

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
DEC 9 1982

5. LEASE DESIGNATION AND SERIAL NO.

NM 18483

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Morton "SZ" Federal

9. WELL NO.

#3

10. FIELD AND POOL, OR WILDCAT

Unders. Pecos Slope Abo

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

Sec. 10-T8S-R25E

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 660' FNL and 1980' FWL

At proposed prod. zone  
same

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

Approximately 22 miles NNE of Roswell, NM

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

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.

19. PROPOSED DEPTH

4150'

20. ROTARY OR CABLE TOOLS

Rotary

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

3609.9' GL

22. APPROX. DATE WORK WILL START\*

ASAP

23.

## PROPOSED CASING AND CEMENTING PROGRAM

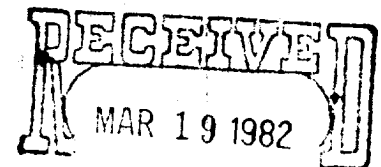
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	10 3/4"	40.5# J-55	appr. 1025'	675 sx circulated
7 7/8"	4 1/2"	9.5#	TD	350 sx

We propose to drill and test the Abo and intermediate formations. Approximately 1025' 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, perforate, and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1025', Brine to 3500', Brine and 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. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true resistivity logs. Give blowout preventer program, if any.

24.

SIGNED

APPROVED

TITLE Regulatory Coordinator

DATE 3/18/82

(This space for additional comments)

Original: GEORGE H. STEWART

PERMIT NO.

DEC 3 1982

APPROVAL DATE

APPROVED BY

JAMES A. GILLHAM  
DISTRICT SUPERVISOR

TITLE

DATE

Ported to PG  
AD-1 & 2nd Book  
12-17-82

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ well gas ☒ well other ☐
2. NAME OF OPERATOR  
Yates Petroleum Corporation
3. ADDRESS OF OPERATOR  
207 S. 4th, Artesia, New Mexico
4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 860' FNL and 1980' FWL  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH: same
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) move location	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

Moved location 200' south due to archaeological finds.

Old Location: 660' FNL and 1980' FWL

New Location: 860' FNL and 1980' FWL

5. LEASE  
NM 18483
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
O.C.D.
7. UNIT AGREEMENT NAME  
ARTESIA, OFFICE
8. FARM OR LEASE NAME  
Morton "SZ" Federal
9. WELL NO.  
3
10. FIELD OR WILDCAT NAME  
Undes. Pecos Slope Abo
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 10-T8S-R25E
12. COUNTY OR PARISH  
Chaves
13. STATE  
NM
14. API NO.
15. ELEVATIONS (SHOW DF, KDB, AND WD)  
3609.3' GL

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

RECEIVED  
APR 27 1982

OIL & GAS  
U.S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

Subsurface Safety Valve: Man. and Type

Set @ \_\_\_\_\_ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Debra L. Wilson TYPE Regulatory Secy DATE 4/22/82

APPROVED  
(This space for Federal or State office use)

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY  
(Orig. Sgd.) GEORGE H. STEWART  
DEC 3 1982  
JAMES A. GILLHAM  
DISTRICT SUPERVISOR

\*See Instructions on Reverse Side

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.

