

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005-60967

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, New Mexico 88210

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

At surface

1980' FSL & 1980' FWL

At proposed prod. zone

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

Approximately 15 miles East of Hagerman, New Mexico

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

160

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

9300'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

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

3633'

22. APPROX. DATE WORK WILL START*

ASAP after approval

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|----------------------------------|---------------|--------------------|
| 17½" | 13 3/8" | 48# J-55 | approx. 400' | 450 sx - circulate |
| 12½" | 8 5/8" | 24# J-55 | approx. 2000' | 500 sx - circulate |
| 7 7/8" | 5½" or 4½" | 15.5-17# K-55 or 10.5 - 11.6# | TD | 150 sx |

Propose to drill and test the Mississippian and intermediate horizons. Approx. 400' of surface casing will be run and cement circulated to shut off gravel and caving. Intermediate casing will be set and cemented to the surface. If commercial pay is encountered, we will run 5½" or 4½" casing and cement with 600' of cover, perforate and stimulate as needed.

MUD PROGRAM: FW gel & LCM to 2100', fresh water to 4500', KCL water to 6800', starch-driskak KCL to 8200', flosal-driskak-KCL mud to TD, MW 8.9-9.0, Vis 34-39, WL 10-7.

BOP PROGRAM: BOP's and hydril on the 8 5/8" casing and tested, pipe rams daily, blind rams on trips, Yellow Jacket prior to drilling Wolfcamp.

GAS NOT DEDICATED.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on depth of 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

Glenn R. [Signature]

TITLE

Geographer

DATE

April 20, 1981

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

MAY 14 1981

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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.

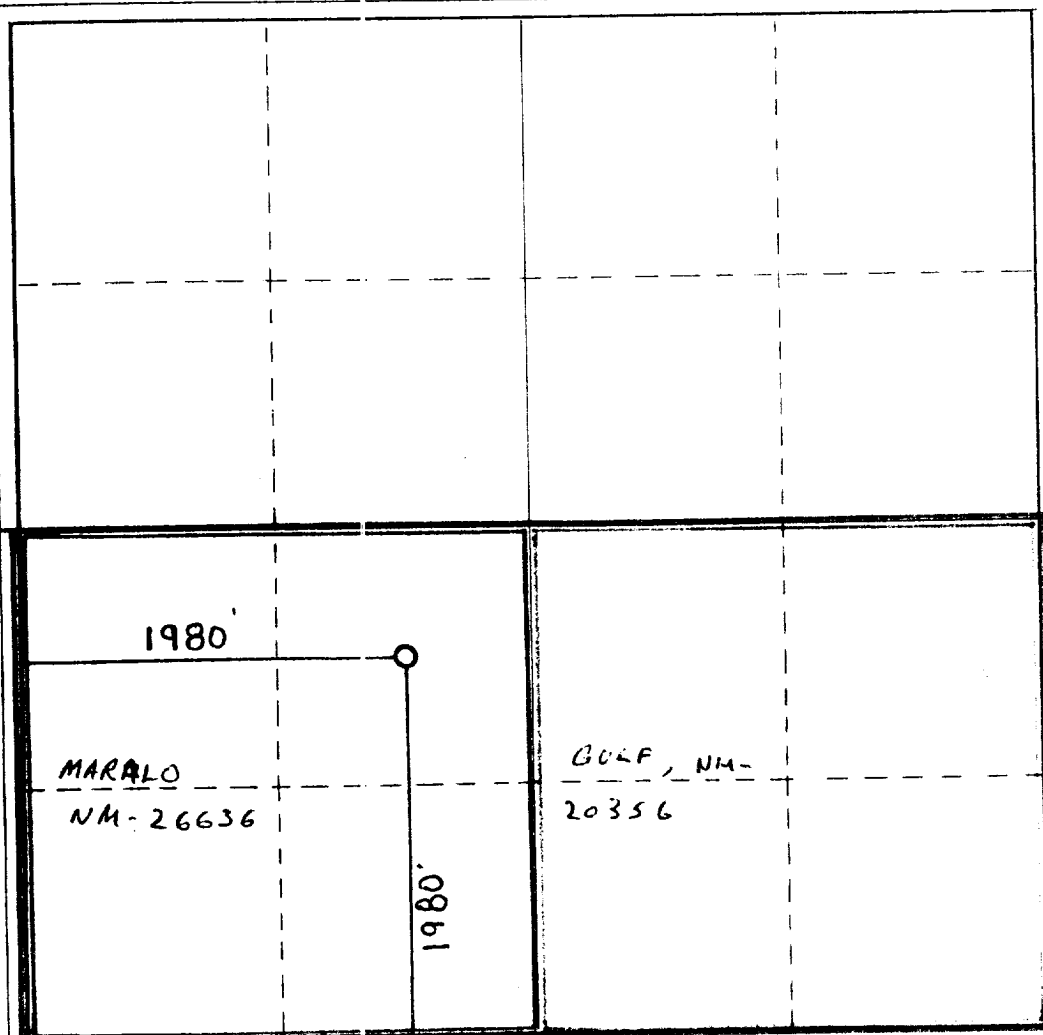
| | | | | | |
|--|--|-----------------------------|--|-------------------------|--|
| Operator Yates Petroleum Corporation | | | Lease Buffalo Valley "QL" Federal Com. | | Well No. 1 |
| Unit Letter K | Section 3 | Township 15 South | Range 28 East | County Chaves | |
| Actual Footage Location of Well: 1980 feet from the South line and 1980 feet from the West line | | | | | |
| Ground Level Elev. 3633' | Producing Formation Mississippian (Ches) | | Pool Wildcat P 153 Unders. Buffalo Valley | | Dedicated Acreage: 320 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 COMMUNITIZATION

