Form 9-331 C
(May 1963)

N.M.O.C.D. COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-23602

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM 0219603 - A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Federal "BW"

9. WELL NO.: 9

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

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Ut-O Sec. 22 T17S R25E

12. COUNTY OR PARISH: Eddy | 13. STATE: NM

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

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

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 207 S. 4th Street, Artesia, NM 88210

RECEIVED
JAN 09 1981
O. C. D.
ARTESIA, OFFICE

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FSL and 1650' FEL
At proposed prod. zone:

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 3 miles SW of Artesia

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
990'S	120	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
660'	Approx. 1500'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3523' GL

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
15"	10 3/4"	32#	approx. 350'	300 sx. circulate
9 1/2"	7"	20#	approx. 1150'	800 sx. circulate
6 1/4"	4½" & 5½"	10.5 & 15.5#	TD 1500'	180 sx. circulate

Propose to drill a San Andres Test. Approximately 350' of 20 3/4" casing will be run if needed, and cemented to the surface to shut off gravel and cavings, 7" casing will be run 100' below the Artesian Zone, cemented to surface. A tapered string of production casing will be run and cemented, perforated and sand frac'd for completion

MUD PROGRAM: Fresh water mud w/LCM from surface to 1150', fresh water to total depth

BOP PROGRAM: BOP's to be installed on 7" casing and tested daily.

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DEC 15 1980
U.S. GEOLOGICAL SURVEY
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 Ilsino Rodriguez TITLE Geographer DATE 12/15/80

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

(Orig. Sgd.) GEORGE H. STEWART ACTING DISTRICT ENGINEER JAN 07 1981

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

/ MEXICO OIL CONSERVATION COMMIS N

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 "BW"	9 ~~10~~

Unit Letter	Section	Township	Range	County
0	22	17S	25E	Eddy

Actual Footage Location of Well:
~~330~~ 990 feet from the South line and ~~2310~~ 1650 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3524	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?

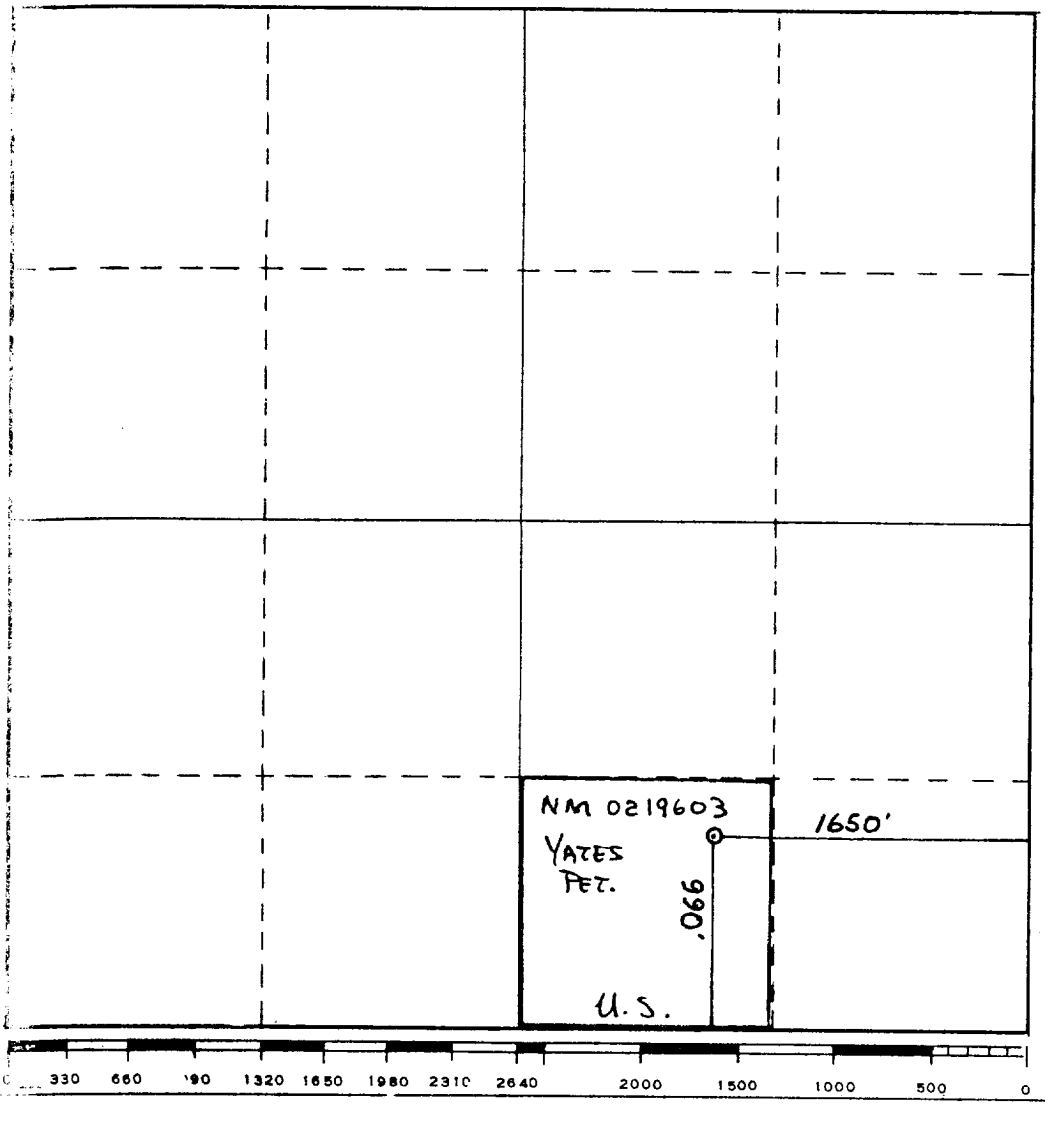
☐ Yes ☒ No If answer is "yes," type of consolidation _____

