

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-015-23210

5. LEASE DESIGNATION AND SERIAL NO.

NM 15664

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1980

7. UNIT AGREEMENT NAME

C. C. D.

8. FARM OR LEASE NAME

Federal EF

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Richard Knob

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREAUL-L  
Sec. 31-T17S-R25E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

## 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 &amp; 660' FWL

At proposed prod. zone

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

approximately 7½ miles SW of Artesia, New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

800

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

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

+1 mile

19. PROPOSED DEPTH

approx. 8440'

20. ROTARY OR CABLE TOOLS

Rotary

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

3645.5

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. 250'	250 sx - circulate
12¼"	8 5/8"	24# J-55	approx. 1100'	750 sx - circulate
7 7/8"	5½" or 4½"	15.5 - 17# K-55 or 10.5-11.6#	TD	250 sx

Propose to drill and test the Morrow and intermediate horizons. Approximately 250' of surface casing will be run and cement circulated to shut off gravel and caving. Intermediate casing will be set 100' below the Artesian Water Zone 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: F.W. gel & LCM to 1100', fresh water to 3900', KCL water to 6000', starch-driskak KCL to 7200', flosal-driskak-KCL mud to T.D., 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 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

Engineer

DATE

2/14/80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

3-5-80

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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.

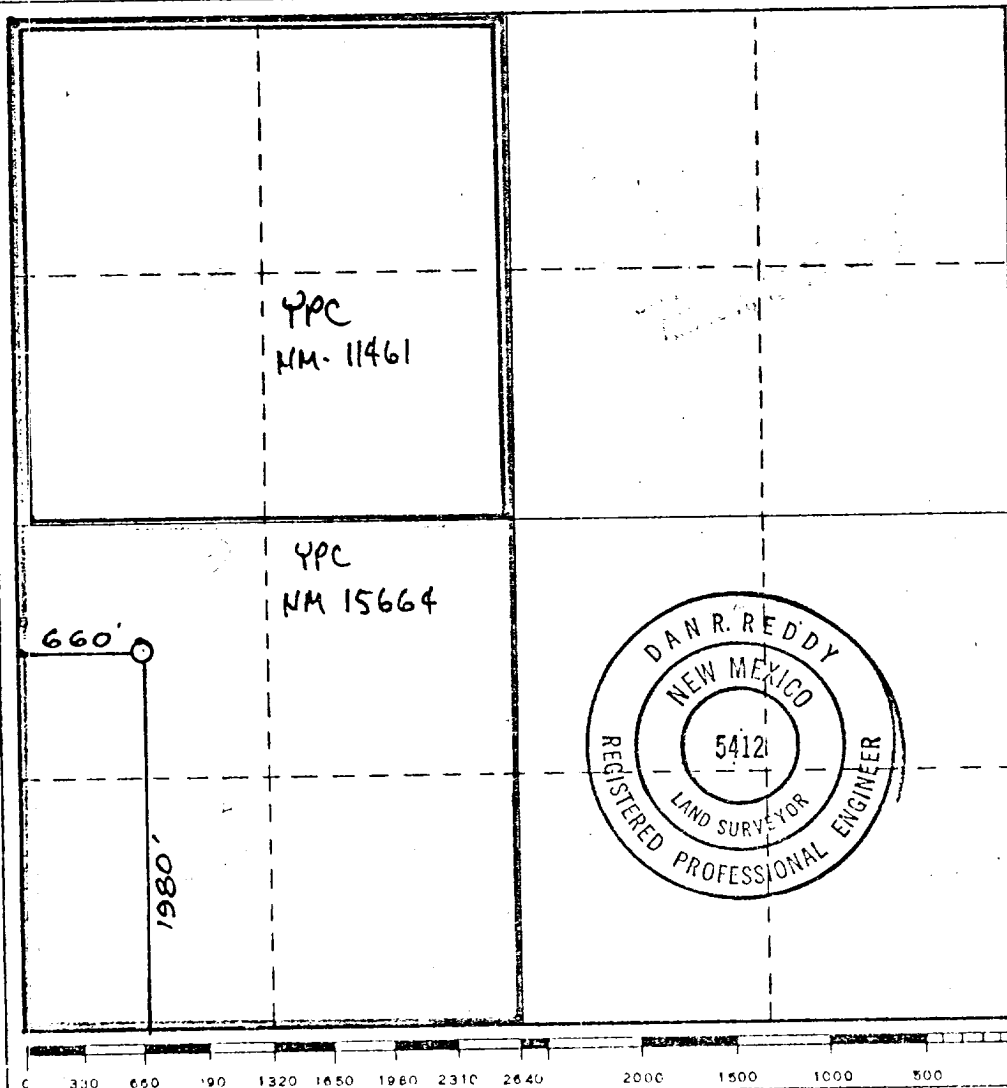
Operator <b>Yates Petroleum Corporation</b>			Lease <b>Federal EF</b>		Well No. <b>2</b>
Unit Letter <b>L</b>	Section <b>31</b>	Township <b>17 South</b>	Range <b>25 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well:					
<b>1980</b> feet from the <b>South</b>		line and <b>660</b>		feet from the <b>West</b> line	
Ground Level Elev. <b>3645.5</b>	Producing Formation <b>MORROW</b>	Pool <b>ULDES MORROW</b>	Dedicated Acreage <b>320</b> 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.

