

ARTESIA OFFICE COPY
SUBMIT IN TRIPPLICATE
(Other Inst. reverse side)

Form approved Budget Bureau No. 42-R1425

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Permit for # 12 @ this location expired 1-24-75

30-015-21828

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.
NM 0219603

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal "BZ"

9. WELL NO.
15

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

Unit P NMPM

12. COUNTY OR PARISH 13. STATE
Eddy NM

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 Fourth Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
990' FSL & 990' FEL of Section 21-17S-25E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx. 5 miles Southwest of Artesia, NM.

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

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

19. PROPOSED DEPTH
1475'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3556' GR

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
10" D.C.C.	10-3/4"	32.75# J-SS New	Approx. 200'	125 sacks - circulate
9 1/2"	7"	20 or 23# J-SS New	Approx. 1100'	450 sacks - circulate
6 1/2"	5 1/2" & 4 1/2"	15.5 & 10.5# J-SS New	1475'	125 sacks - circulate

Propose to drill San Andres test, set approximately 200' surface casing to shut off gravel & caving, and set intermediate casing 100' below the Artesian Water Zone. A tapered 5 1/2"-4 1/2" production string will be set, all casing cemented to surface. Well will be perforated & stimulated as needed for production.

Mud Program: FW Gel & LCM to 1100'. Fresh Water to TD. (BHP approx 400 psi - 1475').

BOP Program: BOP's will be installed on the 7" casing & tested. Auxiliary Equip: Sub & full-opening valve on floor; no other needed.

Surface - Alluvium. Est. Top of San Andres - 715 GR
Shallow Water @ 200 GR, Artesian Water @ 750-1000 GR, Oil & Gas @ 1174 GR
No testing or coring; GR-N log in open-hole, Natural flow from San Andres

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 [Signature] TITLE Engineer DATE 8-27-76

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] TITLE _____ DATE _____

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS. EXPIRES DEC 30 1976 *See Instructions On Reverse Side

RECEIVED

OCT 4 1976

RECEIVED

AUG 27 1976

APPROVED

POSTED
ID 2 76
10-8-76

DECLARED WATER BASIN
10 1/2"
MUST BE CIRCULATED

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

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.

