N. M. O. C. C. COPY

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-21156

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 207 So. 4th St., Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2310' FWL and 1650' FSL of Sec. 21-17S-25E
At proposed prod. zone:

5. LEASE DESIGNATION AND SERIAL NO.: NMO219603

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Federal "BZ"

9. WELL NO.: 11

10. FIELD AND POOL, OR WILDCAT: Eagle Creek, S.A.

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 21-17S-25E

12. COUNTY OR PARISH: Eddy

13. STATE: N.M.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approx. 6 miles west of Artesia, New Mexico

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

16. NO. OF ACRES IN LEASE:

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.:

19. PROPOSED DEPTH: Approx. 1500

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3569 GR

22. APPROX. DATE WORK WILL START*: as soon as approved

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	32#	200'	Circulate
9 7/8	7"	23#	1050'	Circulate
6 1/4	4½ tapered 5¼	9.5, 15.5#	1500'	Circulate

It is our intention to drill a 14 3/4" hole to approximately 200' set 10 3/4" casing, if necessary, and circulate, then drill 9 7/8" hole to 100' below Artesian Zone and set 7" surface casing and circulate, reduce hole to 6¼", drill to total depth of 1500', run a tapered string of production casing to TD and cement, perforate and Sand Frac for Slaughter production.

Mud Program: Fresh water gel and LCM to 1050' (or dry drill), water from casing point to TD.

BOP Program: BOP's will be installed on 7" casing and tested daily.

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O. C. C.
ARTESIA, OFFICE

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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. Mahaffey TITLE Engineer DATE 3-26-74

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE DECLARED WATER BASIN

APPROVED
APR 3 1974
R. L. BEEKMAN
ACTING DISTRICT ENGINEER

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

CEMENT BEHIND THE 7" CASING MUST BE CIRCULATED

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.

EXPIRES JUL 3 - 1974

NOTIFY USGS IN SUFFICIENT TIME TO WITNESS CEMENTING THE 7" CASING.

*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	Lease	Well No.
Yates Petroleum Corporation	Federal "BZ"	11

Unit Letter	Section	Township	Range	County
K	21	17S	25E	Eddy

Actual Footage Location of Well:
1650 feet from the South line and 2310 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3569	San Andres	Eagle Creek S.A.	40 Acres