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.

Alfredo Rodriguez
Name

ALFREDO RODRIGUEZ

Position

GEOGRAPHER

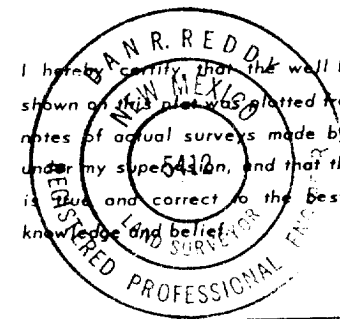
Company

YATES PETROLEUM CORP.

Date

4-20-81

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.



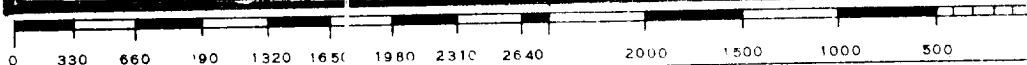
Date Surveyed

March 16, 1981

Registered Professional Engineer and/or Land Surveyor

Alan R. Reddy
Certificate No.

NM PE&LS #5412



Yates Petroleum Corporation
Buffalo Valley "QL" Federal #1
1980' FSL and 1980' FWL
Section 3 - T15S - R28E
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 estimate tops of geologic markers are as follows:

| | | | |
|---------------|-------|--------------|-----------|
| Yates | 504' | Lower Canyon | 7935' |
| San Andres | 1960' | Strawn | 8355' GAS |
| Glorieta | 3330' | Atoka | 8793' GAS |
| Abo | 5450' | Chester | 9115' GAS |
| Wolfcamp Lime | 6560' | TD | 9300' |
| Cisco | 7460' | | |

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

Water: Approximately 200'

Gas: 8365'
8800'
9150'

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:

DST's: As Warranted

Logging: 5800 - TD

CNI-FDC TD to casing with GR-CNL on to surface and
DLL from TD to casing with selected min. R_x 0.

