

N.M.O.C.D. COPY

Form 9-331 C
(May 1963)SUBMIT IN TRIPlicate*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.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 4th Street, Artesia, NM 88210

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

At surface

330' FNL and 1650' FWL

At proposed prod. zone

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

30 miles NNE of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

330'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

40

1150'

Small rotary

ASAP

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

3657.2

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#	200'	150 circulate
6 1/2"	4 1/2"	9.5#	TD	90 circulate

Propose to drill and test the lower San Andres formation. Will set about 200 of surface casing. If commercial, will run 4 1/2" casing and circulate the cement. Will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel to 500'. Fresh water to TD.

BOP PROGRAM: BOP's will be installed on the 7" casing and tested.

RECEIVED

MAR 20 1981

O. C. D.
ARTESIA, OFFICE

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

George H. Stewart

TITLE Geographer

DATE 2-17-81

(This space for Federal or State office use)

PERMIT NO.

O-16-3-3-1 GEORGE H. STEWART

APPROVAL DATE

MAR 13 1981

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

30-005-60912

5. LEASE DESIGNATION AND SERIAL NO.

NM-277916-27916

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

North Sturgeon "PR" Fed.

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Linda
Und. San Andres11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREAU-1-C
Sec. 4-T7S-R26E

12. COUNTY OR PARISH

Chaves

13. STATE

NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Small rotary

22. APPROX. DATE WORK WILL START*

ASAP

POSTED 10-1
API + 112 BENCH
3-27-81

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.

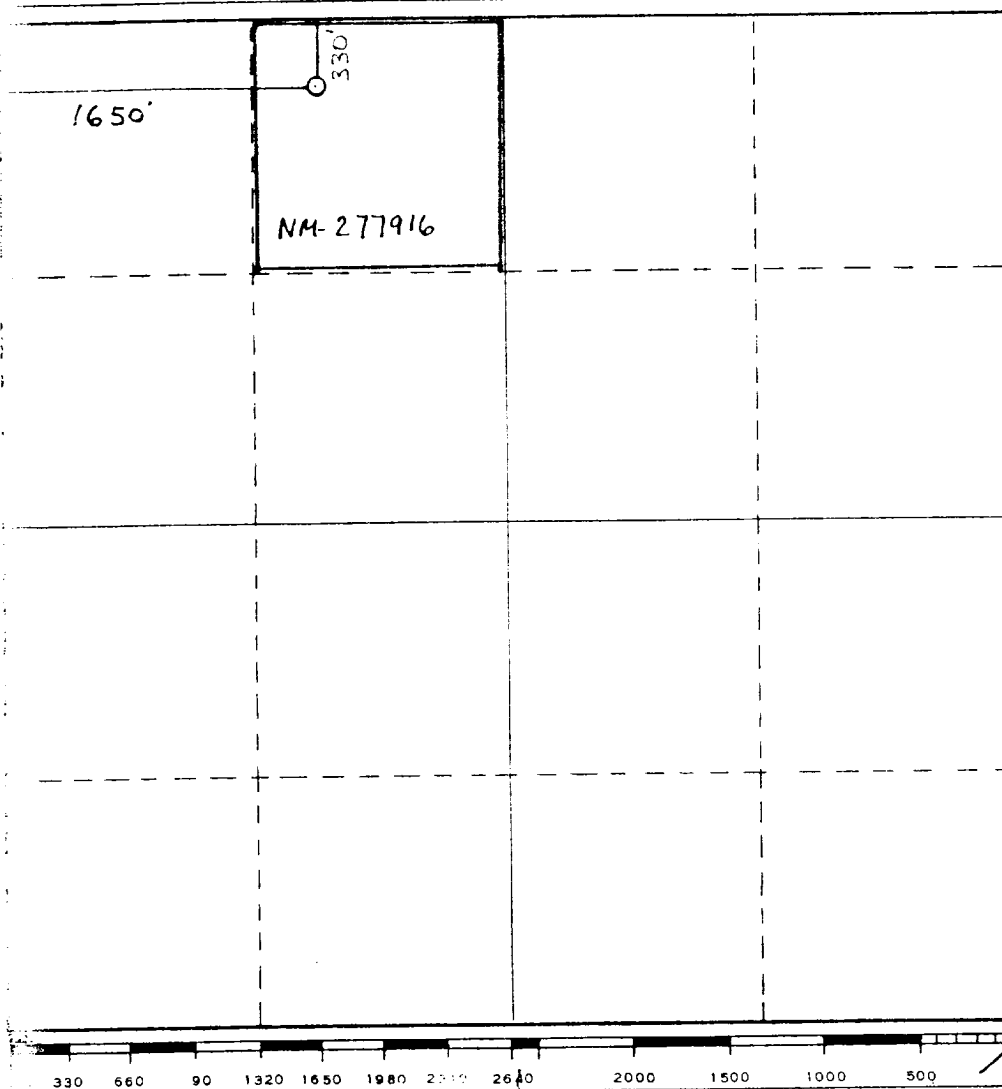
Operator Yates Petroleum Corporation			Lease North Sturgeon "PR" Fed		Well No. 1
Section Letter 4	Section 4	Township 7 South	Range 26 East	County Chaves	
Well Footage Location of Well: 1650 feet from the West line and 330 feet from the North line					
Ground Level Elev. 657.2	Producing Formation SAN ANDRES		Pool Linda HOO. SAN ANDRES		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 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.