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

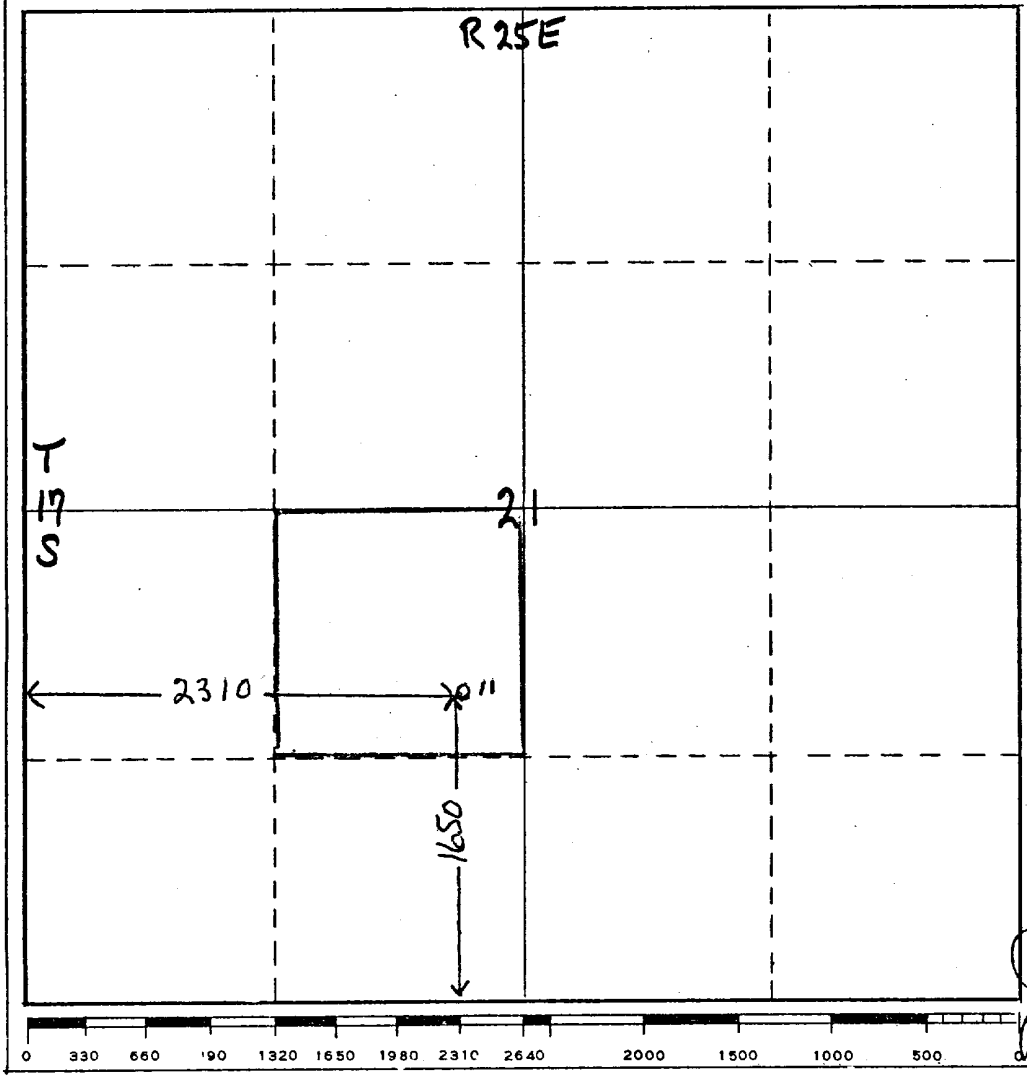
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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.

Eddie M. Mahfood

Name: Eddie M. Mahfood

Position: Engineer

Company: Yates Pet. Corporation

Date: 3-22-74

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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: March 22nd 1974

Registered Professional Engineer and/or Land Surveyor

James H. Brown

Certificate No. 542

Yates Petroleum Corporation - Federal BZ No. 11
2310 FWL 1650 FSL Section 21-T17S-R25E
Eagle Creek (S.A.) Field, Eddy County, New Mexico

Development plan for surface use to accompany, "Applications to Drill Onshore Oil, Gas, or Geothermal Steam Wells on Public Domain and acquired Federal Lands:"

1. Existing roads. See attached topo map. Roads are caliched and maintained by Company as needed.
2. Planned access roads. See attached topo map. Shortest route, west from existing road, utilizing same fence crossing as BZ #9.
3. Location of wells. See attached topo map. In-fill well in Eagle Creek (S.A.).
4. Lateral roads to wells locations. See attached topo map. No new lateral roads needed or planned - will use existing roads.
5. Location of tank batteries and flowlines. See attached topo map. Will use existing tank battery. Flowlines will be laid alongside roadways
6. Locations and types of water supply. Fresh water source well located in Unit L Section 23-17S-25E (Eagle Creek) utilized for drilling operatio trucked to drilling rig.
7. Methods for handling waste disposal. Mud and engine oil in circulating pit, trash in waste barrel for disposal in approved city dump.
8. Location of camps. N.A.
9. Location of airstrips. N.A.
10. Location layout to include position of the rig, mud tanks, reserve pits, burn pits, pipe racks, etc. See sketch below.
11. Plans for restoration of the surface. Pits to be fenced until dried and leveled. Upon abandonment, surface to be restored to near original.
12. Any other information which the Approving Official considers essential to his assessment of the impact on the environment. Rolling terrain w/prairie grass and tumbleweed, grazing rights. Development plan satisfactory to rancher. W.E. McIlhaney, Box 38, Route 1, Artesia, New Mexico. 88210