*Gliserio Rodriguez*  
Name

**GLISERIO RODRIGUEZ**  
Position

**GEOGRAPHER**  
Company

**YATES PETROLEUM CORP**  
Date

**2-13-80**

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  
**2/1/80**

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.

**NMPE&LS #5412**



# United States Department of the Interior

## GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

RECEIVED  
MAR 11 1980  
GEOLOGICAL SURVEY  
ARLINGTON, VIRGINIA

March 5, 1980

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

YATES PETROLEUM CORPORATION Fed "EF" No. 2 1980 FSL 660 FWL Sec. 31 T.17S R.25E Eddy County Lease No. NM 15664
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Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 8,400 feet to test the Morrow is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Before drilling below the 8-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
7. A kelly cock will be installed and maintained in operable condition.



8. After setting the 8-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
9. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
  - (1) A recording pit level indicator to determine pit volume gains and losses.
  - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
  - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
10. Notify the Survey by telephone 24 hours prior to spudding well.
11. Notify the Survey in sufficient time to witness the cementing of the 13-3/8" and 8-5/8" casing.
12. Cement behind the 13-3/8" and 8-5/8" casing must be circulated.
13. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

George H. Stewart  
Acting District Engineer

Yates Petroleum Corporation  
Federal "EF" #2  
1980' FSL and 660' FWL  
Section 31 - T17S - R25E  
Eddy 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:

San Andres	607'	Lower Canyon	7136'
Glorieta	1851'	Strawn	7385'
Abo	3946'	Atoka	7775'
Wolfcamp Lime	5063'	Morrow Clastics	8012'
Cisco	6195'	Chester	8132'
		Mississippi Ls	8268'
		T.D.	8440'

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

Water: Approximately 800'-1050'

Gas: 6200'  
7400'  
7800'  
8100'

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: 5000 - T.D.

Coring: CNL-FDC T.D. to casing with GR-CNL on to surface and  
DLL longs from T.D. to casing with min. R<sub>0</sub> T.D. to 6100'.  
X

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  
Federal EF #2  
1980' FSL and 660' FWL

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 necessary 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 operation.

### 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 7.5 miles SW of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### DIRECTIONS:

1. Proceed west from Artesia on Highway 83 for a distance of approximately 3 miles.
2. Turn south and follow that road for approximately 1 1/2 miles.
3. Turn west and follow the road for approximately 1 1/2 miles to well BZ #6.
4. Turn south at well BZ #6 and continue for approximately 1/2 mile, then turn west in front of the CO #2, continue for 1 1/2 miles to the Federal CR #1 well, there turn south for .8 of a mile.
5. Turn southwest for approximately .2 of a mile. The new access road starts here.

### 2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 4000' in length from point of origin to the edge of the drilling pad. The road will lie in an east-to-west 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 one side. Two turnouts will be necessary.
- D. The new road has been staked and flagged and the route of the road is clearly visible.

### 3. LOCATION OF EXISTING WELLS.

- A. Drilling activity within a one-mile radius of the wellsite is shown on Exhibit A. The nearest production is a gas well in the SW $\frac{1}{4}$  of Section 32.

