRICT ENGINEER DATE JAN 13 1981

CONDITIONS OF APPROVAL, IF ANY:

N / MEXICO OIL CONSERVATION COMMISS. N
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.

Lessor YATES PETROLEUM CORPORATION			Lease Williamson LC Federal		Well No. 2
Section Letter "p"	Section 9	Township 8 South	Range 25 East	County Chaves	
Well Footage Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3650.4	Producing Formation ABO	Pool WILDCAT		Dedicated Acreage: 11.60 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 _____

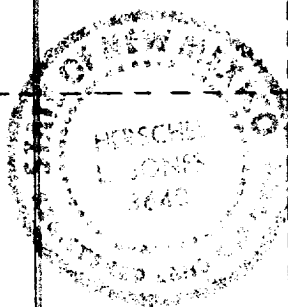
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.

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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.

Name
GUSERIO RODRIGUEZ

Position
GEOMORPHIC

Company
YATES PETROLEUM CORP.

Date
1-5-81

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
December 14, 1980

Registered Professional Engineer and/or Land Surveyor

 Certificate No. **3540**

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

Yates Petroleum Corporation
Williamson "LC" Federal #2
660' FSL and 660' FEL
Section 9 T8S R25E
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 USGS requirements:

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

San Andres	poroity 826'
Glorieta	1468'
Abo	3611'
Wolfcamp	4379'
TD	4450'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 260' - 330'
Oil or Gas:	Abo 3600' - 4250'
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 TD
DST's:	As warranted
Logging:	Surface casing to TD, CNL-FDC TD to casing with GR-CNL on to surface and DLL from TD to casing with R _x O.
Coring:	None anticipated.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Williamson "LC" Federal #2
660' FSL and 660' FEL
Section 9 T8S R25E
(Exploratory Well)

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 operation.

1. EXISTING ROADS.

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

DIRECTIONS:

1. Proceed north from Roswell on Highway 285 for a distance of approximately 13 miles.
2. Turn east for approximately $2\frac{1}{2}$ miles and continue NE for $5\frac{1}{2}$ miles. Turn east onto a ranch road and continue for 2 miles.

2. PLANNED ACCESS ROAD.

- A. Then proposed new access will be approximately $\frac{1}{2}$ mile in length from point of origin to the south east edge of the drilling pad. The road will lie in a north to south direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed and crowned, with drainage on one side.
- D. The route of the road is visible as it follows the existing ranch road and has been flagged.

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 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 the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. There is no existing pit of construction material so none will be used.

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. Will comply with current laws and regulations pertaining to the disposal of human waste.
- 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 sloping. Minor cut and fill will be required on location.
- C. The reserve pits will be plastic lined.
- D. 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 BLM and the USGS will be complied with and will be accomplished 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 fairly flat. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of mesquite 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.
- C. The Pecos River is approximately two miles east.
- D. There are no inhabited dwellings in the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on federal surface.
- F. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

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

Gliserio "Rod" Rodriguez & Johnny Lopez
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 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 Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12-23-80

DATE

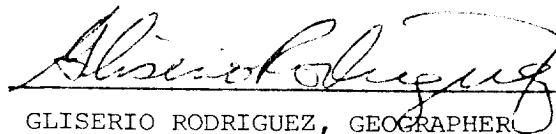
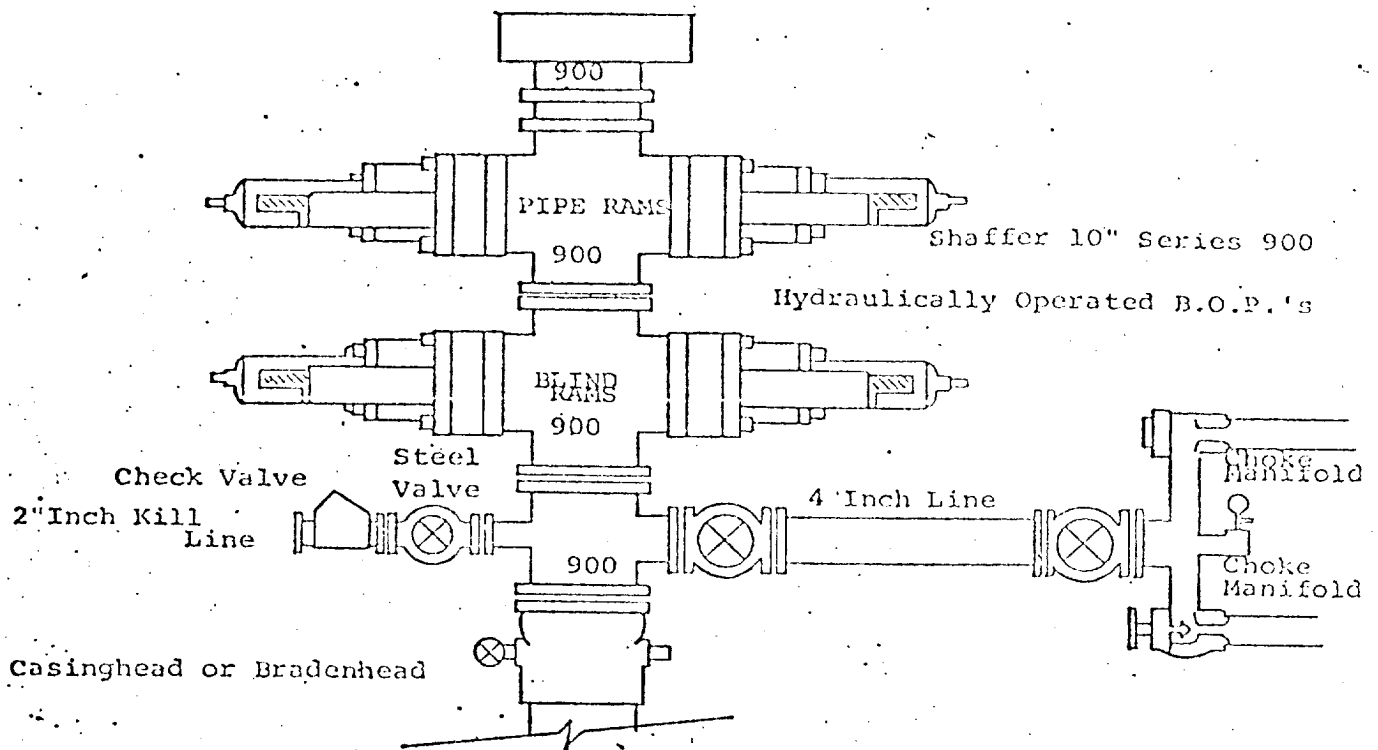