Coring: None

9. No abnormal pressures or temperatures are indicated.

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Buffalo Valley "QL" Fed. #1
1980' FSL & 1980' FWL
Section 3 15s-28e
(Exploratory 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 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 USGS topographic map showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 15 miles east of Hagerman, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed east from Hagerman for 11 miles
2. Turn south at Maralo pipeline road and go to the first cattleguard approximately 2.2 miles. Turn west immediately after crossing cattleguard.
3. Go west for one mile on the ranch road.
4. New access road will start here going in a northwesterly direction for .5 of a mile to the location. Road will enter the pad from the south east corner.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 2300 feet in length from point of origin to the 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), except at the point of origin, adjacent to the existing road, at which point enough additional width will be provided to allow the trucks and equipment to turn.
- C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on both sides. One turnout will be necessary.
- D. The new road has been flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS.

- 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. Any caliche required for construction of the drilling pad and the new access road will be obtained from the nearest existing state pit in the NW $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 21S-28E.

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 or prevented from 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 fairly flat, minor cuts or fills should be needed in the pad area or access road.

- C. The reserve pits will be plastic lined.
- D. The pad 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 been filled.
- 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 hilly. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of prairie grass, prairie flowers, greasewood and miscellaneous desert growth. Wildlife in the area includes those typical of semi-arid desert land. The area is used for cattle grazing.
- C. There are no ponds, lakes, or rivers in the area.
- D. There are no inhabited dwellings in the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on federal surface and minerals.
- 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 are:

Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

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

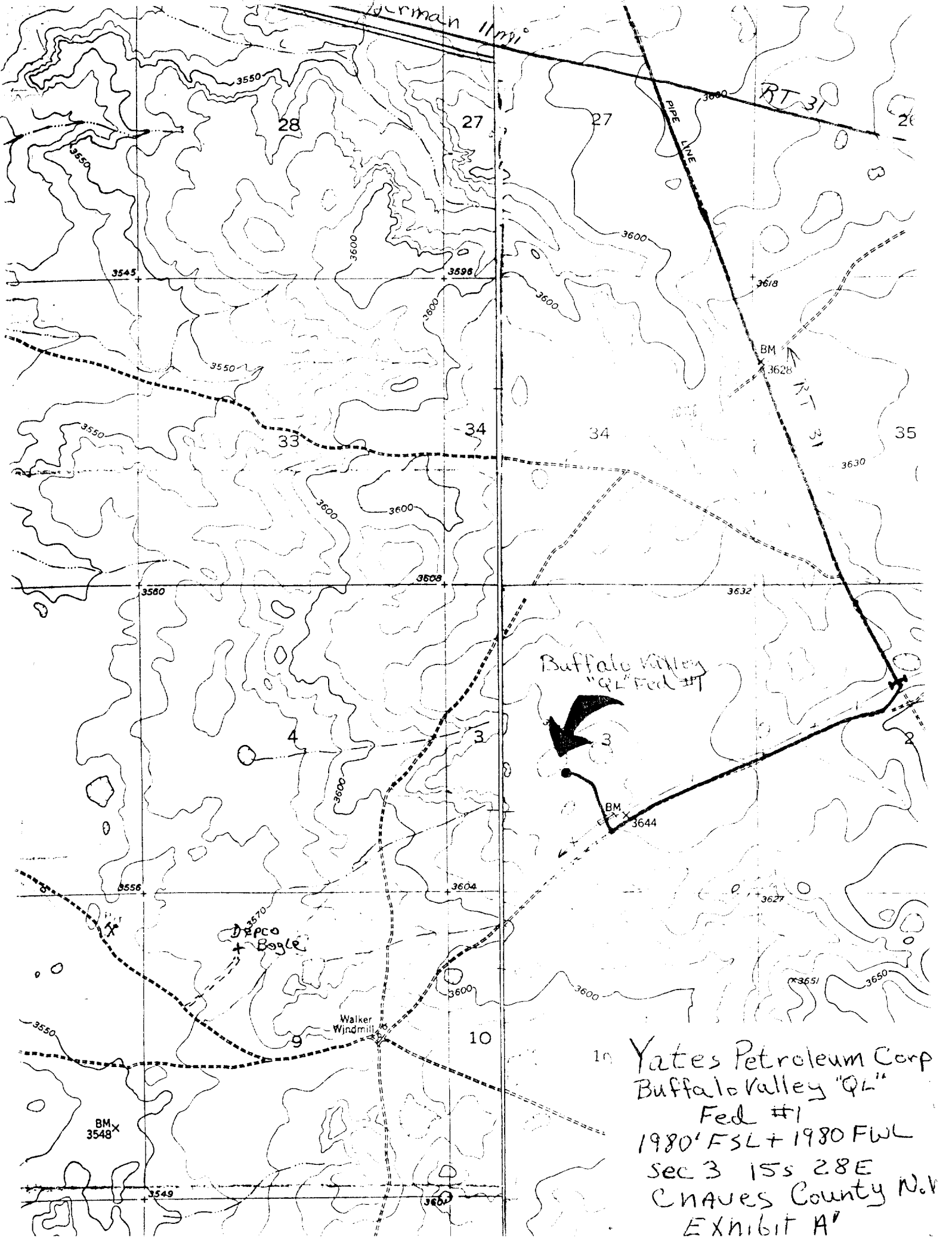
proposed herein will be performed by Yates Petroleum Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4-22-81