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 location itself.

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 of 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 C shows the relative location and dimensions of the well pad, the reserve pits, etc.
- B. The location surface on a bit of a slope. Minor cut or fill should be needed in the pad area.

- 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 gentle undulations. 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. No wildlife was observed, but the wildlife in the area probably 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.
- 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 Rodriguez  
Yates Petroleum Corporation  
207 South 4th Street  
Artesia, New Mexico 88210  
(505) 746-3558

13. CERTIFICATION.

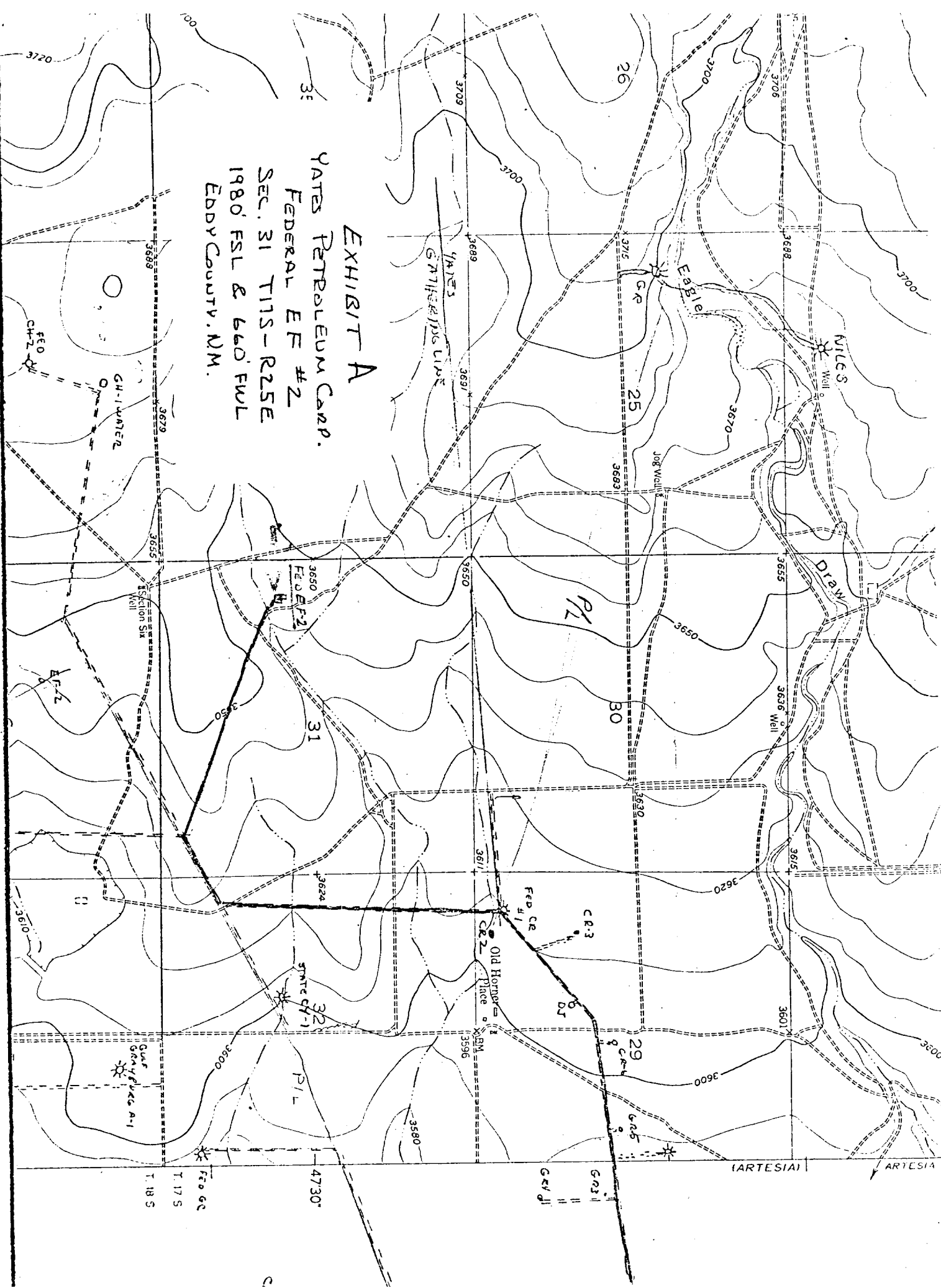
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