GLISERIO RODRIGUEZ, GEOGRAPHER

EXHIBIT B

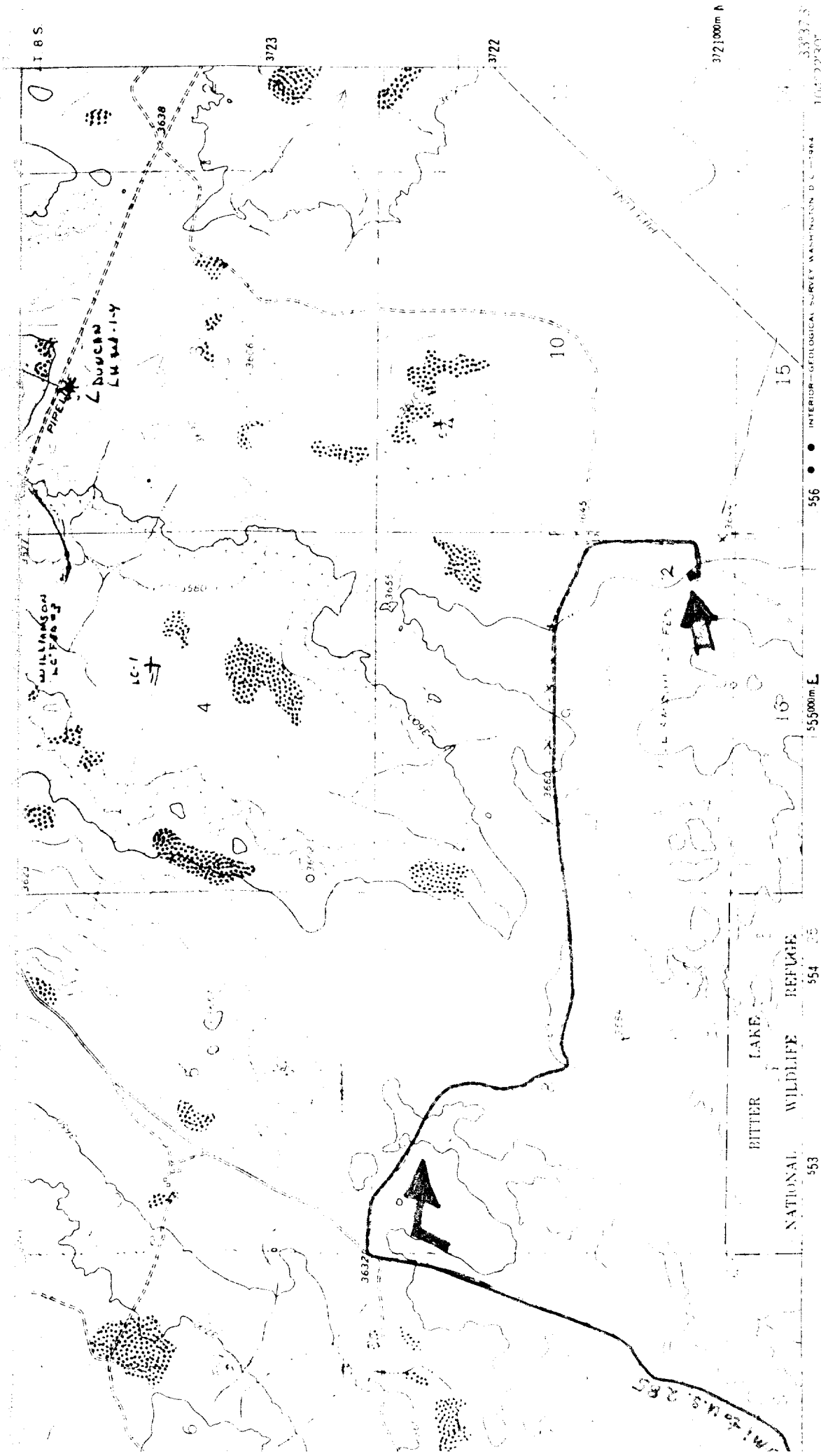


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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