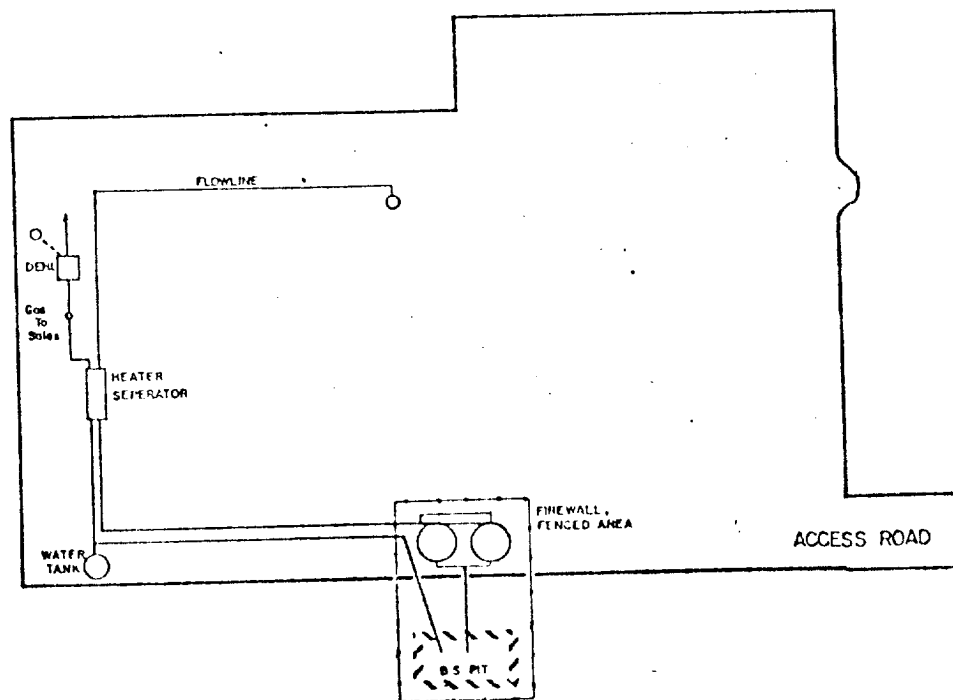
Date

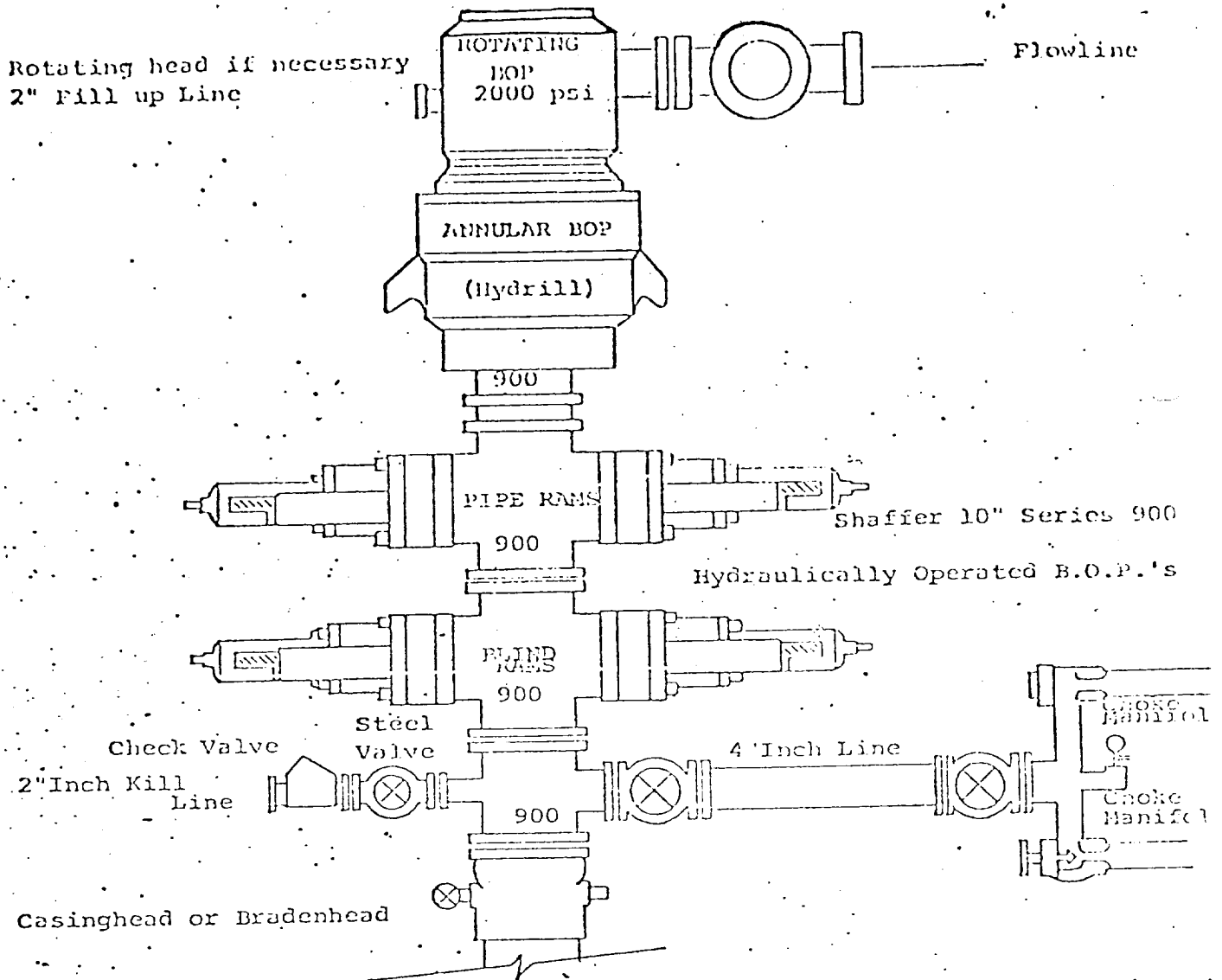
Gliserio Rodriguez
Gliserio Rodriguez, Geographer

Yates Petroleum Corp
Buffalo Valley "QL" Fed #1
1980' FSL + 1980' FWL
Sec 3 15S 28E
Chaves County
N.M.
Exhibit A



10 Yates Petroleum Corp
Buffalo Valley "QL"
Fed #1
1980' FSL + 1980 FWL
Sec 3 15s 28E
CHAVES County N.M.
EXHIBIT A'





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control 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.