DEC 15 1980

U.S. GEOLOGICAL SURVEY

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.

Name: Johnny A. Lopez

Position: Regulatory Coordinator

Company: Yates Petroleum Corporation

Date: 12/15/80

DAN R. REDDY NEW MEXICO 5412 REGISTERED PROFESSIONAL ENGINEER AND SURVEYOR

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: 12/13/80

Registered Professional Engineer and/or Land Surveyor

Certificate No. NM PE&LS #5412

Yates Petroleum Corporation
Federal "BW" #9
990 FSL and 1650' FEL
Sec. 22 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 quaternery alluvium.

2. The estimate tops of geologic markers are as follows:

   TD. 1500'

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

   Water: Approximately 150 - 250' and 650' - 850'

   Oil: San Andres 1400 - 1500'

4. Proposed Casing Program: See Form 9-331C.

5. Pressure Control Equipment: See Form 9-331C and Exhibit B.

6. Mud Program: See From 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:

   Samples: 10' samples from under surface
   DST's: None
   Logging: GR/Neutron
   Coring: None

9. No abnormal pressures or temperatures are anticipated.

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

MULTI-POINT SURFACE USE AND OPERATIONS

Yates Petroleum Corporation
Federal "BW" #9
990' FSL and 1650' FEL
Sec. 22 T17S R25E
(Developmental Well)

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 surface disturbance involved, and the procedures to be followed in rehabilitation 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 map showing the wells and roads in the vicinity of the proposed location. The porposed wellsite is located approximately 3 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 82 for a distance of approximately 3 miles.

   2. Turn South 1 1/2 miles then turn west and south follow main gravel top road approximately .6 miles, then follow road going west for .3 miles. (SW #2)

   3. The access road begins here going north approximately 650' north to location.

2. PLANNED ACCESS ROAD.

   A. The proposed new access will be approxiamtely 600' in length form point of origin to the edge of the drilling pad. The road will lie in a north to south direction.

   B. The new road will be 12 feet in width (driving surface).

   C. The new road will be bladed and caliched.

   D. The new road has been flagged.

3. LOCATION OF EXISTING WELLS.

   A. There are existing wells within a one-mile radius of the wellsite. See Exhibit A.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

   A. There are production facilities on the lease at the present time.

B. In the event that the well is productive, the necessary production facilities for well will be installed (pump jack and flow lines). If the well is productive of oil, a gas or diesel self-contained unit will be used to provide the necessary power immediately until electrical power is supplied to replace fossil fuel power.

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 piped to the location.

6. SOURCE OF CONSTURCTION MATERIALS.

A. Any caliche required for consturction of the drilling pad and the new access road will be obtained from the location itself and pits located in NW/4 NE/4 of Section 23 T17S R25E or in NW/4 NE/4 of Section 28 T17S R25E.

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 is mainly covered with grasses, cacti, and shrubs.