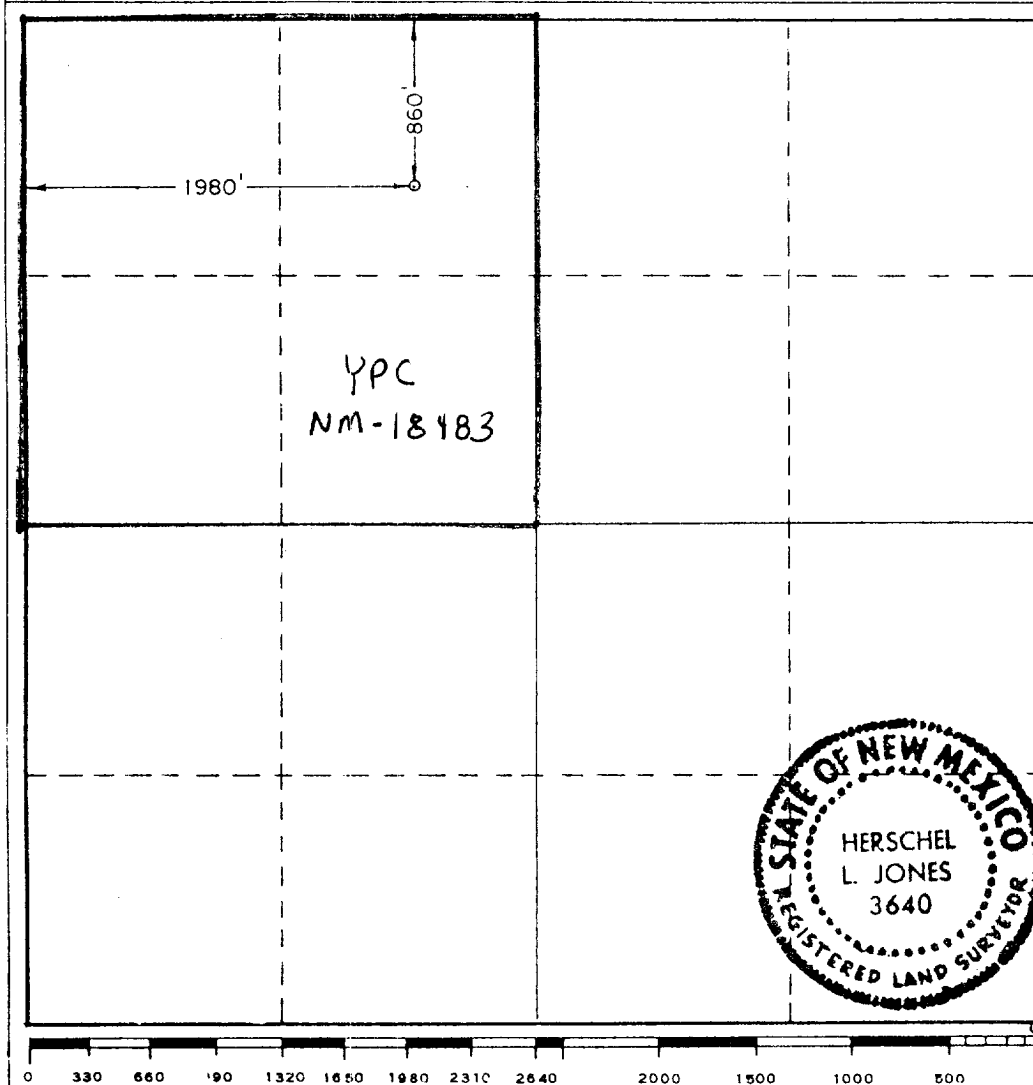
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Morton "SZ" Federal</b>		Well No. <b>3</b>
Unit Letter <b>C</b>	Section <b>10</b>	Township <b>8 South</b>	Range <b>25 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>860</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3609.3'</b>	Producing Formation <b>Abo</b>	Pool <del>Under</del> <b>Pecos Slope Abo</b>		Dedicated Acreage: <b>160</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.

*Ken Beardemphl*  
Name  
Ken Beardemphl  
Position  
Regulatory Coordinator  
Company  
Yates Petroleum Corp.  
Date  
4/22/82

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  
April 9, 1982  
Registered Professional Engineer and/or Land Surveyor

*Herschel L. Jones*  
Certificate No.  
3640

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.

