

UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

30-015-23725

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 [] MULTIPLE ZONE []

2. NAME OF OPERATOR Yates Petroleum Corporation RECEIVED

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 2310' FSL and 330' FEL

At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 miles north of Loco Hills, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'

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

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3880.6 GL

23. PROPOSED CASING AND CEMENTING PROGRAM

5. LEASE DESIGNATION AND SERIAL NO.

NM-13417

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Strange "PZ" Fed

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Und. Henshaw Unit

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

Sec. 11-T16S-R30E

12. COUNTY OR PARISH 13. STATE

Eddy

NM

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

20. ROTARY OR CABLE TOOLS Small rotary

22. APPROX. DATE WORK WILL START* ASAP

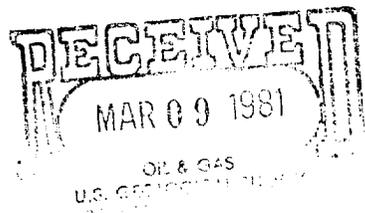
Leases expires 4-1-81

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 10 1/4" hole with 8 5/8" casing and 6 1/4" hole with 4 1/2" casing.

We propose to drill and test the S.A. and intermediate formations, casing will be set per program above. Will perforate and stimulate as needed for production.

MUD PROGRAM: Fresh Water Gel to 1400', fresh water to T.D.

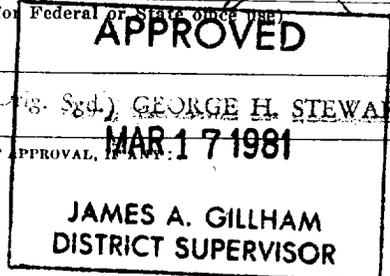
BOP PROGRAM: BOP will be installed on 4 1/2" casing and tested



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 Geographer DATE 3-6-81

(This space for Federal or State office use)



PERMIT NO. APPROVAL DATE

APPROVED BY (Sgd.) GEORGE H. STEWART for TITLE DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
MAR 1 3 1981
JAMES A. O'NEILL
DISTRICT SUPERVISOR

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.

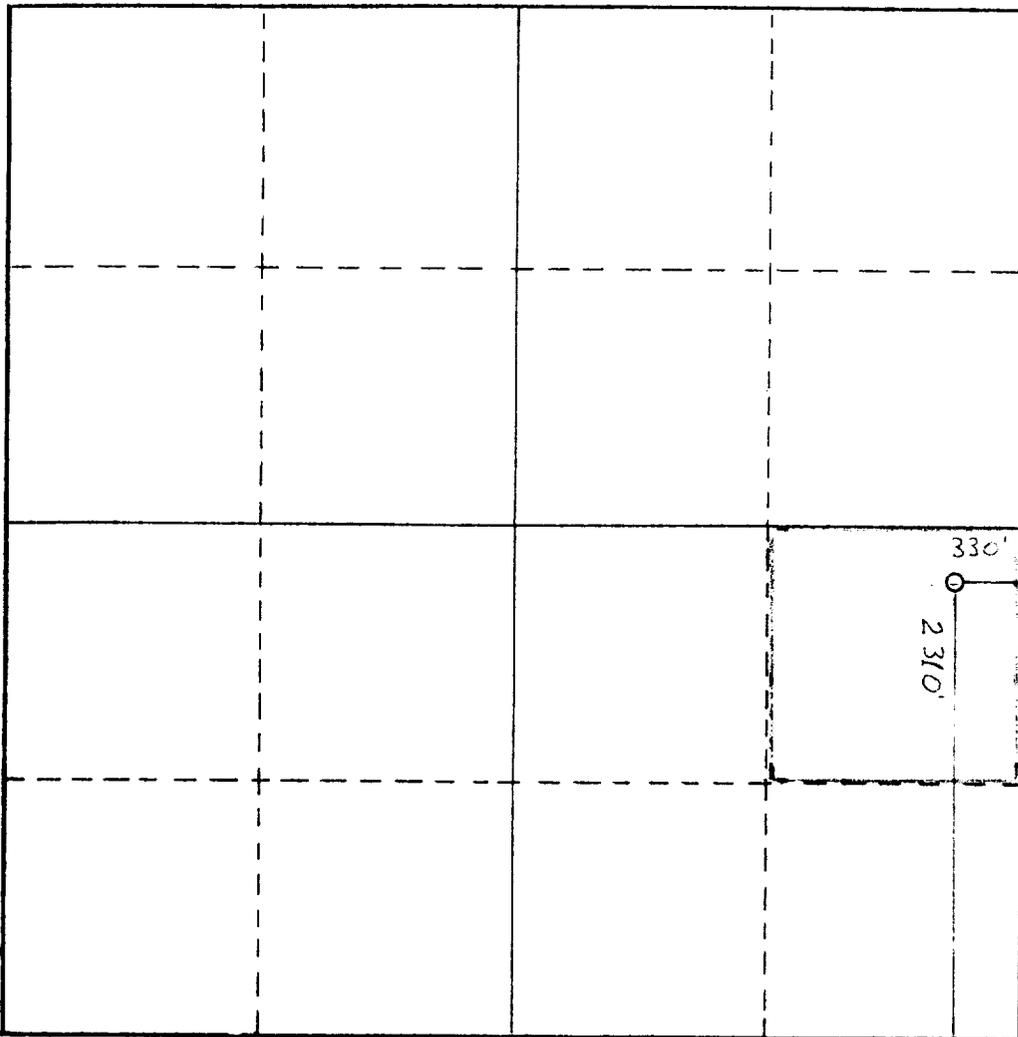
Operator YATES PETROLEUM CORPORATION			Lease STRANGE "PZ" FED			Well No. 1
Unit Letter I	Section 11	Township 16'S	Range 30E	County EDDY		
Actual Footage Location of Well: 2310 feet from the SOUTH line and 330 feet from the EAST line						
Ground Level Elev. 3880.6	Producing Formation Q-3-A San Andres		Pool Under Henshaw		Dedicated Acreage: 40	

