



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

Abo Petroleum Corporation ✓

DEC 14 '90

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, NM 88210

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

At surface

2310' FSL and 330' FEL

At proposed prod. zone

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

17 miles north of Loco Hills, New Mexico

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

19. PROPOSED DEPTH

2,000'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

20. ROTARY OR CABLE TOOLS

Cable Tool

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

3852' GR

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24#	300'	200 sacks - circulated
8"	4 1/2"	9.5#	TD	As warranted

Post ID-1
12-21-90
New Loc + API

We propose to drill and test the Queen and intermediate formations. Approximately 300' of surface casing will be set at least 50' below the top of the Rustler Anhydrite, and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: That used in cable tool drilling.

NOTE: This APD is also a BLM road right-of-way application requesting that existing ROW NM-84346 be amended to include the road to this well.

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

Clifton R. May

TITLE

Permit Agent

DATE

11-15-90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Levi Deike, Acting

TITLE

Area Manager

DATE

DEC 10 1990

CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION
OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION
OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT
IN ADVANCE

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR
CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE
TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD
ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.
*See Instructions On Reverse Side
U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the
United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

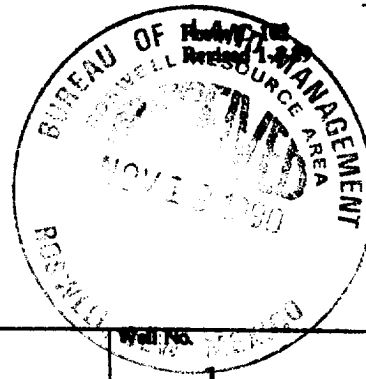
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Azusa, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section



Operator ABO PETROLEUM CORPORATION			Lease MARK FEDERAL		Well No. 1
Unit Letter I	Section 9	Township 15 South	Range 29 East	County NMPM	Chaves
Actual Footage Location of Well: 2310 feet from the South line and 330 feet from the East line					
Ground level Elev. 3852.0	Producing Formation QUEEN		Pool Lucky Lake Queen	Dedicated Acreage: 40 Acres	

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

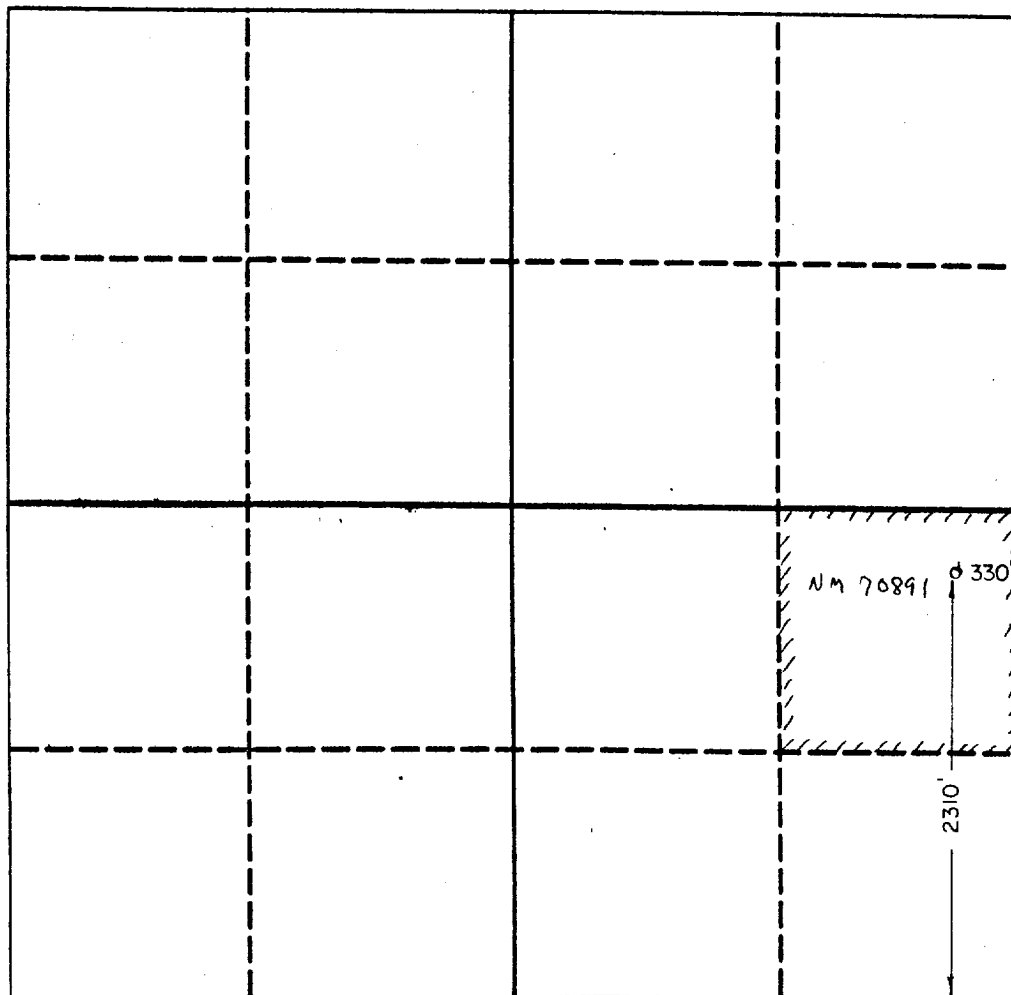
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Clifton R. May