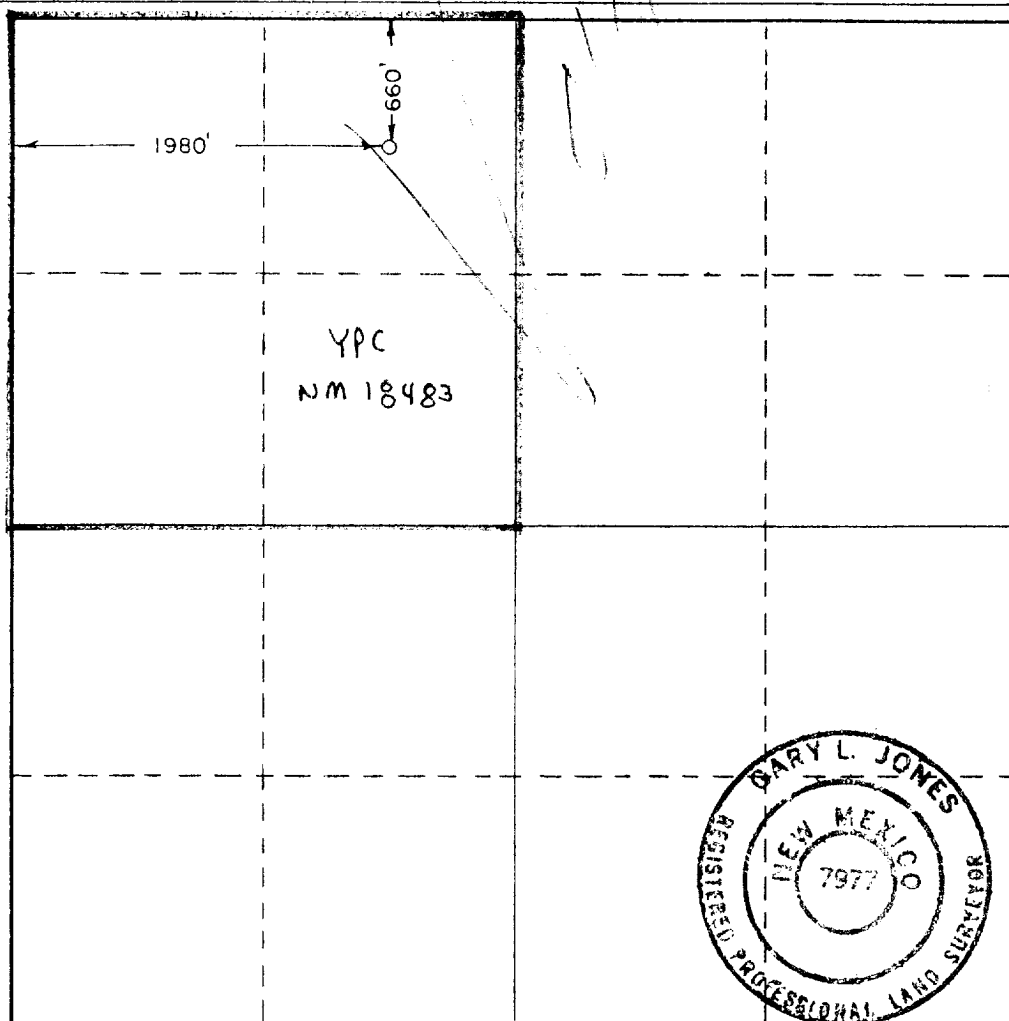
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Morton SZ Federal</b>		Well No. <b>3</b>
Unit Letter <b>C</b>	Section <b>10</b>	Township <b>8 South</b>	Range <b>25 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>North</b> line and <b>1980</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3609.9'</b>	Producing Formation <b>Abo</b>		Pool <b>Undes. Pecos Slope Abo</b>		Dedicated Acreage: <b>160</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
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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

Yates Petroleum Corporation

Company

3/8/82

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.

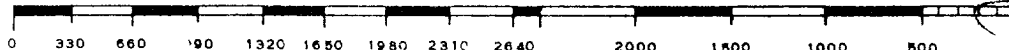
Date Surveyed

3/5/82

Registered Professional Engineer and/or Land Surveyor

Certificate No.

7977



UNITED STATES Artesia, NM 88210

DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☐ gas ☒ other ☐

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
207 S. 4th, Artesia, New Mexico

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 860' FNL and 1980' FWL  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH: same

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO: SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF ☐ ☐  
FRACTURE TREAT ☐ ☐  
SHOOT OR ACIDIZE ☐ ☐  
REPAIR WELL ☐ ☐  
PULL OR ALTER CASING ☐ ☐  
MULTIPLE COMPLETE ☐ ☐  
CHANGE ZONES ☐ ☐  
ABANDON\* ☐ ☐  
(other) moving road per BLM

5. LEASE

NM-18483

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME

7. UNIT AGREEMENT NAME  
O. C. D.  
ARTESIA, OFFICE

8. FARM OR LEASE NAME  
Morton "SZ" Federal

9. WELL NO.

10. FIELD OR WILDCAT NAME  
Undes. Pecos Slope Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 10-T8S-R25E

12. COUNTY OR PARISH 13. STATE  
Chaves NM

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)  
3609.3' GL

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

1. Proceed north from Roswell on Highway 285 for approximately 13 miles. Turn east and northeast for 7 miles. Turn back to the east for approximately 2.8 miles to a cattleguard. Cross the cattleguard and turn north along fence line to the Transwestern pipelines. Cross the pipelines and stay on the west side of the pipeline (any turnouts will be to the west) and go north for about 1300' then back over the pipelines, to the east, to the location. (Map enclosed.)

