

NM OIL CONS. COMMISSION  
 Drawer  
 Artesia, NM 88210  
 UNITED STATES  
 DEPARTMENT OF THE INTERIOR  
 GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE\*  
 (Other instructions on reverse side)

Form approved.  
 Budget Bureau No. 42-R1425.

30-025-61593

5. LEASE DESIGNATION AND SERIAL NO.

NM-27916

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

North Sturgeon "PR" Fed

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

X Undes. Pecos Slope Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 4-T7S-R26E

12. COUNTY OR PARISH 13. STATE

Chaves NM

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 S. 4th, Artesia, New Mexico 88210

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

At surface

1980' FSL and 1980' FWL

At proposed prod. zone

same

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

29 miles NE of Roswell, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 1980'

16. NO. OF ACRES IN LEASE

480

17. NO. OF ACRES ASSIGNED TO THIS WELL

160

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

.5 mile

19. PROPOSED DEPTH

4325'

20. ROTARY OR CABLE TOOLS

Rotary

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

3629.0' GL

22. APPROX. DATE WORK WILL START\*

ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	10 3/4"	40.5# J-55	1000'	900 sx circulated
7 7/8"	4 1/2"	9.5#	TD	350 sx

We propose to drill and test the Abo and intermediate formations.

Approximately 1000' 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 be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel & LCM to 1000', Brine to 3500', Brine & KCL water to TD.

BOP PROGRAM: BOP's will be installed at the offset 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.

24. SIGNED Cy Stewart TITLE Regulatory Coordinator DATE 4/29/82

(This space for Federal or State office use)

PERMIT NO. (App. Sec.) GEORGE H. STEWART

APPROVAL DATE

MAY 11 1982

APPROVED BY FOR JAMES A. GILLHAM DISTRICT SUPERVISOR

TITLE

DATE

Post and I.D. New Mex. 5-31-82

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.

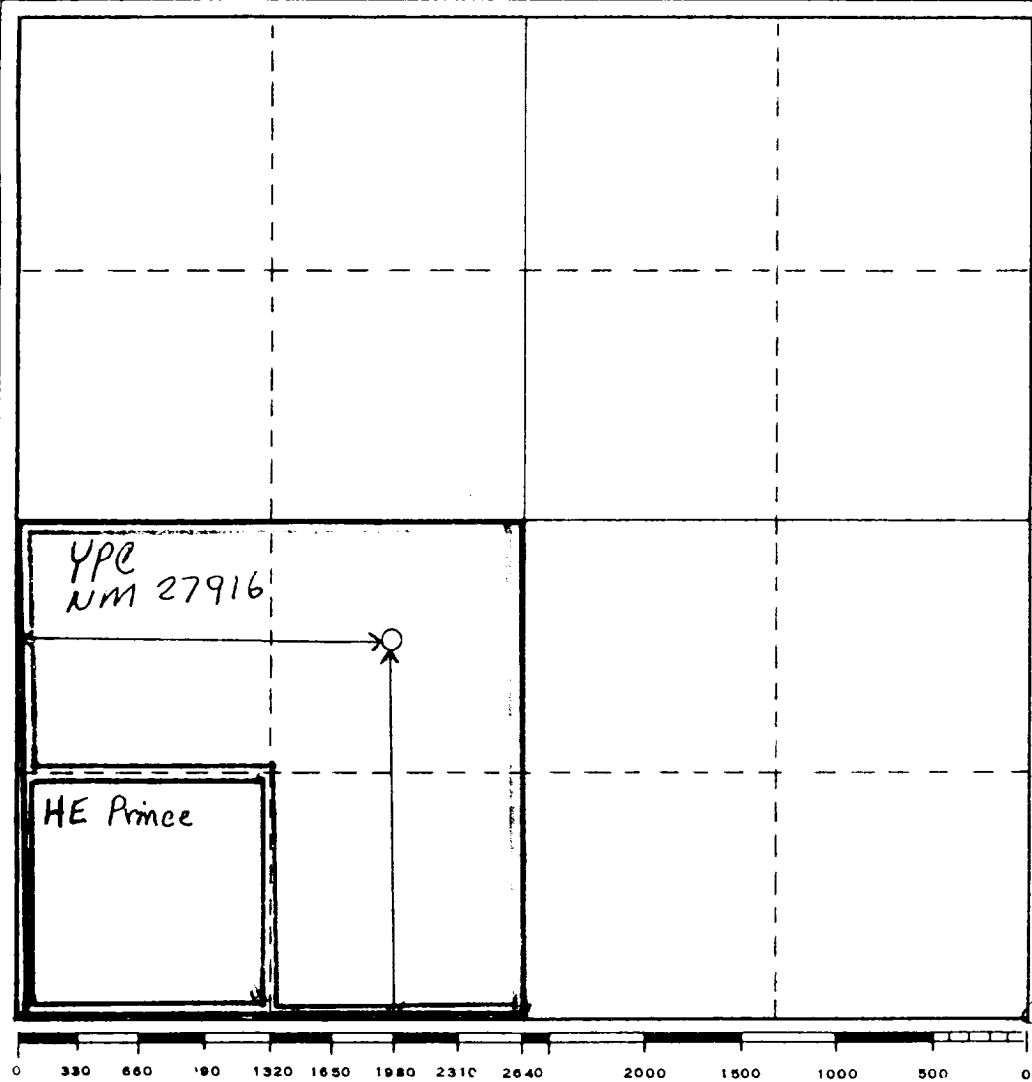
Operator YATES PETROLEUM CORPORATION		Lease North Sturgeon "PR" Federal			Well No. 2
Unit Letter K	Section 4	Township 7 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line					
Ground Level Elev. 3629.0' GL	Producing Formation ABO	Pool PECOS Slope ABO		Dedicated Acreage: 160 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 to be communitized

