

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

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 *Re Entry* SINGLE ZONE ☐ MULTIPLE ZONE ☐

2. NAME OF OPERATOR  
Harvey E. Yates Company, Inc.

3. ADDRESS OF OPERATOR  
Suite 1000 Security National Bank Bldg. *Reswell NM 388201*

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface 660 FSL & 660 FEL  
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
11 Miles East of Artesia

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
660'

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
1700'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3536' DF

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH
Existing Casing:			
	13 3/8"		396'
	8 5/8"		1849'
Proposed Casing:			

7 7/8" 5 1/2" 17# 10,300' Sufficient to cover producing intervals

OR

7 7/8" 4 1/2" 11.6# 10,300' Sufficient to cover producing intervals

FORMERLY THE TENNECO #1 HONDO FEDERAL: (1) We propose, with reverse unit, to re-enter well, drill to plug at 860', braden head squeeze perfs 798' - 835', drill and clean out to plug 1529', braden head squeeze perfs 1195' - 1203' and 1270' - 1310' pressure test 8 5/8" casing. (2) Move in drilling rig, continue to drill plugs and clean out to 7804' KB and drill new hole to approximately 10,300' KB to test morrow formation.

This agreage is not dedicated to a gas purchaser.

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 \_\_\_\_\_ TITLE Vice President DATE March 10, 1977

(This space for Federal or State office use)

PERMIT NO. 0017 APPROVAL DATE JUL 18 1977

APPROVED BY [Signature] EXPIRES 3 MONTHS

CONDITIONS OF APPROVAL, IF ANY: THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS

\*See Instructions On Reverse Side

WATER BASIN

CASING MUST BE CIRCULATED

WITNESSED BY [Signature] CASING

copy to SF

Form approved

Budget Bureau No. 42 R1425

5. LEASE DESIGNATION AND SERIAL NO.

NM-0559532

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Gates Federal Deep

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

Wildcat *McMorrow*

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

Sec. 6, T-17S, R-28E

12. COUNTY OR PARISH

Eddy

13. STATE

N. M.

17. NO. OF ACRES ASSIGNED TO THIS WELL

325.91

20. ROTARY OR CABLE TOOLS

Reverse Unit, Rotary

22. APPROX. DATE WORK WILL START\*

May 1

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APR 05 1977

U.S. GEOLOGICAL SURVEY  
800 Sx ARTESIA, NEW MEXICO

## Instructions

**General:** This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

**Item 1:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

**Item 4:** If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

**Item 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plat, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

**Items 15 and 18:** If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

**Item 22:** Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

★ U.S. GOVERNMENT PRINTING OFFICE : 1963-O-711-396

Mud Program: Fresh water system from the surface to approximately 8200'. From 8200' - 9300' cut brine system with 2% KCL. From 9300' - TD (10,300) mud up with 6-10cc water loss control, mud weight 9. - 9.2# per gal, 34 - 36 viscosity 5% KCL

NEW MEXICO DEPARTMENT OF LAND AND WATER RESOURCES  
WELL LOCATION AND ACREAGE DEDICATION PLAT  
FORMERLY THE TENNECO #1HONDO FEDERAL

All distances must be from the center of the Section.

Harvey E. Yates Company, Inc.			Gates Federal Deep			1
P	6	17-S	28-E	Eddy		
660 feet from the South 660 feet from the East 3536 and 1/2 acre, Morrow Wildcat 325.91						

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 (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.

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U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO


CERTIFICATION

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

Name

Position

Vice President

Harvey E. Yates Company, Inc.

March 10, 1977

I hereby certify that the well location shown on this plat was plotted from the 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.

