

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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. NM 028497-A
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" 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 Fourth St., Artesia, NM 88210		8. FARM OR LEASE NAME Federal DH
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 330' FNL & 330' FWL of Section 27-15S-29E At proposed prod. zone		9. WELL NO. 2
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 13 miles NW of Loco Hills, NM		10. FIELD AND POOL, OR WILDCAT. Undesignated Queen Lucky Lake Queen
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'	16. NO. OF ACRES IN LEASE	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Unit D, Sec. 27-15S-29E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	19. PROPOSED DEPTH 1800	12. COUNTY OR PARISH Chaves
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3835' GR		13. STATE NM
22. APPROX. DATE WORK WILL START* As soon as approved		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4" or 11"	8-5/3"	24#	300'	Circulate
7-7/8"	5 1/2" or 4 1/2"	15.5# or 9.5#	1800'	125 sacks or 200 sacks

Proposed to drill Queen test. 8-5/8" casing will be set at top of the Salt Section & cemented to surface. If commercial will run 5 1/2" or 4 1/2" casing and cement with 600' cement above pay, will perforate & stimulate as needed for production.

MUD PROGRAM: FW Gel to casing pt., brine to TD.

BOP PROGRAM: BOP's on 8-5/8" and tested

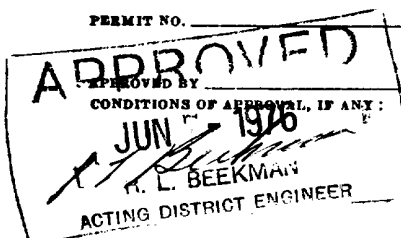
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MAY 24 1976

U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 Eddie M. Beekman TITLE Engineer DATE May 24, 1976
(This space for Federal or State office use)



APPROVAL EXTENDS
THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES SEP 7 - 1976

*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.

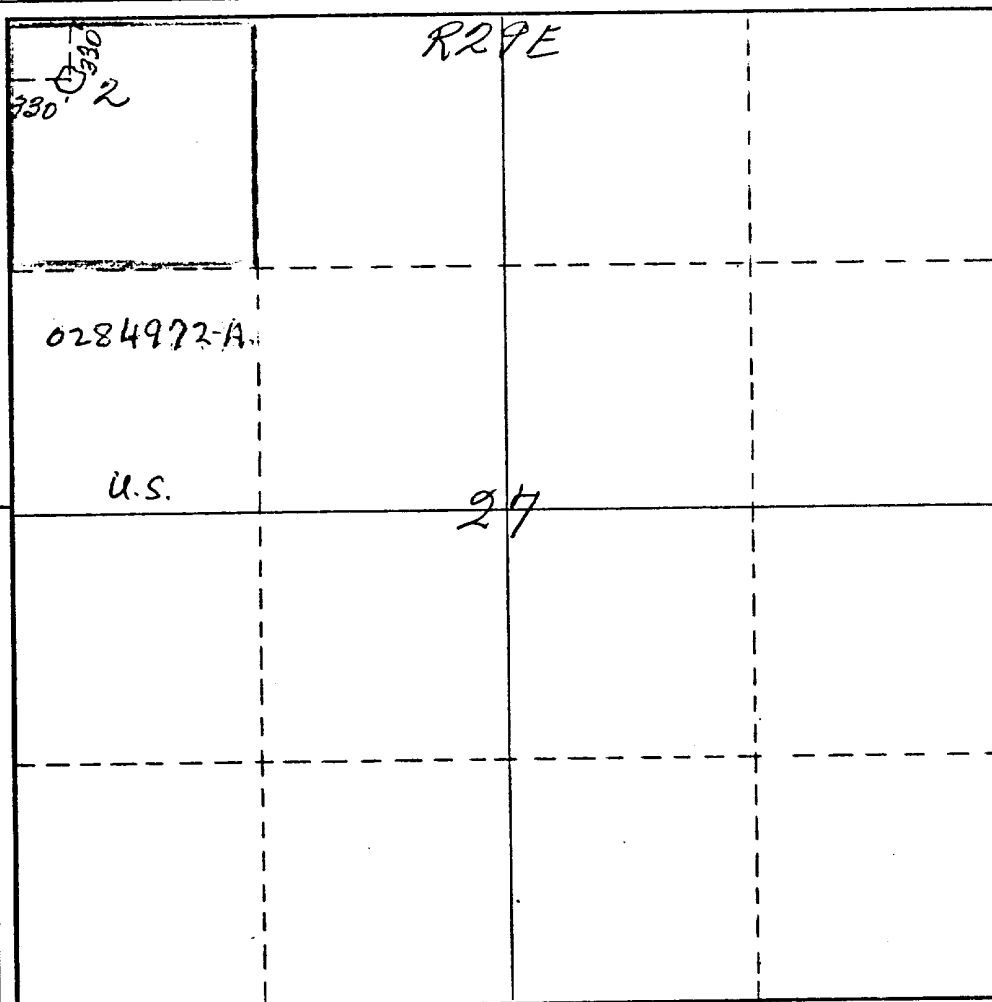
Operator <i>Yates Petroleum Corporation</i>		Lease <i>Federal DH</i>		Well No. <i>2</i>	
Unit Letter <i>D</i>	Section <i>27</i>	Township <i>15 South</i>	Range <i>29 East</i>	County <i>Chaves</i>	
Actual Footage Location of Well: <i>330</i> feet from the <i>North</i> line and <i>330</i> feet from the <i>West</i> line					
Ground Level Elev. <i>3835</i>	Producing Formation <i>Queen</i>		Pool <i>Undesignated</i>	Dedicated Acreage: <i>40</i> 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 _____