Printed Name

Clifton R. May

Position

Permit Agent

Company

Yates Petroleum Corp.

Date

11-15-90

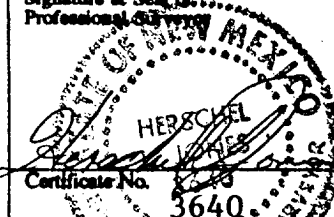
SURVEYOR CERTIFICATION

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

11/08/90

Signature & Seal of Professional Surveyor



ABO PETROLEUM CORPORATION

Mark Federal #1
2310'FSL & 330'FEL
Section 9-T15S-R29E
Chaves County, New Mexico



In conjunction with Form 3160-3, 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 geological surface formation is Quaternary Alluvium.
2. The estimated tops of geologic markers are as follows:

Salt	303'
Yates	1,066'
7-Rivers	1,603'
Queen	1,800'
TD	2,000'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	300'+
Oil or Gas:	Possible in Queen 1800'
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: *Cable Tool Control Valve.*
~~See Form 3160-3 and Exhibit B.~~
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: That used with a cable tool operation.

8. Testing, Logging and Coring Program:

Samples: Surface casing to TD.

DST's: As warranted.

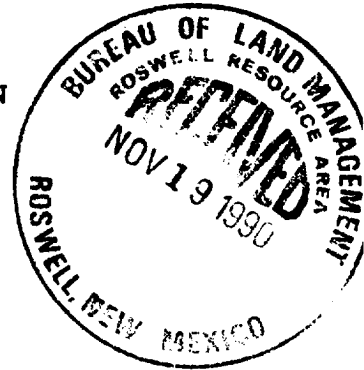
Coring: None anticipated.

Logging: CNL/FDC from TD to casing with GR-CNL on to surface;
DLL from TD to casing.

9. No abnormal pressures or temperatures are anticipated.

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Abo Petroleum Corporation
Mark Federal #1
2310'FSL and 330'FEL
Section 9-T15S-R29E
Chaves County, New Mexico



This plan is submitted with Form 3160-3, 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 BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 17 miles north of Loco Hills, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Travel east from Hagerman, NM on NM Hwy 31 for 23.5 miles to the paved Chaves County Road No. 22 (Hagerman cut-off road). Turn south on Road 22 for 1.9 miles then right (west) onto gravel oilfield road for 2.2 miles. Turn right for .2 mile and then left for .2 mile. Turn right down pipeline for .3 mile. The new access will start here and go northwest to the southeast corner of the road.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 750' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a northwest direction.
- B. The new road will be 12 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides. No traffic turnout will be built.
- D. The route of the road is visible.
- E. The surface will be caliched.
- F. Culverts will be placed where needed.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed 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.
- C. Will want to run flowline beside of road to #1 well.