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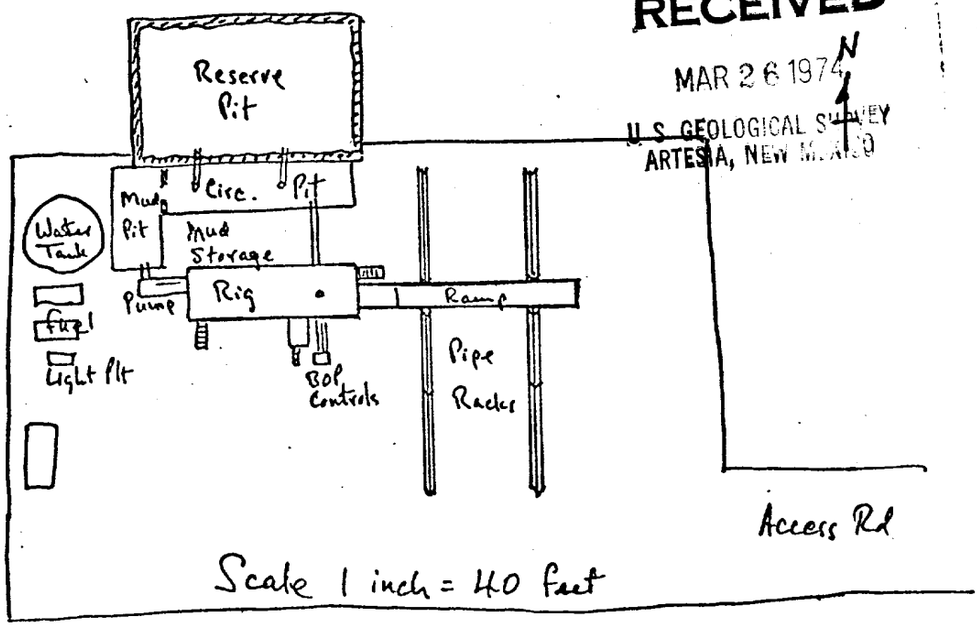
ARTESIA, NEW MEXICO