7-11-80



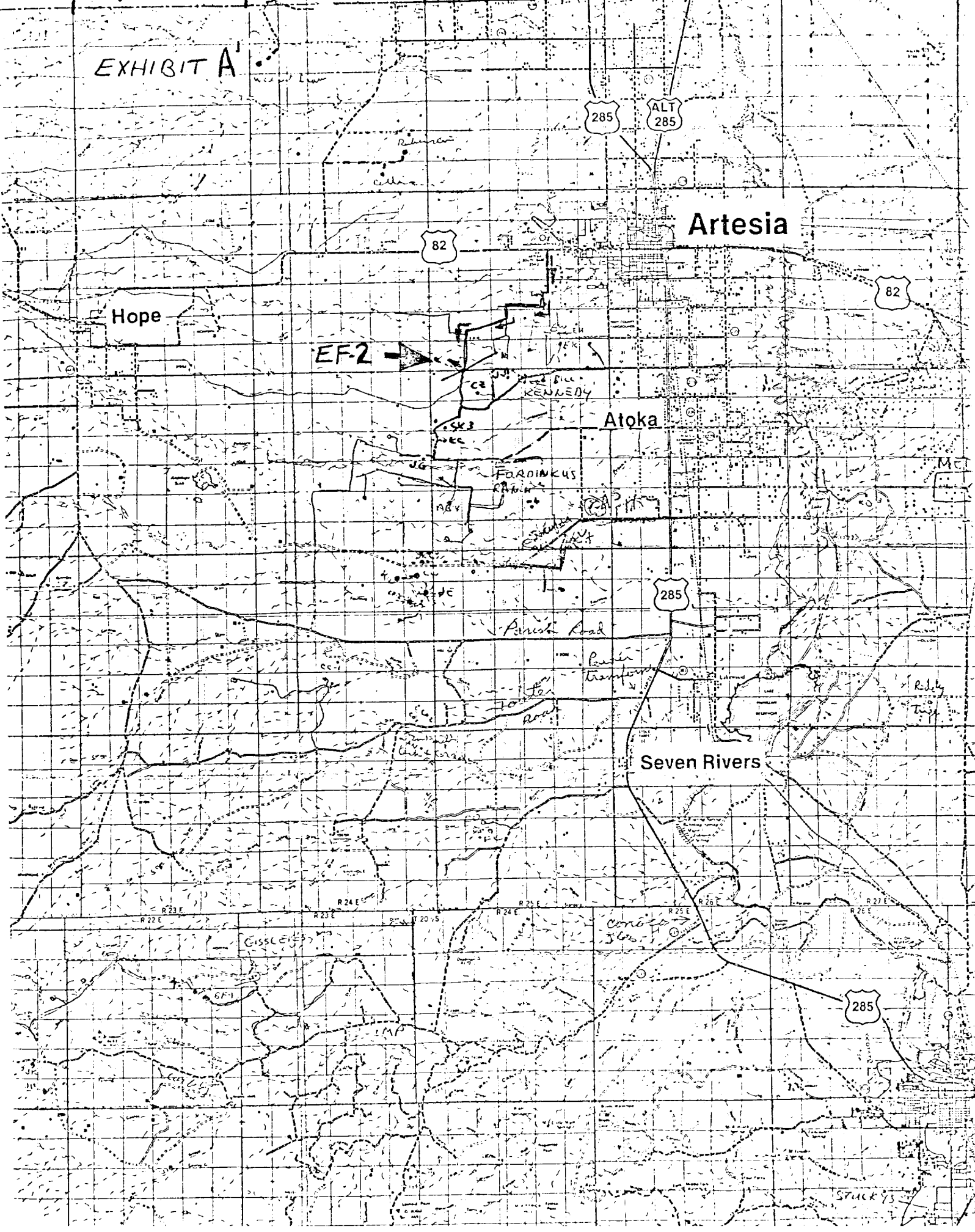


# EXHIBIT A YATES PETROLEUM CAMP. FEDERAL EF #2 SEC. 31 T11S-R25E 1980 FSL & 660 FWL EDDY COUNTY, NM.