Gliserio Rodriguez
Name

GLISERIO RODRIGUEZ
Position

GEOGRAPHER

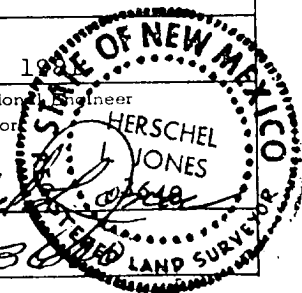
Company
YATES PETROLEUM CORP.

Date
2-14-81

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
February 12, 1981
Registered Professional Engineer
and/or Land Surveyor

Herschel Jones
Certificate No.
38010



Yates Petroleum Corporation
North Sturgeon "PR" Federal #1
330' FNL and 1650' FWL
Section 4-T7S-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 USGS requirements:

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

San Andres 530', Slaughter 980'
TD 1150'

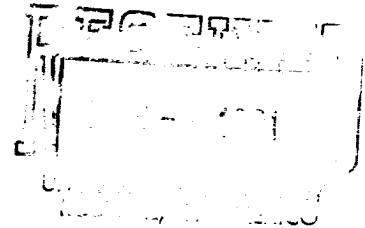
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 90'
Oil: San Andres 700'-1125'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: As required.
3. Testing, Logging and Coring Program:

Samples: Surface casing to TD
DST's: None
Logging: GRN surface to TD
Coring: None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as approved.

Yates Petroleum Corporation
North Sturgeon "PR" Federal #1
Section 4-T7S-Rs6E
330' FNL and 1650' FWL
(Developmental Well)



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 operations, 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 30 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 55 miles.
2. Turn east for approximately 14 miles (or US 70) then continue north for 9.3 miles. Then west to the Sturgeon ranch (1 mile). Go north through the ranch for $\frac{1}{2}$ mile then east $\frac{2}{3}$ of a mile to a dry hole. The new road starts here.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 400' in length from point of origin to the southwest 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. The surface will be crowned, with drainage on one side. No turnout will be built.
- D. The new road has been flagged and the route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There are well to the North of this location.

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 the ranches and will be trucked to the location.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. No construction material 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. 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 tank battery if needed, will have to be 150' from well head.
- B. The location surface is on a minor slope so cut and fill may be needed.
- C. The reserve pit needed will be very small.
- 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 in as 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 requirements of the BLM & USGS Agreement 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 fairly flat. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of terpine, pepper weed and lots of 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 1 mile west.
- D. There are inhabited dwellings or windmills within a mile of the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on federal surface and minerals.
- F. There is no evidence of any archaeological, 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 Cy Cowan
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.