Pit located SE/4 SE/4 of section 1-T8S-R25E

Subsurface Safety Valve: Manu. and Type

Set @ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Ken Stewart TITLE Regulatory Coordinator DATE 12/2/82

APPROVED BY  
CONDITIONS OF APPROVAL, IF ANY:

APPROVED

(Orig. Sgd.) GEORGE H. STEWART

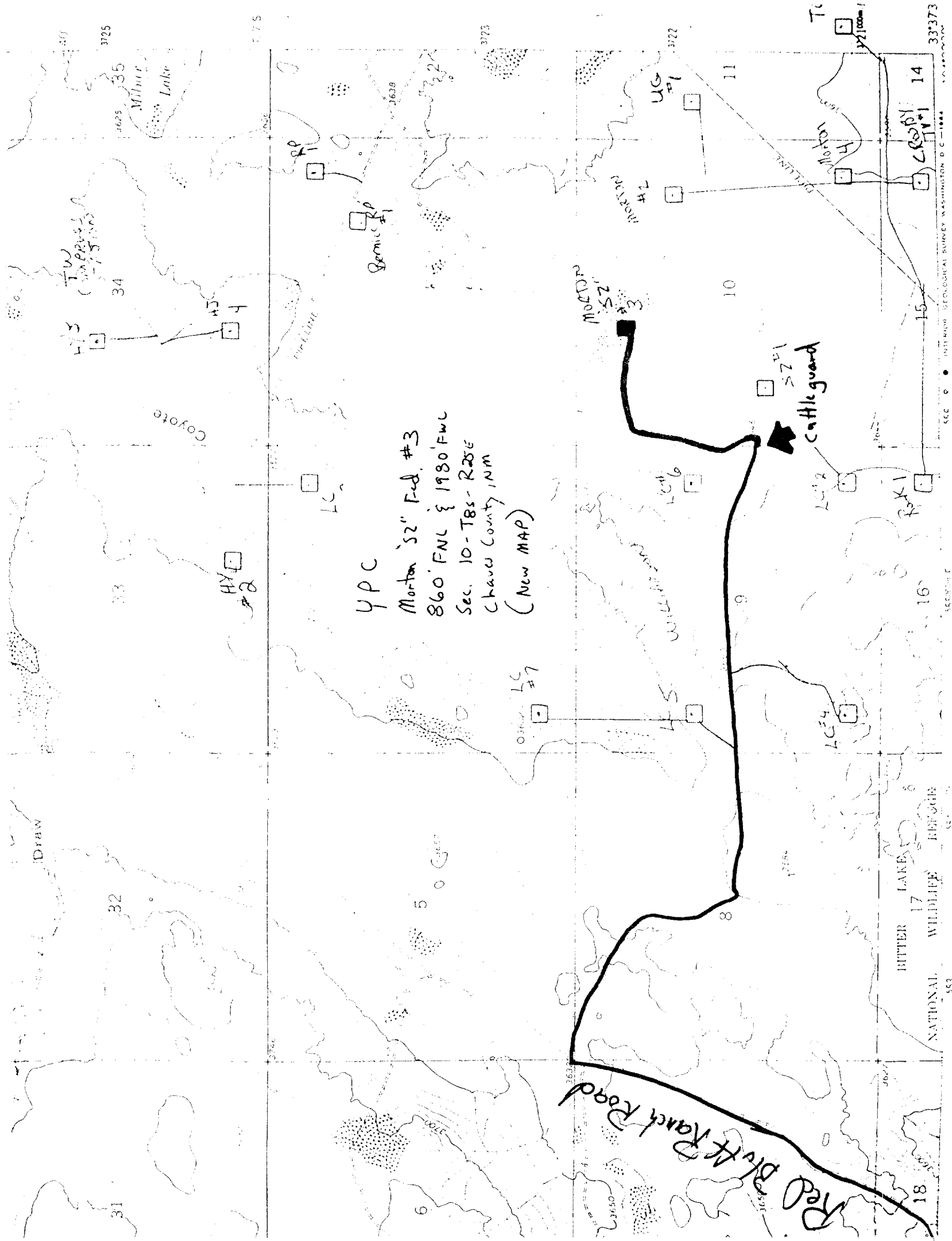
DEC 3 1982

JAMES A. GILLHAM  