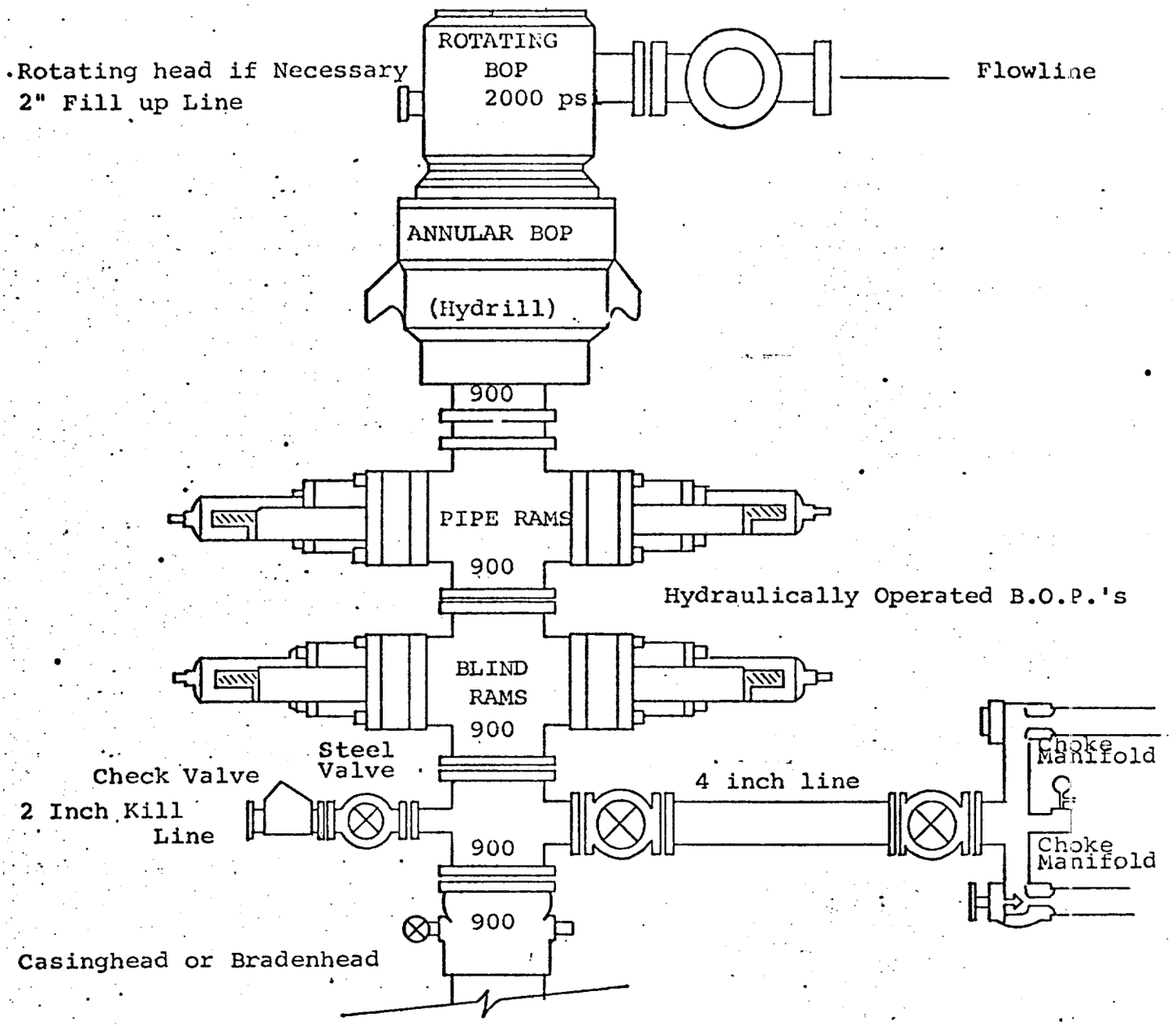
Submitted by
Yates Petroleum Corporation