2-28-81

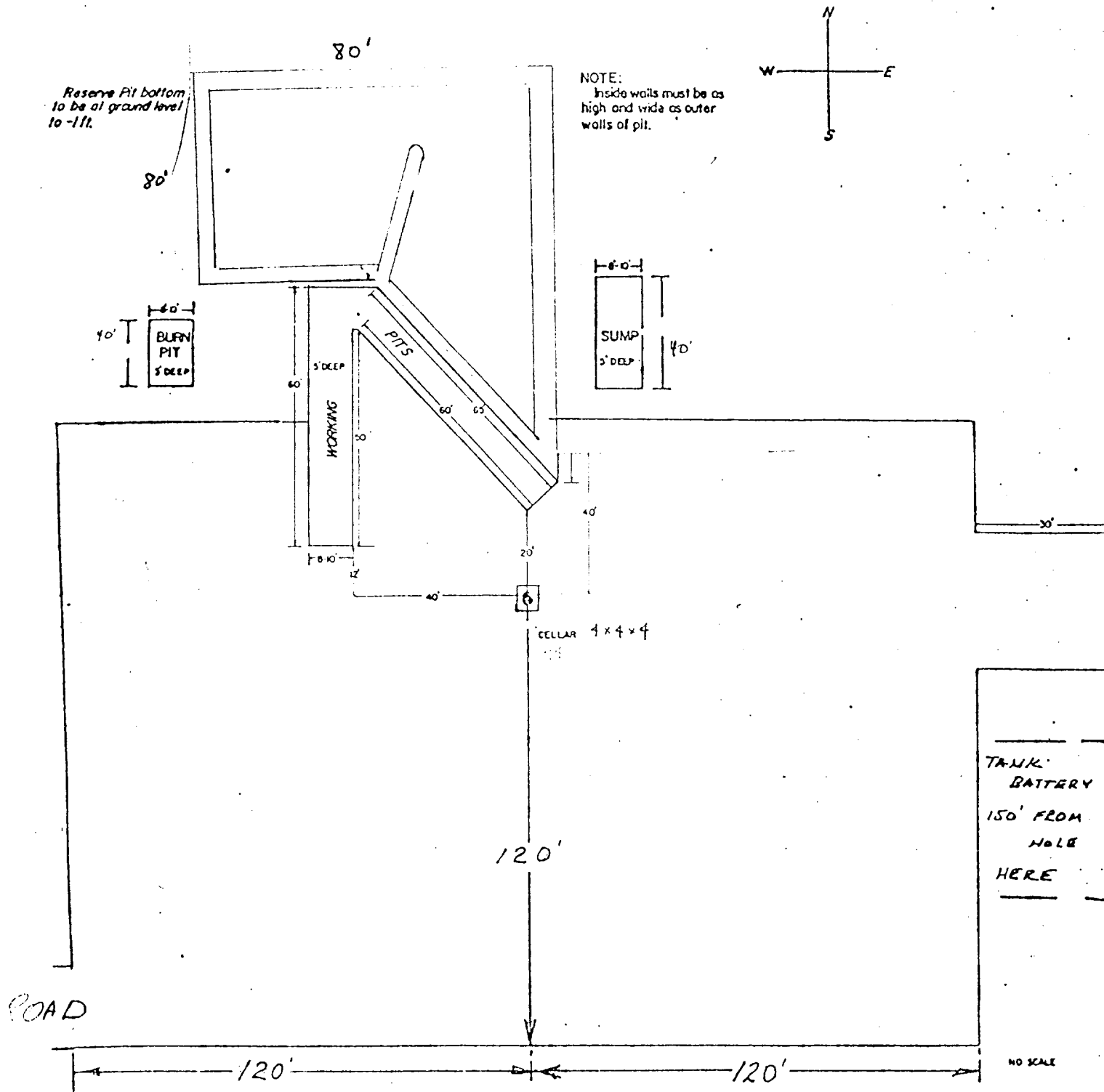
Date



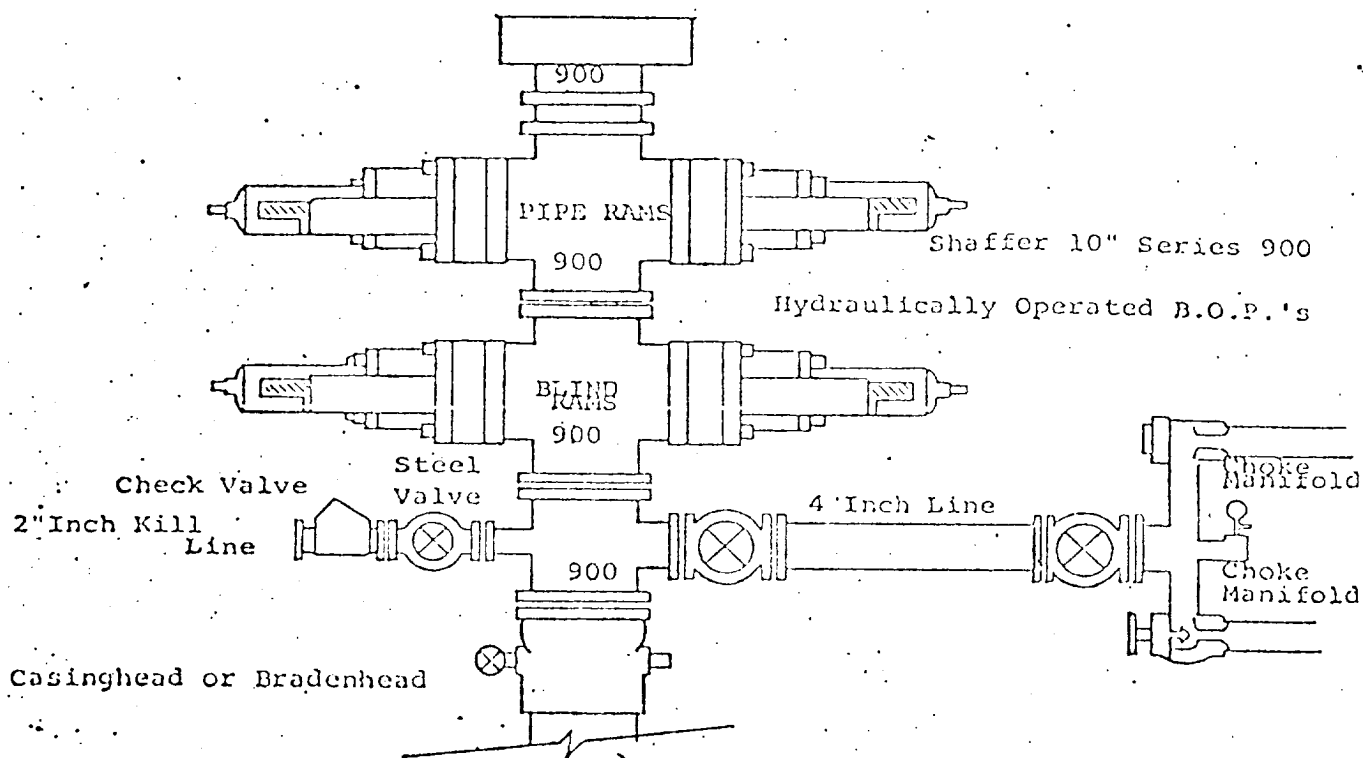
Gliserio Rodriguez Geographer

EXHIBIT B

YATES PETROLEUM CORPORATION



C



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.