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.

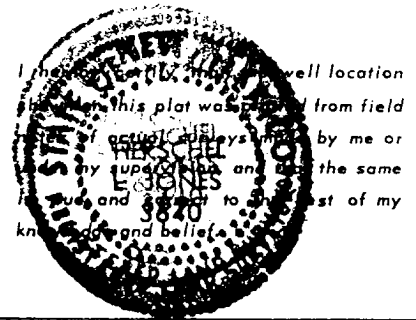


CERTIFICATION

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

*Cy Cowan*

Name  
Cy Cowan  
Position  
Regulatory Coordinator  
Company  
Yates Petroleum Corp.  
Date  
4/29/82



Date Surveyed  
April 26, 1982  
Registered Professional Engineer  
and/or Land Surveyor  
*Harold Jones*  
Certificate No.  
3640

YATES PETROLEUM CORPORATION  
North Sturgeon "PR" Fed. #2  
1980' FSL and 1980' FWL  
Section 4-T7S-R26E

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 estimated tops of geologic markers are as follows:

San Andres	638'
Glorieta	1726'
Fullerton	3122'
Abo	3788'
TD	4325'

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

Water: Approximatley 90'

Oil or Gas: Abo 3810'

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.

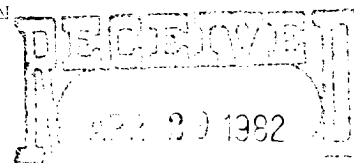
Coring: None.

Logging: CNL-FDC TD to casing w/GR-CNL to surface & DLL from TD to csg.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation  
 North Sturgeon "PR" Fed. #2  
 1980' FSL and 1980' FWL  
 Section 4-T7S-R26E  
 (Developmental Well)



OFFICE OF GAS  
 U.S. GEOLOGICAL SURVEY  
 ROSWELL, 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 operations.

#### 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 29 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 east of Roswell to Acme School house.
  2. Turn north and go 9 miles to Sand Creek.
  3. Cross Sand Creek and go approximately .9 of a mile to cattleguard and Sturgeon Ranch sign.
  4. Turn west here (don't cross cattleguard) and head toward the river.
  5. Go approximately .7 of a mile. The new road will start here going in a northerly direction.
- One cattleguard will be set on new road.

#### 2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 350' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a south to north direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side. One turnouts will be built.
- D. The route of the road is visible.

#### 3. LOCATION OF EXISTING WELL.

- A. There ~~is~~ is no drilling activity within a one-mile radius of the wellsite.

#### 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are/~~are~~ 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 draw the proposed well with a pump water. The water will be retained from a related operation and will be pumped to the location by truck and the existing air pressure pump is not in condition.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. No caliche is available, so the road will be bladed and watered.

7. METHODS OF HANDLING AND DISPOSAL.

- A. Drill cuttings will be disposed of in the normal pit.
- B. Drilling fluid will be allowed to settle in the normal pit until it is ready.
- C. Water produced during operations will be stored in tanks, used in approved disposal area, or separate disposal pit and will be treated.
- D. Oil produced during operations will be stored in tanks until used.
- E. Current laws and regulations pertaining to the disposal of liquid waste will be complied with.
- F. Trash, waste paper, sawdust and lime will be stored in a separate tank pit and covered with minimum of 12 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 well site within 24 hours after finishing or final and/or completion operations.

8. ANCILLARY FACILITIES.

- A. None required.

9. WEBSITE LAYOUT.

- A. Exhibit C shows the relative location of the slings of the well, the reserve pits, etc.
- B. The location surface is sand dunes.
- C. The reserve pits will be plastic lined.
- D. A 400' x 400' area has been staked and fenced.