RECEIVED
AUG 27 1976
U.S. GEOLOGICAL SURVEY
BZ ARTESIA, NEW MEXICO

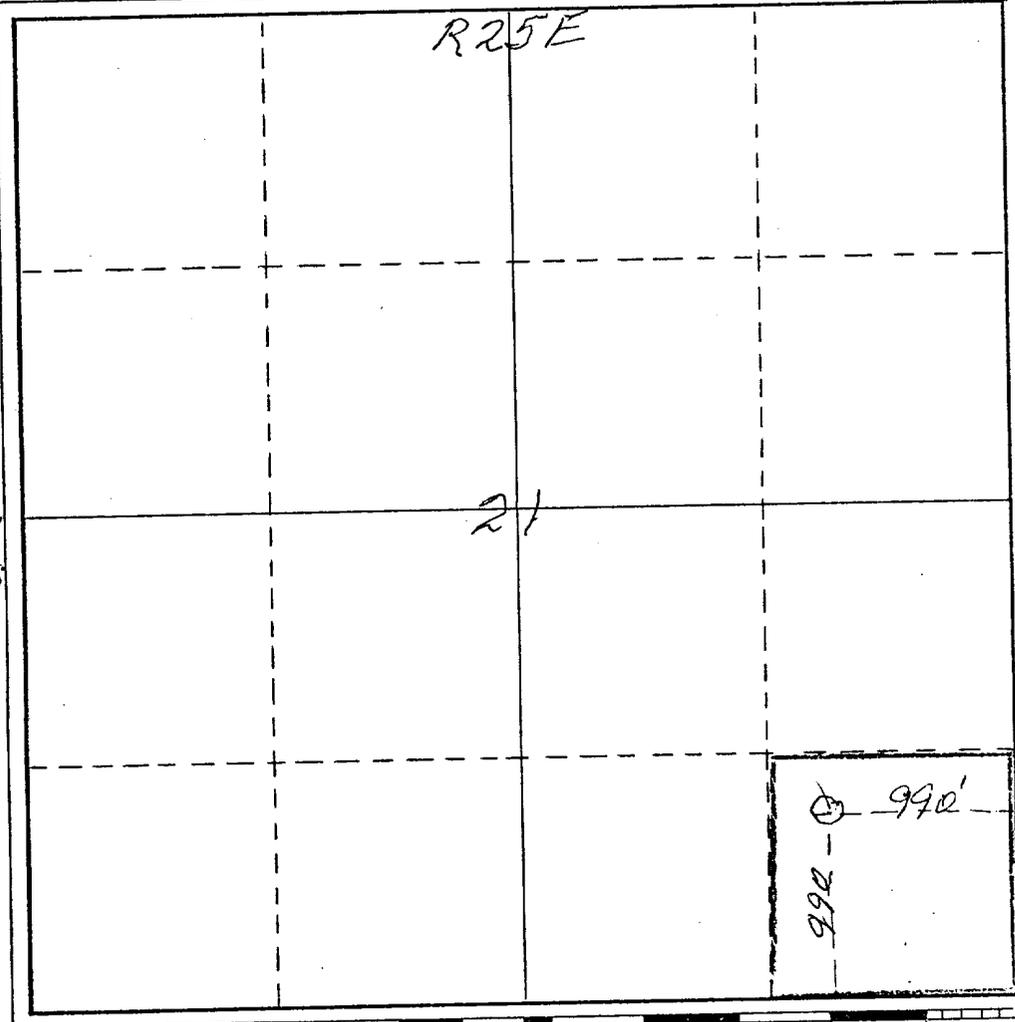
Operator <i>Yates Petroleum Corp</i>		Lease <i>Federal BZ</i>			Well No. <i>15</i>
Unit Letter <i>P</i>	Section <i>21</i>	Township <i>17 South</i>	Range <i>25 West</i>	County <i>Eddy</i>	
Actual Footage Location of Well: <i>990</i> feet from the <i>South</i> line and <i>990</i> feet from the <i>East</i> line					
Ground Level Elev. <i>3556</i>	Producing Formation <i>San Andres</i>		Pool <i>Eagle Creek S.A.</i>	Dedicated Acreage: <i>4.15</i> 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 Petroleum Corp.

Date
August 26, 1976

I hereby certify that the well location shown on this plat was plotted from field notes, or 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.