DISTRICT SUPERVISOR

See Instructions on Reverse Side

RECEIVED  
DEC 2 1982

OIL & GAS  
U.S. GEOLOGICAL SURVEY  
ROSWELL, NEW MEXICO

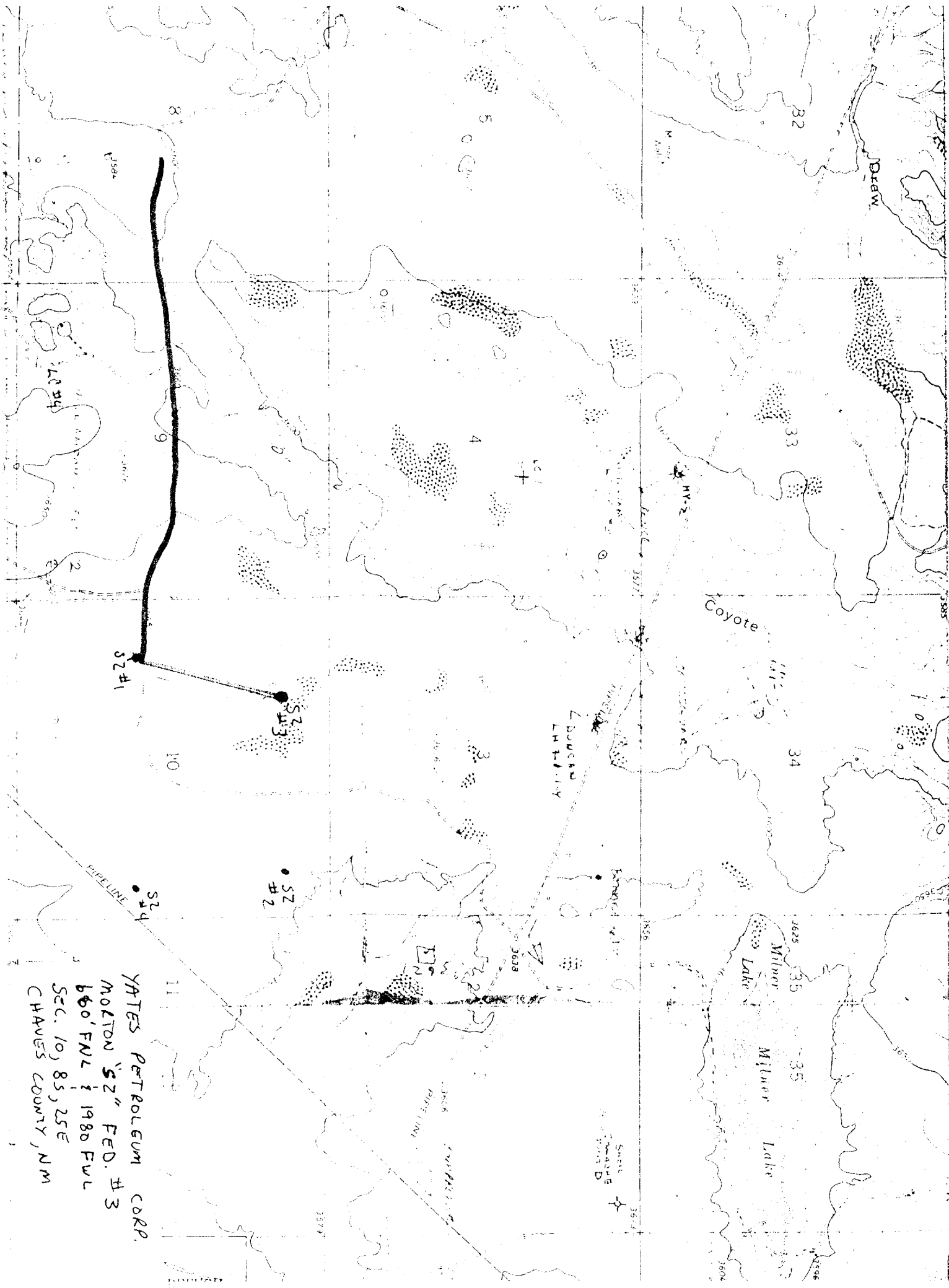


YATES PETROLEUM CORPORATION  
Morton "SZ" Federal #3  
660' FNL and 1980' FWL  
Section 10-T8S-R25E  
Chaves County, New Mexico

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.