Please refer to original survey

Surveyor

Surveyor's License No. \_\_\_\_\_  
and State of Survey \_\_\_\_\_

Signature

## APPLICATION FOR DRILLING

Harvey E. Yates Company, Inc.  
Gates Federal Deep #1  
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 6, Township 17 South, Range 28 East, Eddy County, New Mexico, Harvey E. Yates Company, Inc. submits the following ten items of pertinent information in accordance with U.S.G.S. requirements:

1. The geologic surface formation is permian salado and other surficial deposits.

2. The estimated new tops of geologic markers are as follows:

Canyon	8298'
Strawn	8659'
Atoka	9132'
Morrow	9388'
Chester	9724'
Lower Miss. Ls.	9854'
Total Depth	10,300

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

Water - Do not anticipate finding water  
Gas - Atoka - 9132' - 9232' and Morrow - 9388' - 9488'

4. Proposed casing program: See Form 9-331C
5. Pressure control equipment: See Form 9-331C and Exhibit E
6. Mud program: See Form 9-331C
7. Auxiliary equipment: Blowout preventer
8. Testing, coring and logging programs: CNL Density, Dual Laterolog and possible Dipmeter. Possible DST in Cisco, Atoka and Morrow formations. No coring is planned.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval, about May 1, 1977.

1944-1945

1946-1947

1948-1949

SURFACE USE PLAN

HARVEY E. YATES COMPANY, INC.  
Gates Federal Deep #1 - 660' FSL & 660' FEL  
Sec. 6, T-17S, R-28E, Eddy County, New Mexico

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ARTESIA, NEW MEXICO

1. EXISTING ROADS:

- A. Please refer to Exhibit A. Travel east from Artesia approximately 8 miles on Highway 82. At this point there will be a road heading north northeast off Highway 82. Turn on this road and continue until you come to a Y. At the Y travel due north (you will pass an REA Transformer Bank of the west side of this road) for approximately 2.6 miles. At this point, you will arrive at an intersection with one of the roads branching off to the northeast. Travel on this road until you come to another intersection (about 1 mile) where the road runs northwest to southeast. Turn southeast and travel for approximately 1/2 mile. A road will intersect to the northeast, turn on this road and continue for approximately 1/2 mile. You are now within 300' of our proposed location.
- B. Approximately 1 mile of the above described road (beginning at the proposed location and traveling backwards) will have to be improved. This section of road will be widened to 12' and improved with 4" of compacted caliche. The proposed improvement of this road is color coded green.

2. PLANNED ACCESS ROADS:

- A. There are no plans for any new access roads.

3. LOCATION OF EXISTING WELLS:

- A. There are no producing wells in this section but several dry holes. The dry holes are located in the SW/SW, NE/SE, SW/NE and of course the one we anticipate deepening, the dry hole known as Tenneco #1 Hondo Federal. Please see Exhibit B for color coded brown dry holes excepting subject well.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES:

- A. Please refer to Exhibit E on which production facilities are shown. We anticipate finding gas and will not require power lines to this location and in the event that we drill a producing well, all of the production facilities will be located on the pad that will be built.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water will be obtained from commercial sources.

6. SOURCE OF CONSTRUCTION MATERIAL:

- A. There is an existing caliche pit located in SE/SE of Sec. 35, T-17S, R-27E, a distance of approximately seven (7) miles from our proposed location. We would like to open a new pit located in NW/NE of Sec. 5, T-17S, R-28E which is a distance of approximately two (2) miles from our proposed location.

- B. Please contact Mr. Bill Sweatt with Sweatt Construction Company prior to the archaeological inspection so that he may accompany the inspector to the location of the proposed new caliche pit.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Waste will be buried in reserve pits at a depth of 24". The well site will be cleaned of all waste and this will be done within 30 days after completion of this well.

8. ANCILLARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, reserve pits and major rig components.
- B. The terrain is slightly hilly with various grasses on the surface.

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. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite as pleasant in appearance as possible.
- B. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the United State Geological Survey will be complied with and will be accomplished as quickly as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. The surface is Federal surface.
- B. The topography consists of slightly rolling hills with various grasses. No wildlife was observed, but the inhabitants of this region are jackrabbits, reptiles, coyotes, etc.
- C. There are no ponds, lakes, streams or rivers in this area.
- D. There are no occupied dwellings or windmills in the area of the proposed wellsite.
- E. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVES:

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

Drilling:

Jim O'Briant  
O'Briant Engineering Company  
316 Building of the Southwest  
Midland, Texas 79701  
Office Phone: 915-683-3172  
Mobile Phone: 915-683-4044  
Home Phone: 915-694-8907