JAMES H. DUNN

Date Surveyed
August 14th 1976

Registered Professional Engineer and/or Land Surveyor

James H. Dunn

Certificate No. **542**

17
5

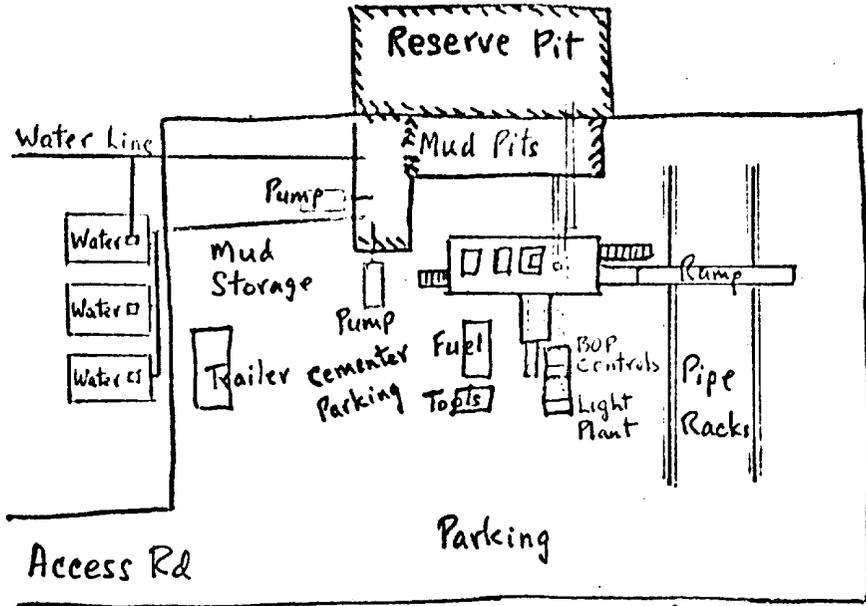
Surface Use Plan to accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) Caliched road in Eagle Creek field from U.S. 82 (4 miles west of U.S. 285): Go 1½ miles South, 400' West, ½ mile South, 1.3 miles West, 600' North to access road.
2. PLANNED ACCESS ROADS: See Plat (Exhibit A) Approximately 550' new road with caliche, 16' wide, east from existing lease road, approximately 600' north of existing tank battery; no fence cuts, no cattle-guard required; no turnouts, no culverts, no cut and fill, center-line flagged.
3. LOCATION OF EXISTING WELLS: See Plat (Exhibit A) This is a development well in the Eagle Creek (San Andres) Field. All San Andres wells producing, (one shut-in Strawn gas well in NE SW Sec. 21-17S-25E) within 1 mile radius.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit B) Tank battery is in same 40 acre unit. Flowlines from new well will be laid alongside access road and existing road to tank battery. All existing flowlines are within 30 feet of existing roads and on surface. Gas lines & water lines are buried.
5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit A) Water supply well in NW SW of Section 23-17S-25E, water piped to location.
6. SOURCE OF CONSTRUCTION MATERIAL: Existing caliche pit on Federal "BZ" (0219603) lease, located in NW/4 NE/4 Section 28-17S-25E.
7. METHODS FOR HANDLING WASTE DISPOSAL: Earthen pit for drilling mud; small reserve pit for jetting cuttings and burning mud sacks; trash barrels for garbage and waste; sump for portable commode. No pit lining.
8. ANCILLARY FACILITIES: None.
9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit B) Fairly level terrain. No cut or fill. Approximately 2" caliche, watered for dust control.
10. PLANS FOR RESTORATION OF SURFACE: Pits will be fenced until dry then leveled. Upon abandonment, location will be cleaned and restored to as near original as feasible. No ripping or re-seeding necessary on account of wind-erosion & natural re-seeding. No other requirements by Rancher.
11. OTHER INFORMATION: Gently rolling terrain sloping 30-40' per mile, with prairie grass, greasewood, tumbleweed and cactus. Cattle grazing periodically; surface believed to be BLM; no ponds or streams; windmills in other pastures (See Exhibit A) with patented surface. Restoration plans approved by rancher W. E. McIlhane, Box 38, Artesia, NM, 88210.
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood or Leon Bergstrom, 207 South Fourth Street, Artesia, NM, 88210. 746-3558.
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 Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

8-31-76

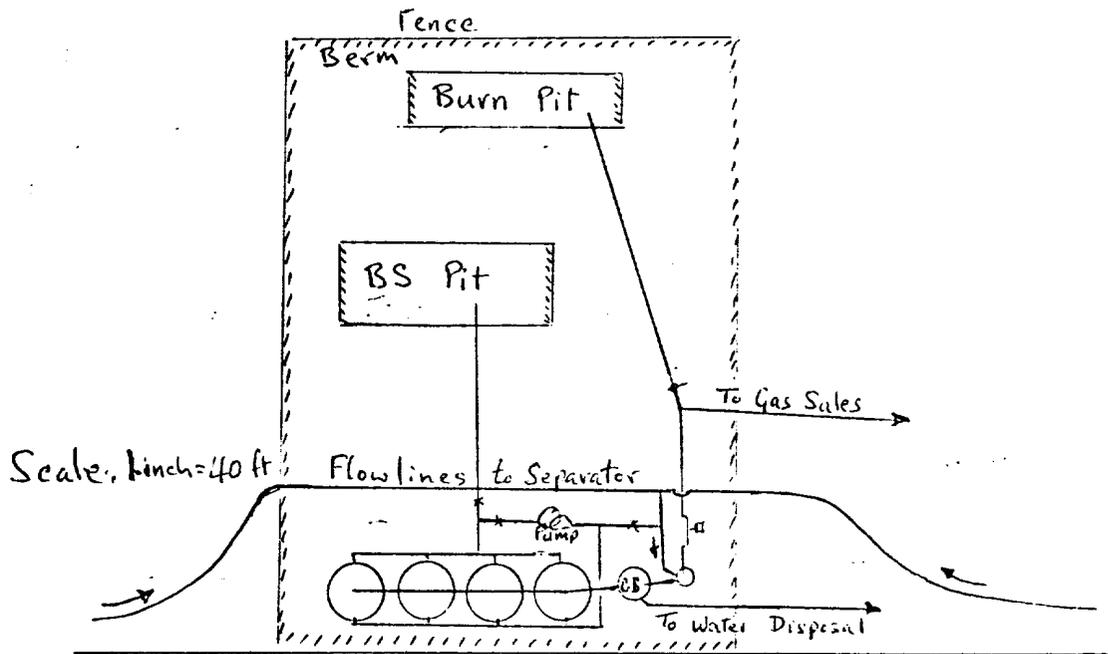
Eddie L. Mahfood, Engr.
Name and Title

YPC - Fedco C: BZ #15
990/S 990/E Sec 23-17S-25 E, Eddy Co.