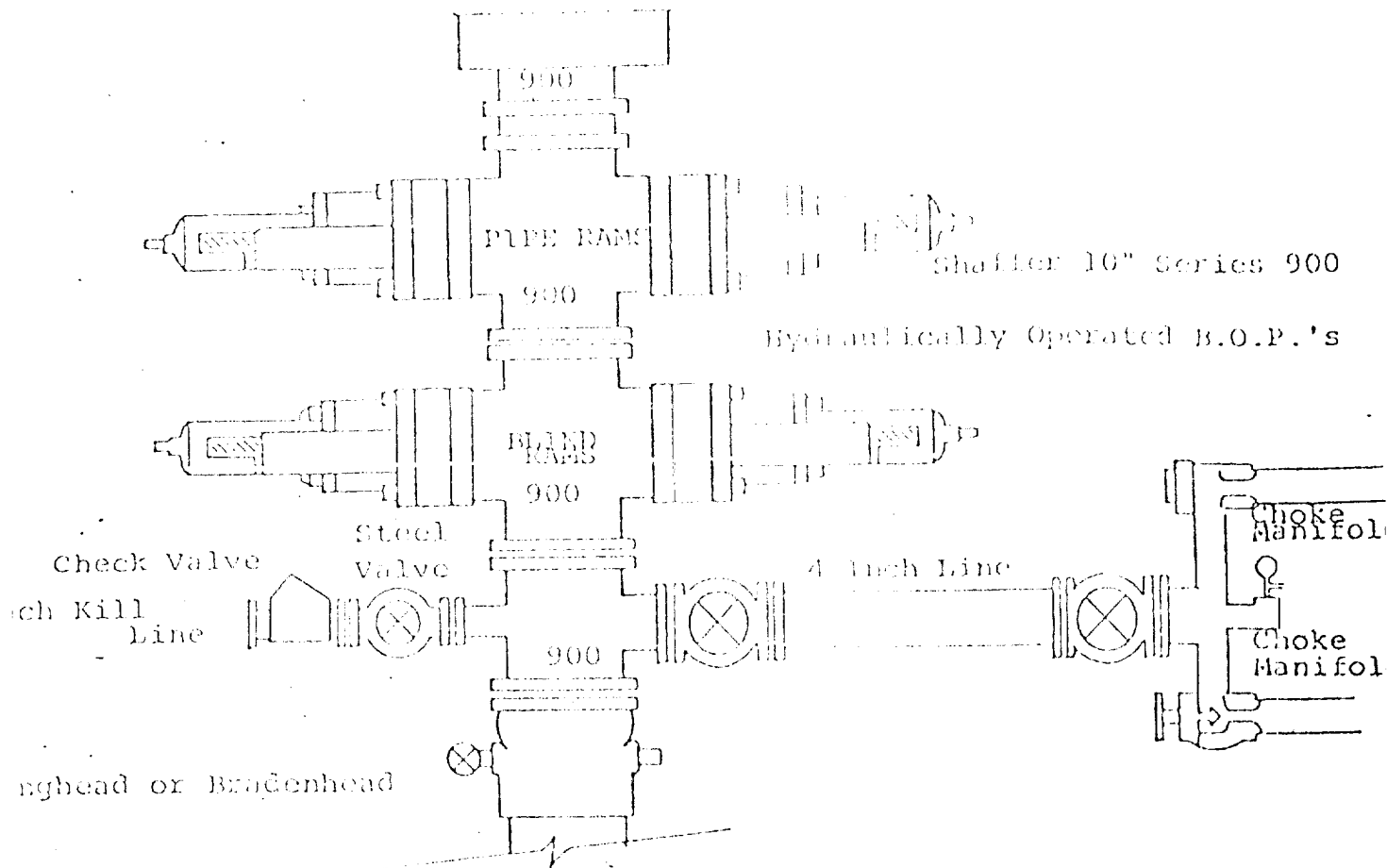
1. The geologic surface formation is quaternary alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	350'
Glorieta	1425'
Fullerton	2869'
Abo	3585'
TD	4150'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:  
Water: approximately 225'  
Oil or Gas: Abo 3600'
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 with GR-CNL on to surface and DLL from TD to casing w/selected min RxO.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.



YATES PETROLEUM CORP.  
MOTION "S2" FED. #3  
660' FNL & 1980 FNL  
SEC. 10, 85, 25E  
CHAVES COUNTY, NM

# EXHIBIT E3 -



## FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual control installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 4" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- D. P. float must be installed and used below zone of first gas intrusion.

YATES PETROLEUM CORPORATION