C. The reserve pits will be plastic lined.

D. A 400' X 400' 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 dired and leveled.

11. OTHER INFORMATION.

A. Topography: The land surface in the vicinity of the wellsite is level, little or no cut will be needed. The soils are deep and derived from alluviol material. The immediate area of the wellsite is discussed above in paragraph 9B.

B. Flora and Fauna: The vegation cover consists of various grasses, shrubs and cacti. 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 inhibited dwellings in the vicinity of the proposed well. Approximately .6 mile NNE of proposed site (rancher Bill Gissler). Development plan is satisfactory to Bill Gissler - rancher and land owner.

D. There is no evidence of any archaeological, historical or cultural sites in the area.

E. Surface ownership: The wellsite is on fee surface and federal minerals.

12 OPERATOR'S REPRESENTATIVE.

A. The field representative responsible for assuring compliance with the approved surface use plan is.

Gliserio "Rod" Rodriguez and Johnny A. Lopez
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

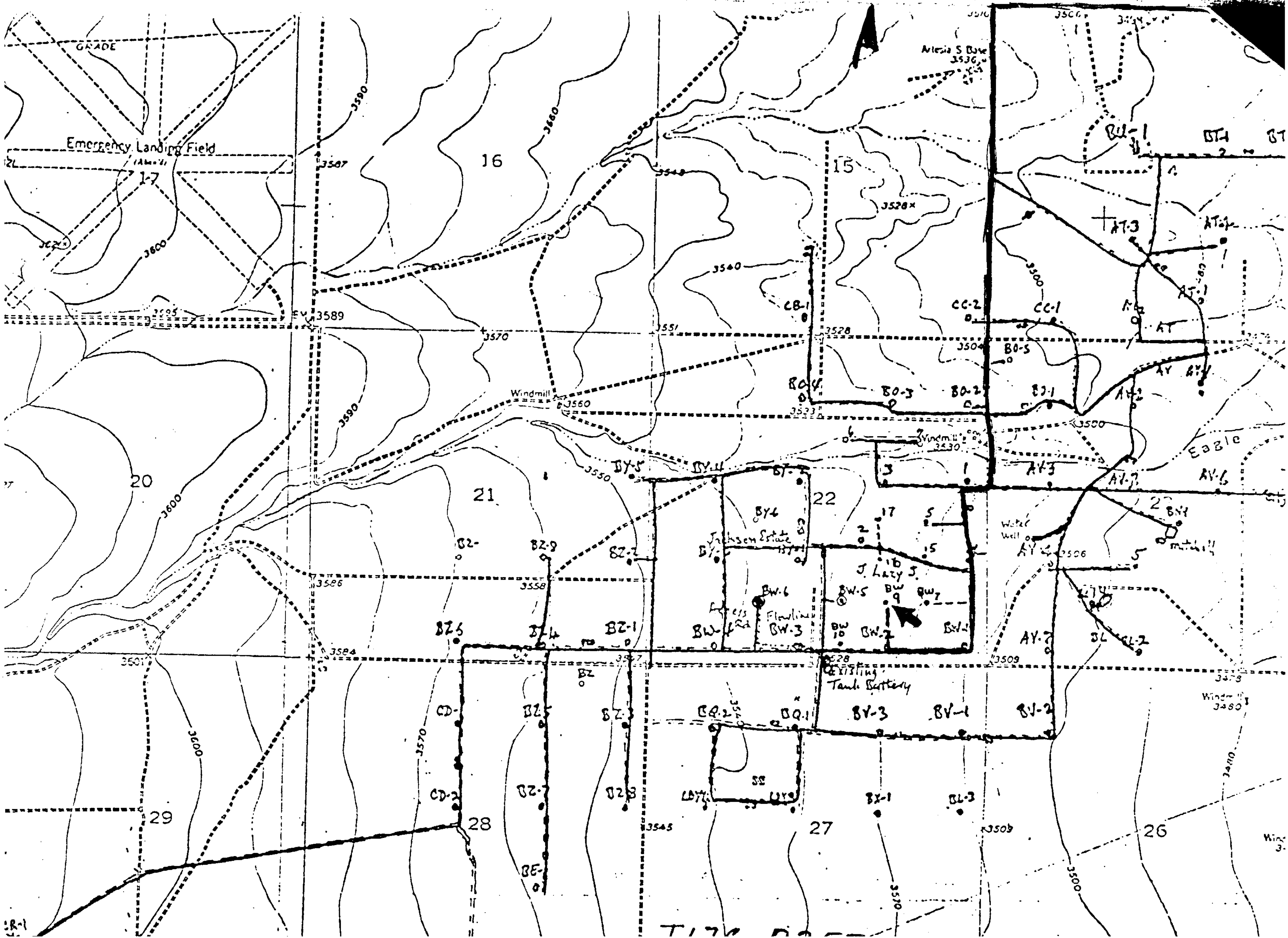
13. CERTIFICATION.