by Eddie M. Mahfood
Eddie M. Mahfood, Engineer
March 26, 1974

Approved by
B.L.M., Dept. of Interior

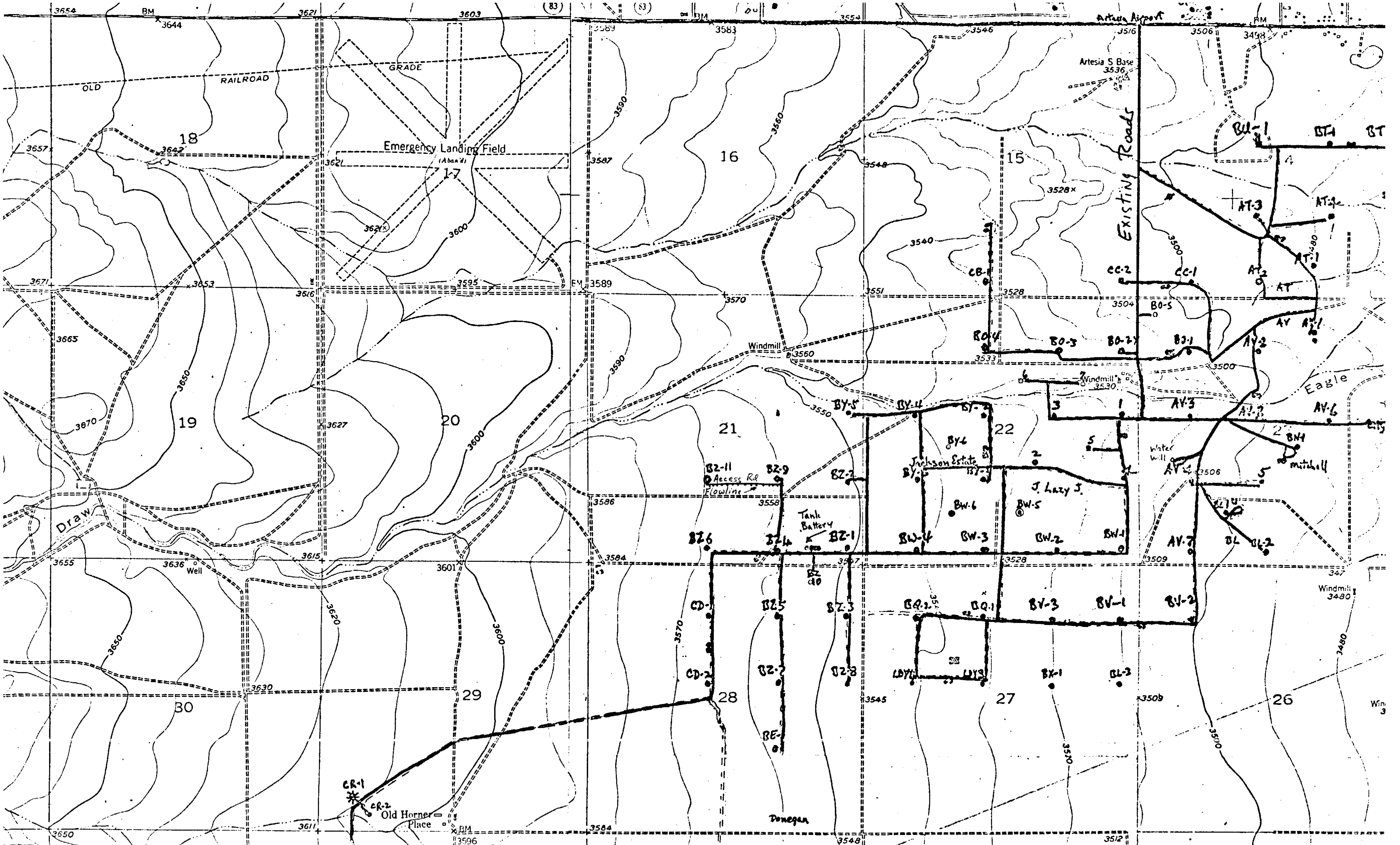
_____

DIAGRAMMATIC 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" mimimum 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. Drill pipe must be installed and used below zone of first gas intrusion.
11. Anticipated Bottom Hole Pressure is less than 400 psi.
12. No Kelly Cock or manual valves necessary.
13. BOP's Tested prior to drilling casing shoe, TD reached estimated 24 hrs.



Artesia Airport
Artesia S Base
Existing Roads
OLD RAILROAD GRADE
Emergency Landing Field (Aban'd)
Windmill
Draw
Well
Eagle
Water Well
Tank Battery
Access Rd
Flowline
Jackson Estate
J. Lazy J.
Old Horner Place
Donegan
mitchell
15
16
17
18
19
20
21
22
26
27
28
29
30
BU-1
BT-1
AT-3
AT-2
AT-1
AT
AV-1
AV-2
AV-3
AV-4
AV-6
AV-7
CC-1
CC-2
BO-2
BO-3
BO-4
BO-5
BJ-1
CB-1
BY-1
BY-4
BY-5
BY-6
BZ-1
BZ-2
BZ-3
BZ-4
BZ-5
BZ-6
BZ-7
BZ-8
BZ-9
BZ-10
BZ-11
BE-1
CD-1
CD-2
CR-1
CR-2
BW-1
BW-2
BW-3
BW-4
BW-5
BW-6
BV-1
BV-2
BV-3
BQ-1
BQ-2
BX-1
BL-2
BL-3
BL
BN-1