Fred G. Yates  
Harvey E. Yates Company, Inc.  
Suite 1000 Security National Bank Building  
Roswell, New Mexico 88201  
Office Phone: 505-623-6601  
Mobile Phone: 505-623-0989 - Unit 4109  
Home Phone: 505-622-5387

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 Harvey E. Yates Company, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

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Date

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Name and Title



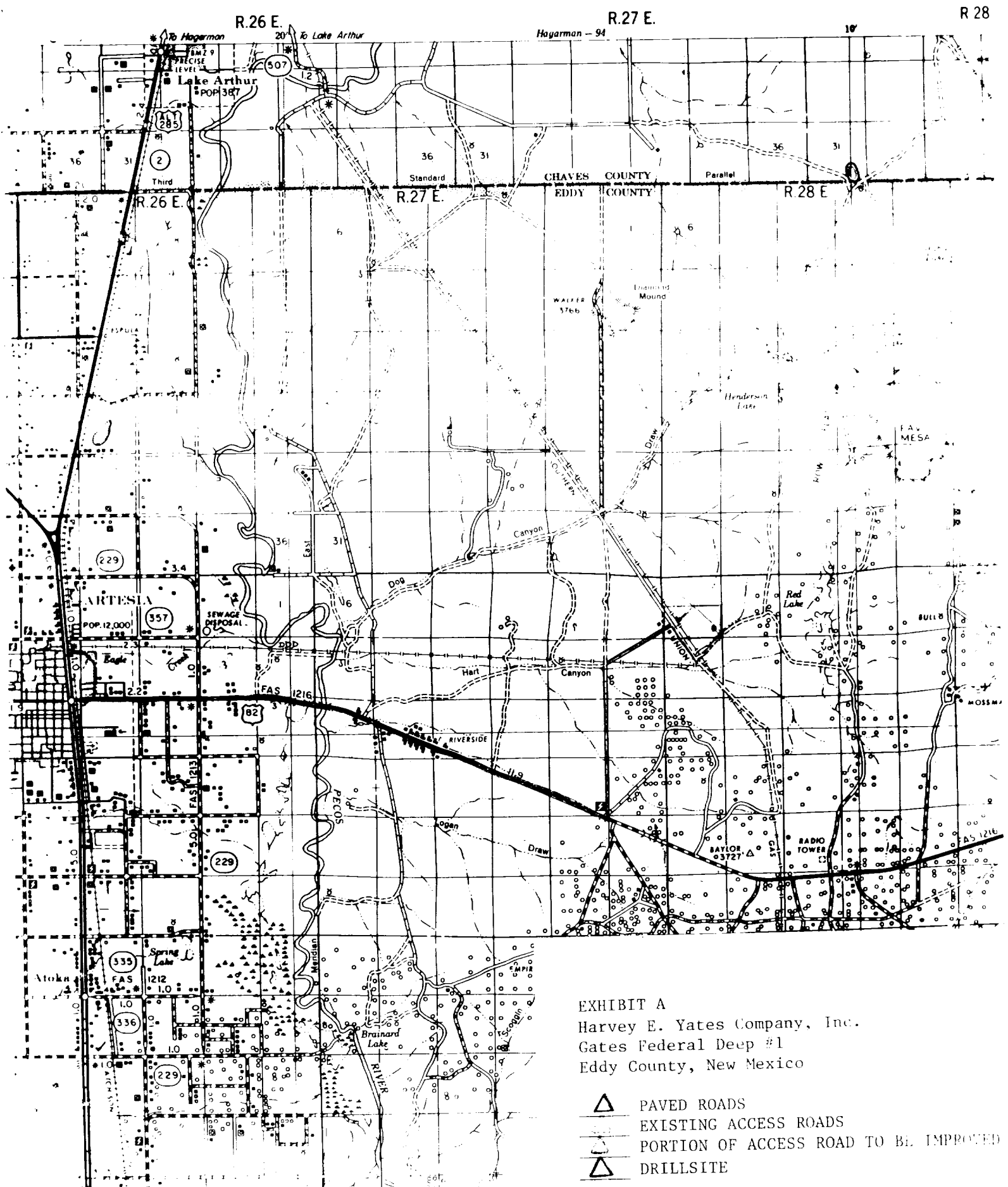
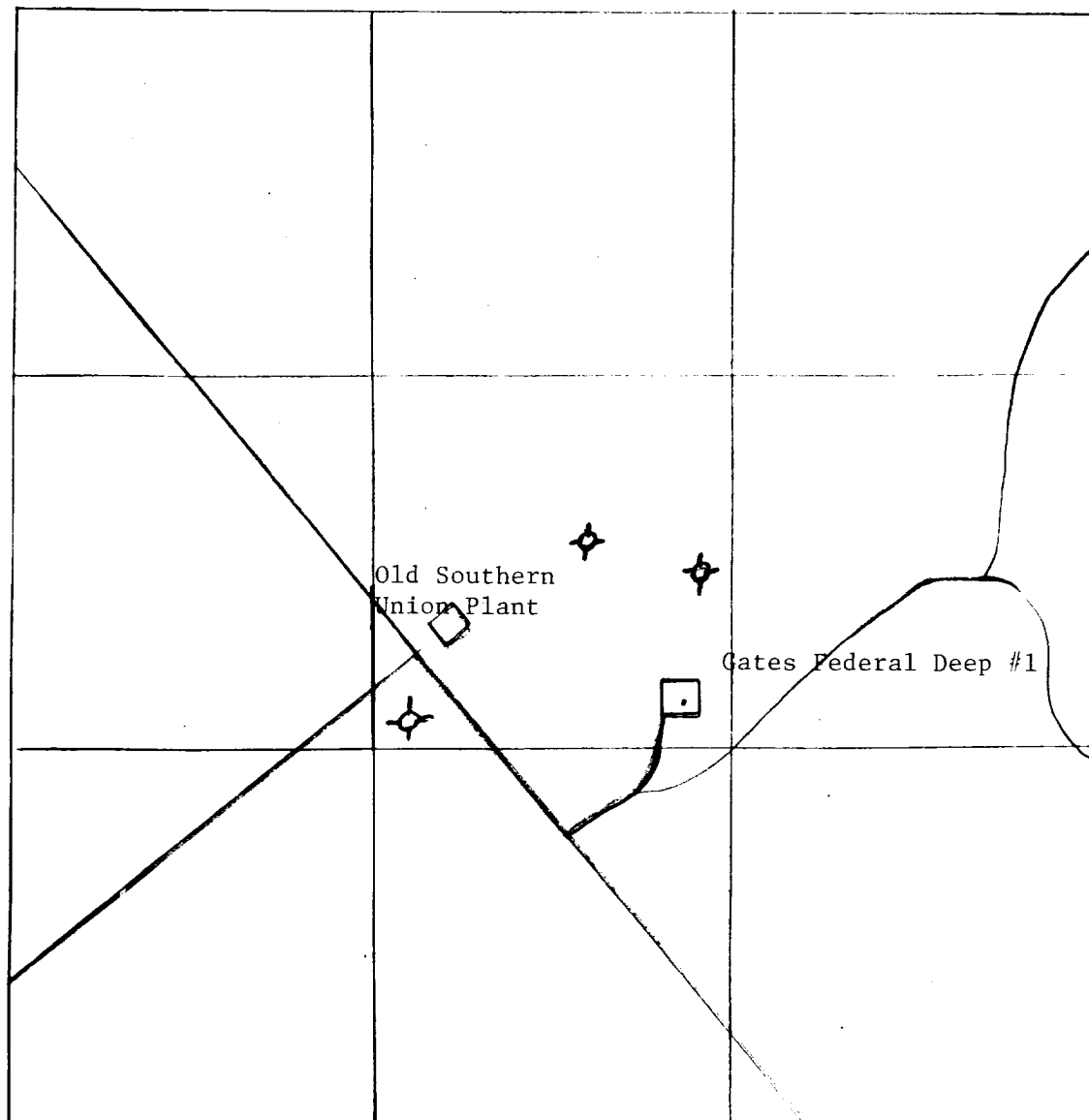


EXHIBIT B  
Harvey E. Yates Company, Inc.  
Gates Federal Deep #1  
Eddy County, New Mexico