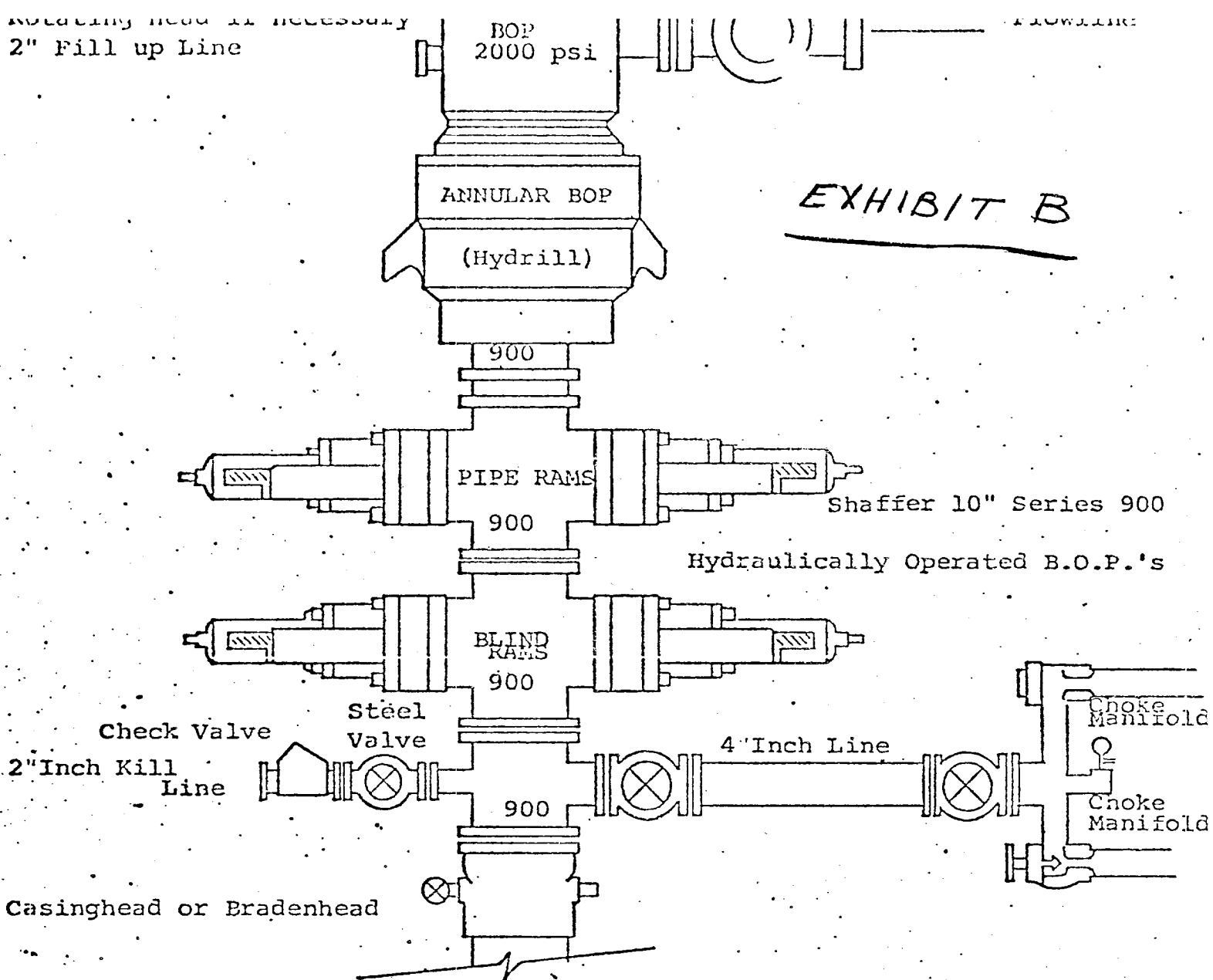


E R23E R24E R25E R26E R27E

EXHIBIT A



Rotating Head if necessary  
2" Fill up Line



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