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.

Eddie M. Mahfood
Name

Eddie M. Mahfood

Position
Engineer

Company
Yates Petroleum Corp.

Date
May 24, 1976

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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.

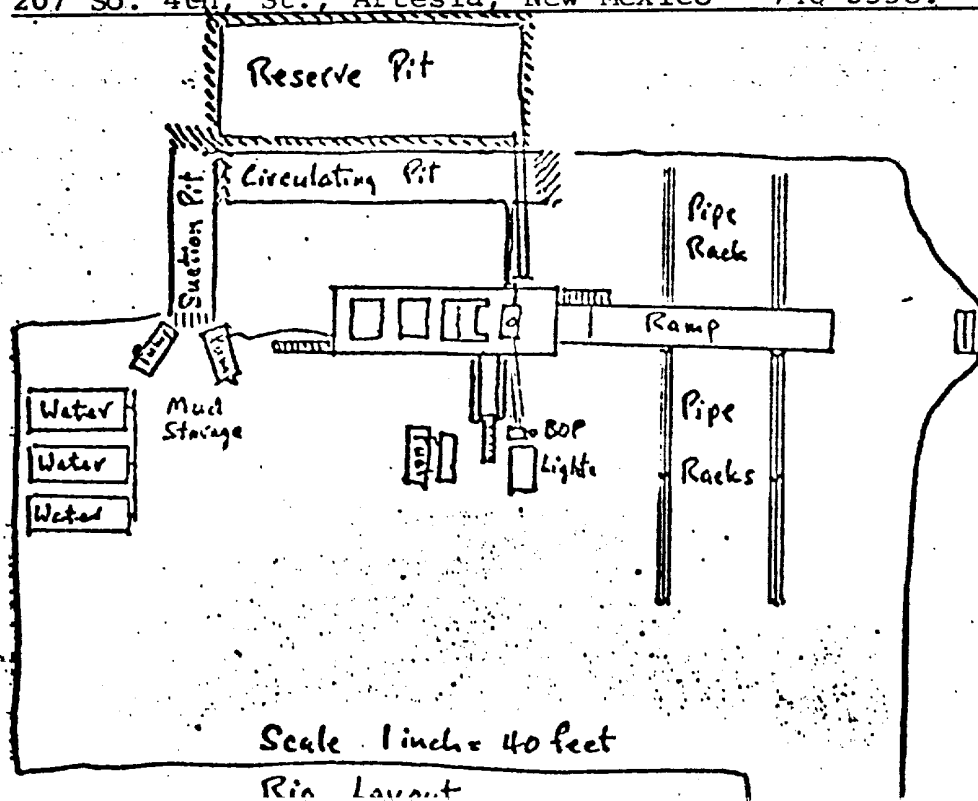
Date Surveyed
May 20 1976
Registered Professional Engineer
and/or Land Surveyor

James H. Brown
Certificate No. *542*

Artes Petroleum Corporation
Federal DH No. 2, 330 FNL, 330' FWL
Section 27-15S-29E, Chaves County, New Mexico

Development plan to accompany "Applications to Drill, Federal Lease".
12-Point Plan.

1. EXISTING ROADS: See Plat (Exhibit A) Bladed roads w/caliche partly county maintained, partly lease roads maintained as needed.
2. PLANNED ACCESS ROADS: See Plat (Exhibit A) North from tank battery, bladed and caliched where needed.
3. LOCATION OF WELLS: See Plat (Exhibit A) Development well with producers in North-South structure on either side of location.
4. LATERAL ROADS TO LOCATION: See Plat (Exhibit A)
5. LOCATION OF TANK BATTERY & FLOWLINES: See Plat (Exhibit C) Flowlines alongside access road to existing tank battery.
6. LOCATION & TYPES OF WATER SUPPLY: See Plat (Exhibit A) To be trucked from Loco Hills rig water source.
7. METHODS FOR HANDLING WASTE DISPOSAL: See Sketch (Exhibit A) Cuttings jetted to reserve pit, waste burned or disposed of in reserve pit, mud in L-pit.
8. LOCATION OF CAMPS: Not Applicable.
9. LOCATION OF AIRSTRIPS: Not Applicable.
10. LOCATION LAYOUT (rig, tanks, pits, racks, etc): See Sketch (Exhibit C)
11. PLANS FOR RESTORATION OF SURFACE: Pits to be fenced until dry, then leveled and cleaned, restored to near original.
12. OTHER ENVIRONMENT INFORMATION: Rolling terrain, sandstone & redbeds; good drainage thru interspersed sand-drifts with some desert grass, greasewood, thistle and cacti.
13. Company representative: Eddie Mahfood or Leon Bergstrom - 207 So. 4th St., Artesia, New Mexico - 746-3558.