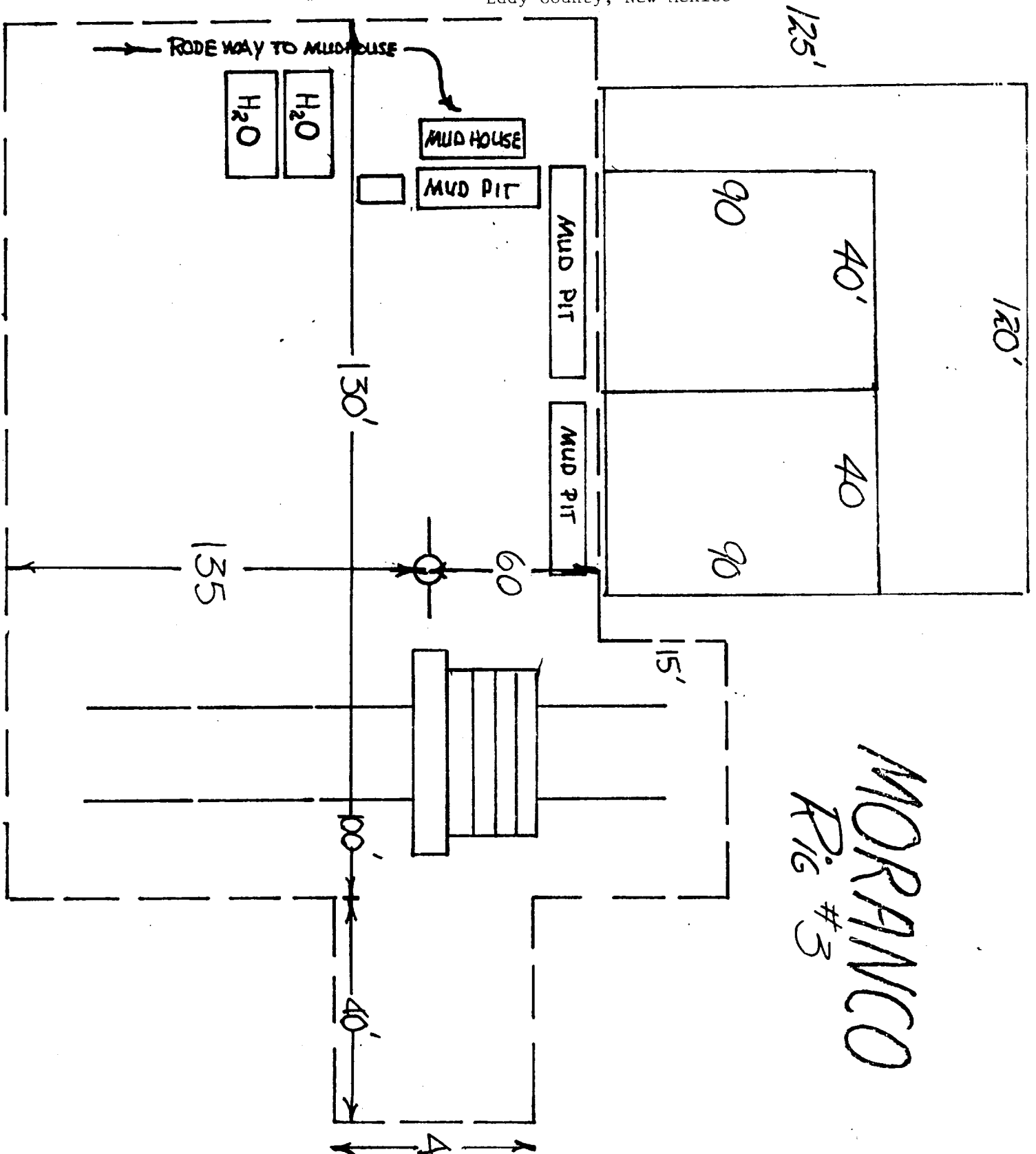
-  EXISTING ACCESS ROADS
-  PORTION OF ROAD TO BE IMPROVED
-  PROPOSED DRILLSITE
-  DRY HOLES

EXHIBIT C  
HARVEY E. YATES COMPANY, INC.  
Gates Federal Deep #1  
Eddy County, New Mexico