Scale 1-inch = 40 feet

Wellsite layout



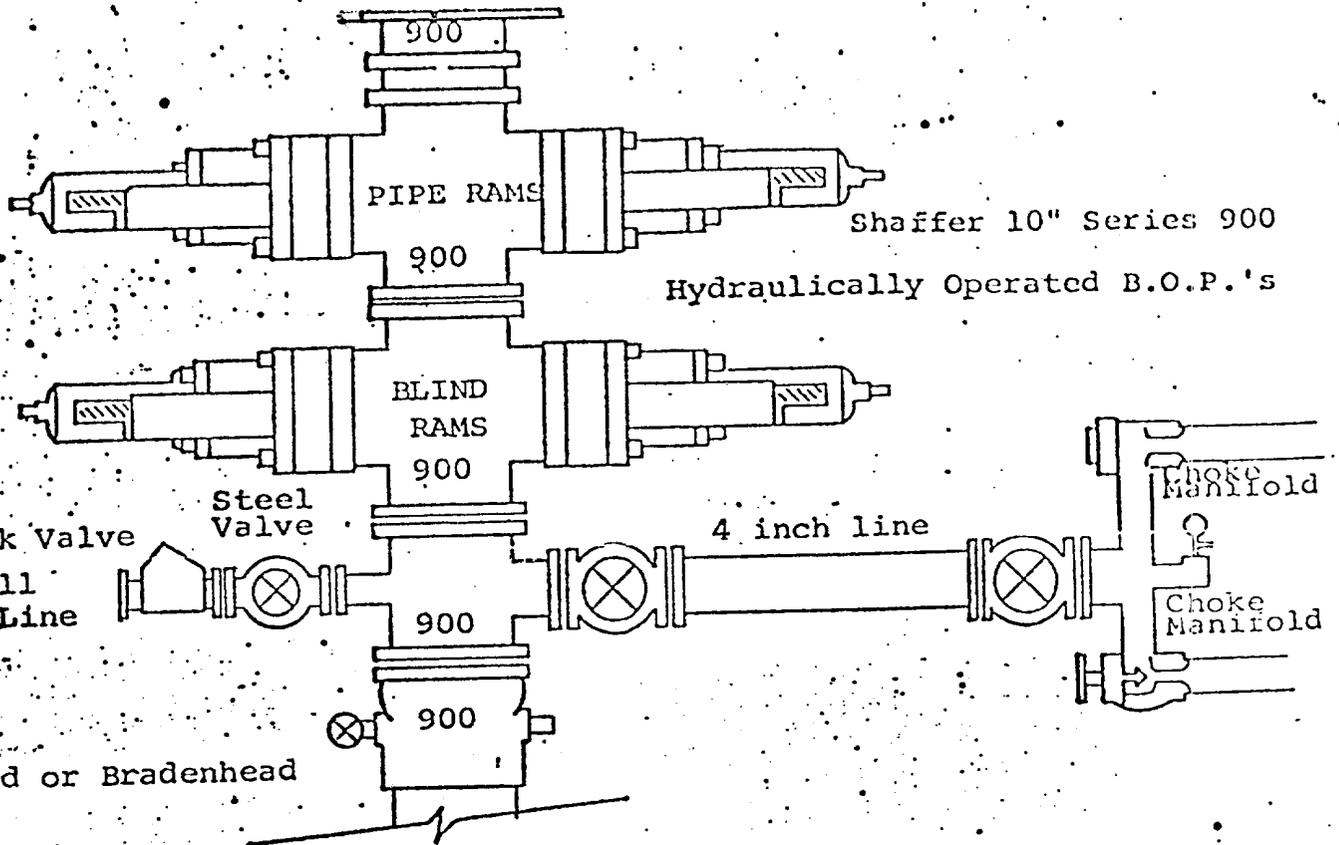
EXISTING ROAD

Tank Battery Layout

Truck Turnaround

Exhibit B

DIAGRAMMA 3 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.

Exhibit C