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.

12-15-80
DATE

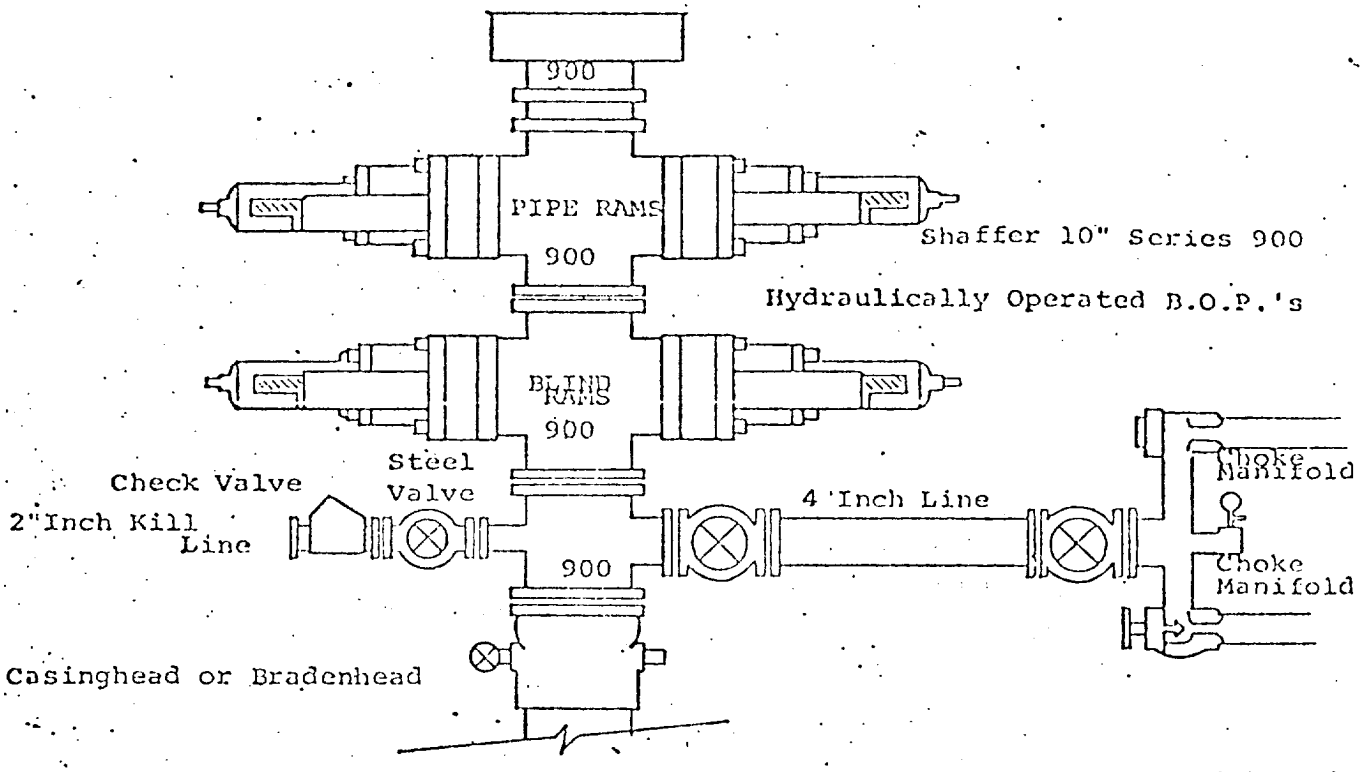
Gliserio Rodriguez
GLISERIO RODRIGUEZ, GEOGRAPHER

EXHIBIT A



GRADE
Emergency Landing Field
16
15
20
21
22
27
26
28
29
Windmill
Eagle
J. Lazy S.
Existing Tank Battery
Artesia S Base
3587
3589
3590
3600
3570
3551
3528
3540
3560
3550
3586
3558
3584
3545
3509
3506
3504
3500
3530
BZ-9
BZ-2
BZ-1
BZ-6
BZ-4
BZ-7
BZ-8
BZ-3
BE-
CD-
CD-2
BY-5
BY-4
BY-6
BW-6
BW-5
BW-3
BW-4
BW-7
BW-2
BQ-1
BQ-2
BV-3
BV-1
BV-2
BX-1
BL-3
BO-4
BO-3
BO-2
BO-5
CB-1
CC-2
CC-1
BJ-1
AY-3
AY-2
AY-7
AY-6
AT-3
AT-1
AT
BU-1
BT-4
CL-2
Water Well