MORANCO  
Rig #3

# CHOKE MANIFOLD

## MORANCO #3

### 1500 SERIES

EXHIBIT D  
Harvey E. Yates Co., Inc.  
Gates Federal Deep #1  
Eddy County, New Mexico

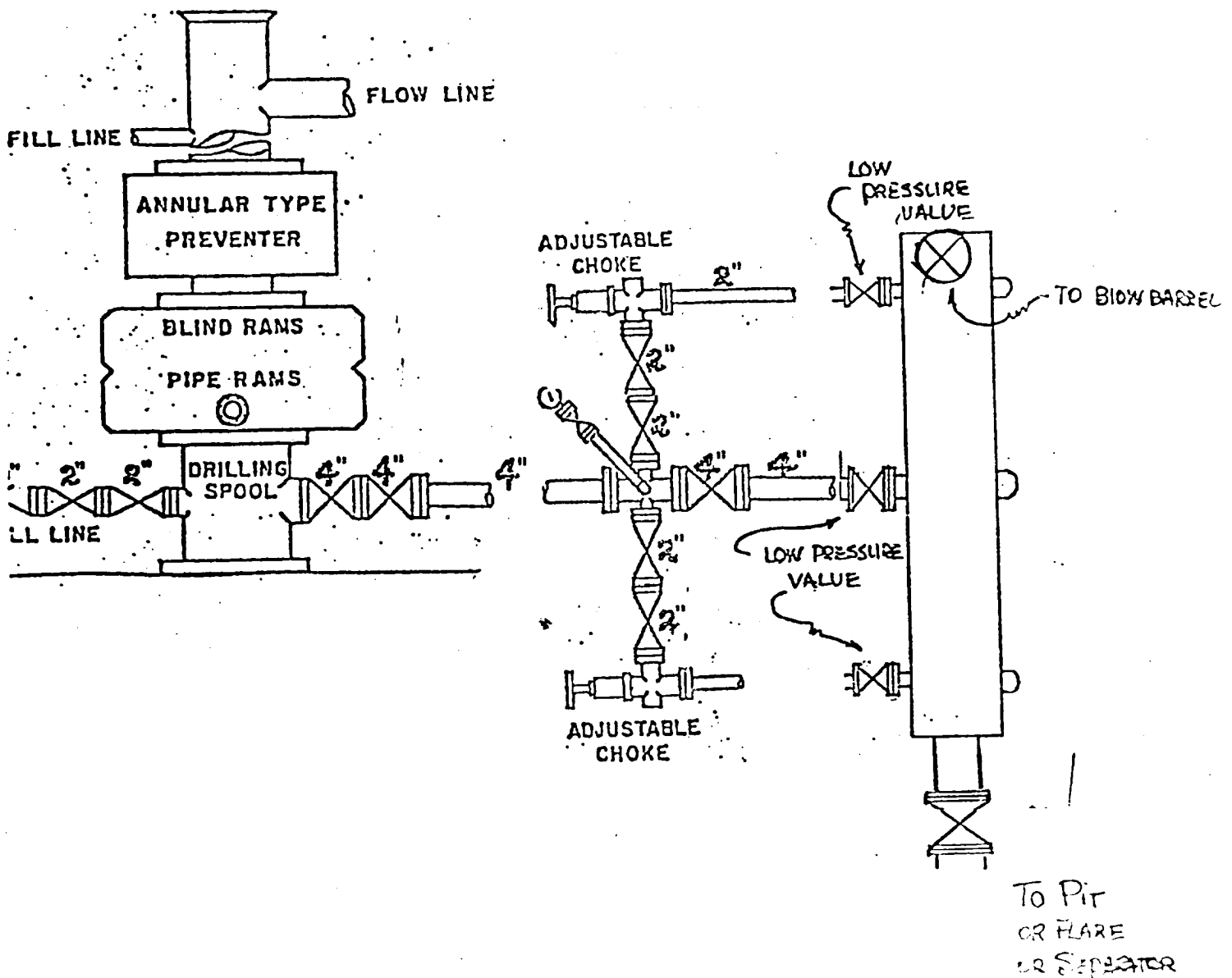


EXHIBIT E