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:

Caliche for surfacing the proposed access road and wellsite pad will be obtained as needed from an approved Federal pit in the SE/SE of Section 13-T15S-R29E.

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.
- D. Oil produced during operations 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 of 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 wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit B shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. A cross section of drill pad with approximate cuts, fills and pad orientation is shown on Exhibit C.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.
- D. Surface will be topped with caliche.
- E. Topsoil (5") will be used to build a berm along the south edge around the southwest corner to divert runoff from the pad.

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 dried and been levelled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. SURFACE OWNERSHIP: The proposed wellsite and access road is on Federal surface and minerals.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.
- C. Waterways: None
- D. There are no inhabited dwellings in the vicinity of the proposed wellsite.
- E. Flora and Fawna: Refer to the archaeological report.

13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:

Clifton R. May, Permit Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

B. Through Drilling Operations,
Completions and Production:


Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

11-16-90

Date



Clifton R. May
Permit Agent

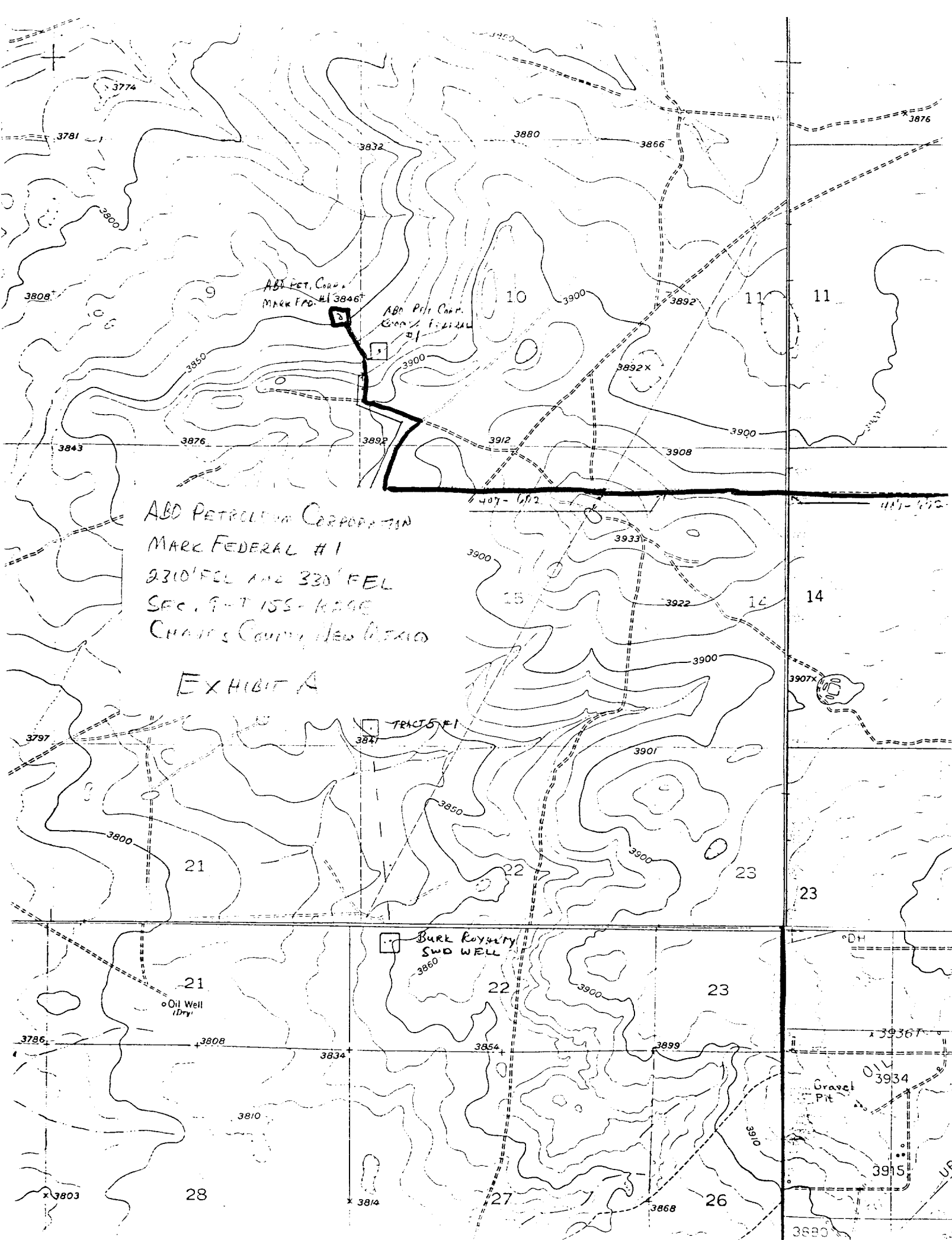
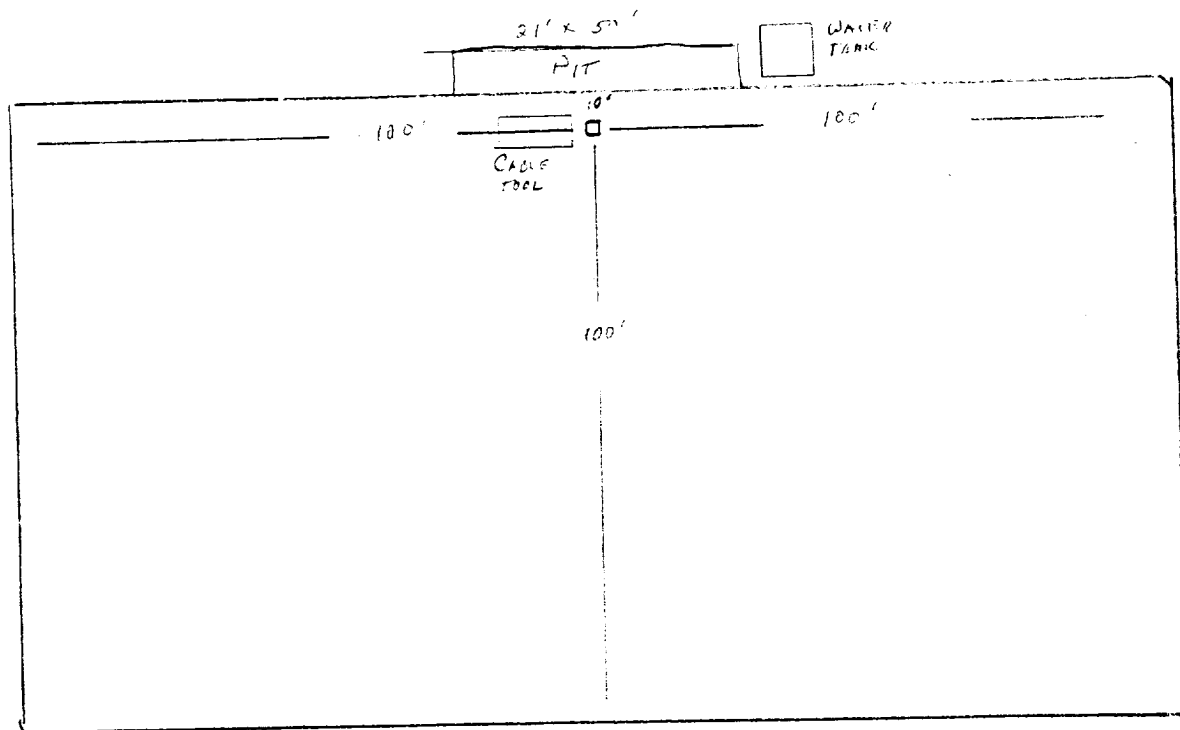