SCALE 1:24,000



NOTOR INTERVAL 10 FEET
 LINES REPRESENT 5 FOOT CONTOURS
 DATUM IS MEAN SEA LEVEL

EXHIBIT A

WILLIAMSON LC FEDERAL #2
 SECTION 9, T8S-R25E
 660' FSL - 660' FEL
 CHAVES COUNTY, NM

ROAD CLASSIFICATION

Light-duty Unimproved dirt

COYOTE DRAW, N. MEX.

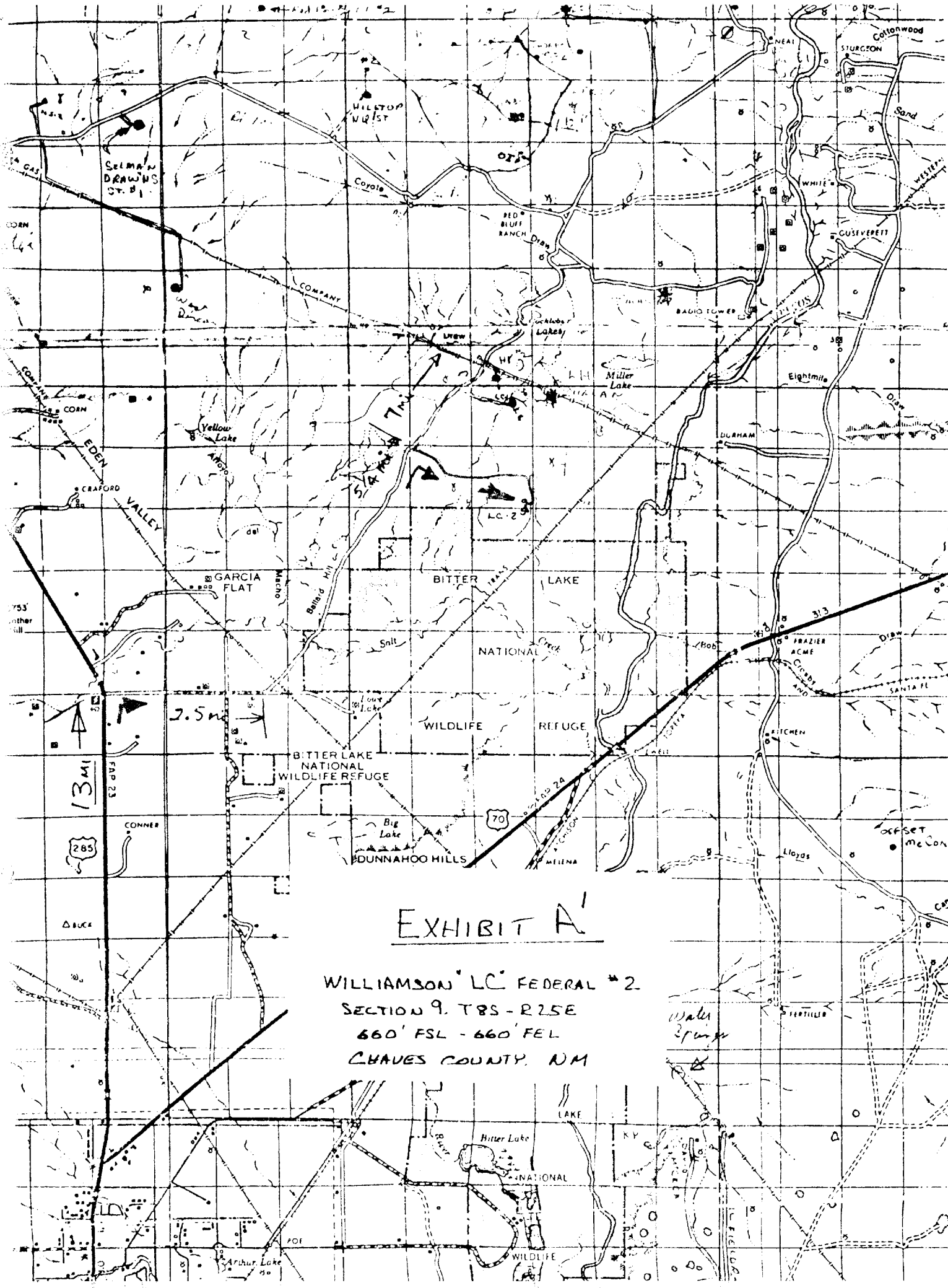


EXHIBIT A

WILLIAMSON LC FEDERAL #2
SECTION 9. T8S - R25E
660' FSL - 660' FEL
CHAVES COUNTY, NM

water
3 pumps

FERTILIZER