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 well site in as good 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 Operator-Landowner will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is sand dunes. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of mesquite, native grasses 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. Waterways: The Pecos River is approximately 1 mile west.
- D. There are ~~xxxxxx~~ inhabited dwellings in the vicinity of the proposed wellsite. Sturgeon Ranch house is approximately 1/2 mile west.
- E. Surface Ownership: Private surface and federal minerals.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. OPERATOR'S REPRESENTATIVE.


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

Gliserio "Rod" Rodriguez, Cy Cowan or Ken Beardshaw  
Yates Petroleum Corporation  
207 S. 4th Street  
Artesia, New Mexico 88210  
(505) 746-3558

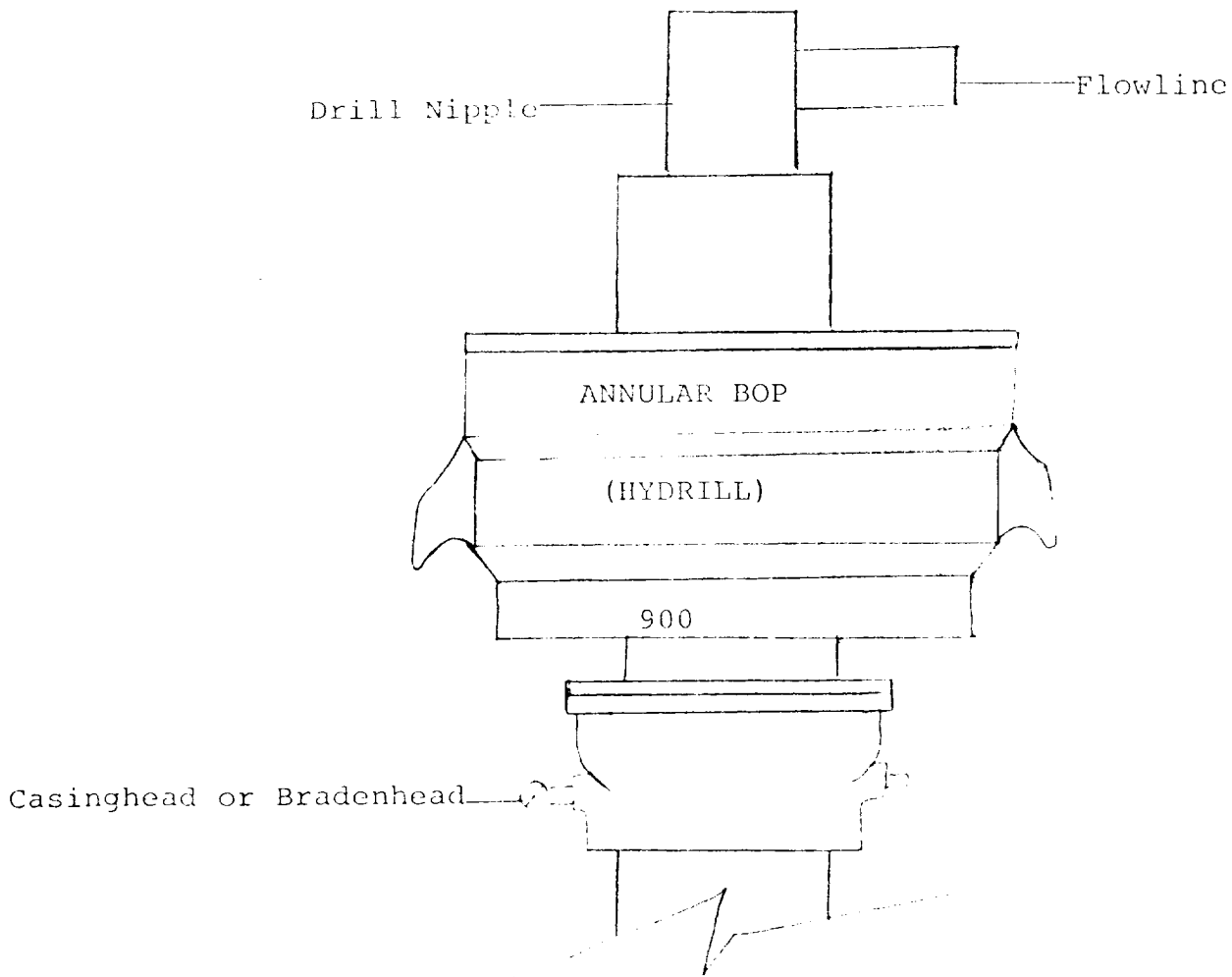
13. CERTIFICATION.

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 Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4/29/82  
Date

  
Cy Cowan, Regulatory Coordinator

# 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. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.