EXHIBIT B



TOP SOIL

DRAINAGE

ABO PETROLEUM CORPORATION
MARK FEDERAL #1
2310/S & 330/E
Sec.9, T.15 S., R.29 E.,
N.M.P.M., Chaves County,
New Mexico.

JOB No.

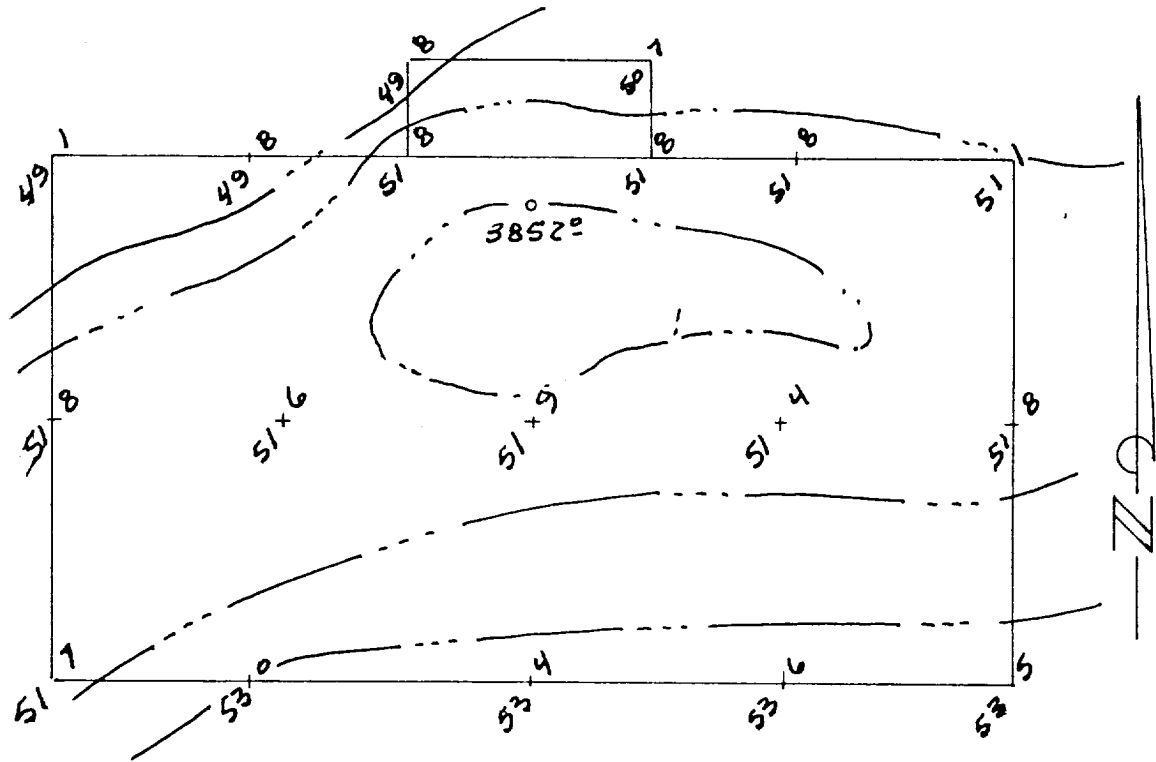


EXHIBIT C



P.O. BOX 1209 MIDLAND TX 79703
 TELEPHONE (915) 682-1403
 1-800-641-4740
 FAX (915) 682-1403