BASIN WELL QUADRANGLE
NEW MEXICO
7.5 MINUTE SERIES (TOPOGRAPHIC)

600 000 FEET

104°00'

33°00'

HAGERMAN 22 M R 29 E (KING CAMP)

230°

Dalport, Quim Rd
Dalport
Tadbury Rd

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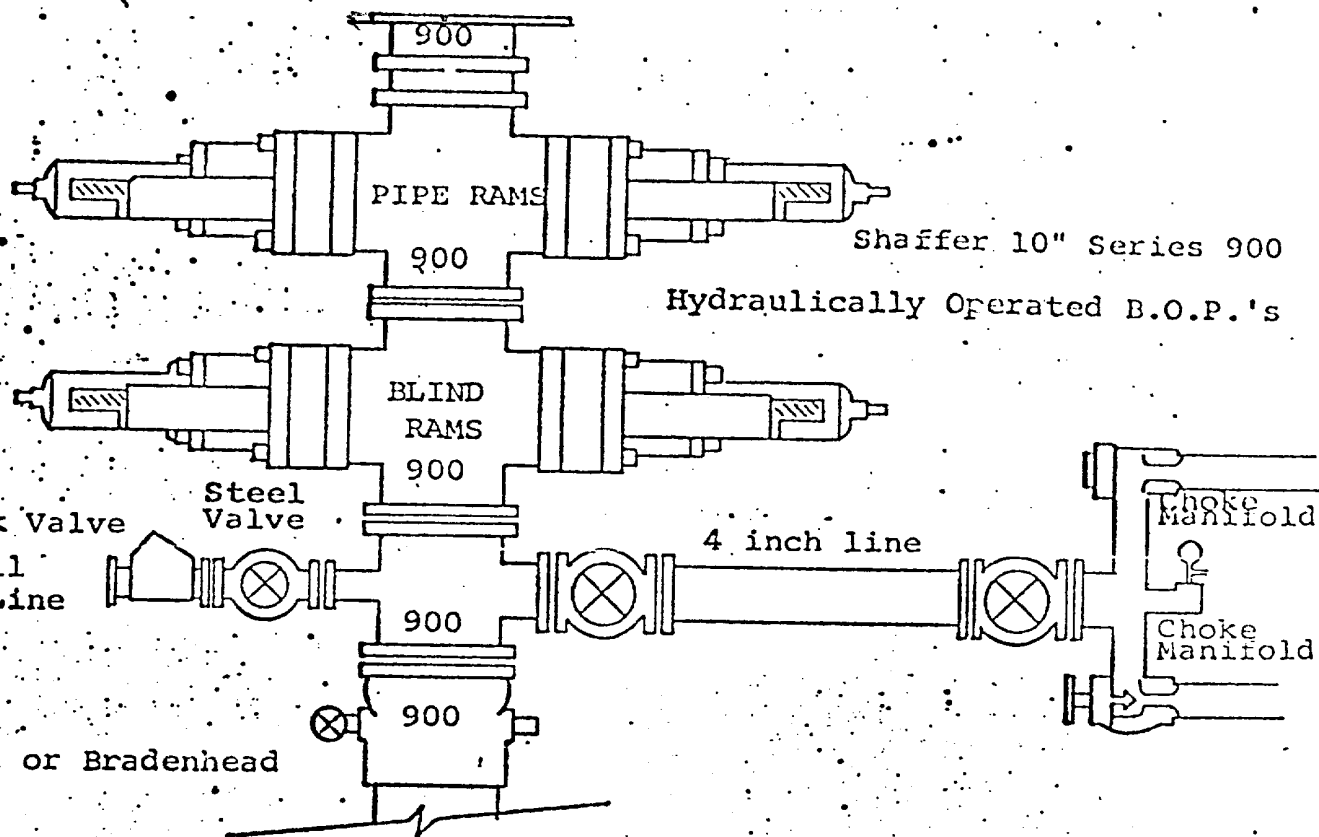
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DIAGRAMMATA SKETCH OF 3000 PSI BOP ASSEMBLY



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.