EXHIBIT B



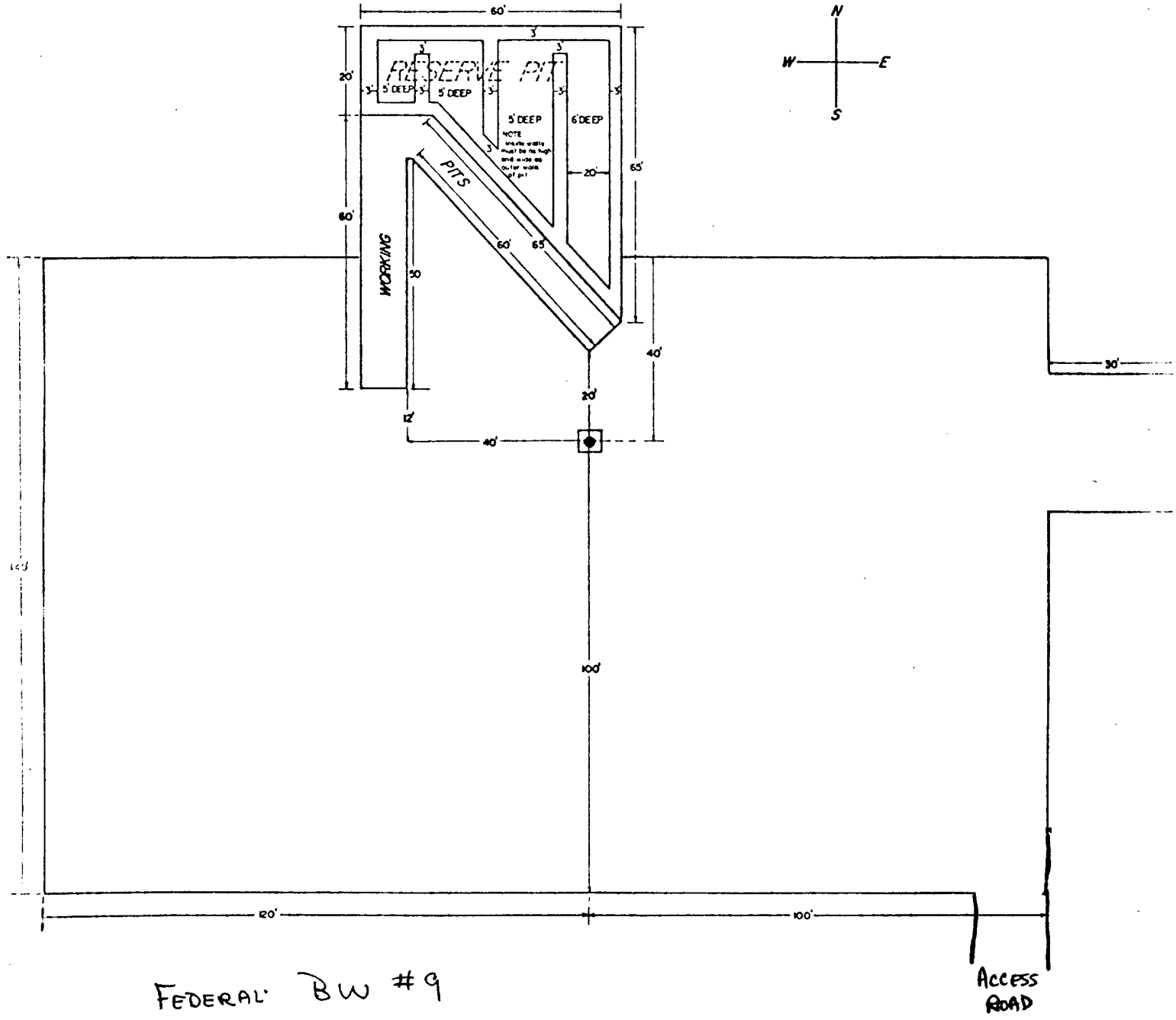
THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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

LaRUE & MUNCY No.1 and LaRUE No.1

0-3000 FT.



FEDERAL BW #9

ACCESS ROAD