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.



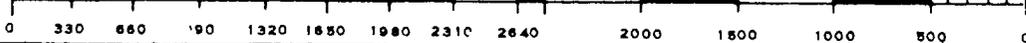
CERTIFICATION

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

Gerardo Rodriguez
Name
GERARDO RODRIGUEZ
Position
GEOGRAPHER
Company
YATES PETROLEUM CORP.
Date
3-1-81

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
2-24-81
Registered Professional Engineer and/or Surveyor
Gerardo Rodriguez
Certificate No. **3588**



Yates Petroleum Corporation
Strange PZ Federal #1
2310' FSL and 330' FEL
Section 11 - T16S - R30E
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 sandy alluvium.
2. The estimate tops of geologic markers are as follows:

Salt	520'	San Andres	3090'
Base Salt	1400'	TD	3900'
Queen	2330'		
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water:	Approximately	130'
Oil:	San Andres	3600' - 3850'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: As required.
8. Testing, Logging and Coring Program:

Samples:	Surface casing to TD
DST's:	None
Logging:	GRN surface to TD
Coring:	None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as approved.

Yates Petroleum Corporation
Strange PZ Federal #1
Section 11 - T16S - R30E
2310' FSL and 330' FEL
(Reentry 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, the construction activities and operations plan, the 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 drilling of this well.

1. EXISTING ROADS.

Exhibit A is a portion of a county map showing the roads in the vicinity of the proposed location. The proposed wellsite is located approximately 9 miles north of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north from Loco Hills on black top approximately 6.5 miles. Turn east at the sign for Shell Henshaw Deep Unit. Go approximately 3 miles east. Turn north at a pole with red and white flages. This existing road will be up graded. Go 9/10 of a mile to the dry hole marker for Henshaw Deep Unit #1. The new road will start here going off to the north and will meet the southwest corner of the location.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1300' in length from point of origin to the southwest edge of the drilling pad. Building materials will come from a public pit 2.5 miles to the west.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed. The surface will be crowned, with drainage on one side. One turnout will be built.
- D. The new road has been flagged and the route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is one well 1/2 mile south.

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 the ranches and will be trucked to the location.
6. SOURCE OF CONSTRUCTION MATERIALS.
 - A. Materials will come from a pit 2.5 miles west of the location.
7. METHODS OF HANDLING WASTE DISPOSAL.
 - A. Drilling 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 operations 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 minimum of 24 inches dirt. All waste material will be contained to 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. is not included as it will be a rotary tool location 100'X100'.
 - B. The location surface is caliche.
 - C. The reserve pits needed will be very small.
 - D. A 400' X 100' area and road 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 pleasing a condition as possible.

- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and leveled.
- C. If the proposed well is non-productive, all rehabilitation requirements of the Operator-Landowner agreement will be complied with.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is fairly sandy and covered with dunes.
- B. Flora and Fauna: The vegetation cover consists of terpenine, pepper weed and lots of mesquite. No wildlife was observed.
- C. Surface Ownership: The wellsite is on federal surface and materials.
- D. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

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

Gliserio "Rod" Rodriguez or Cy Cowan
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.

3-6-81

Date


Gliserio Rodriguez, Geographer

PLANNING AND PROGRAMMING DIVISION

BUREAU OF PUBLIC ROADS
R.30E. R.31E.

R.29E.

R.31E. To Hogerman

T.15S.

T.16S.

T.17S.

T.18S.

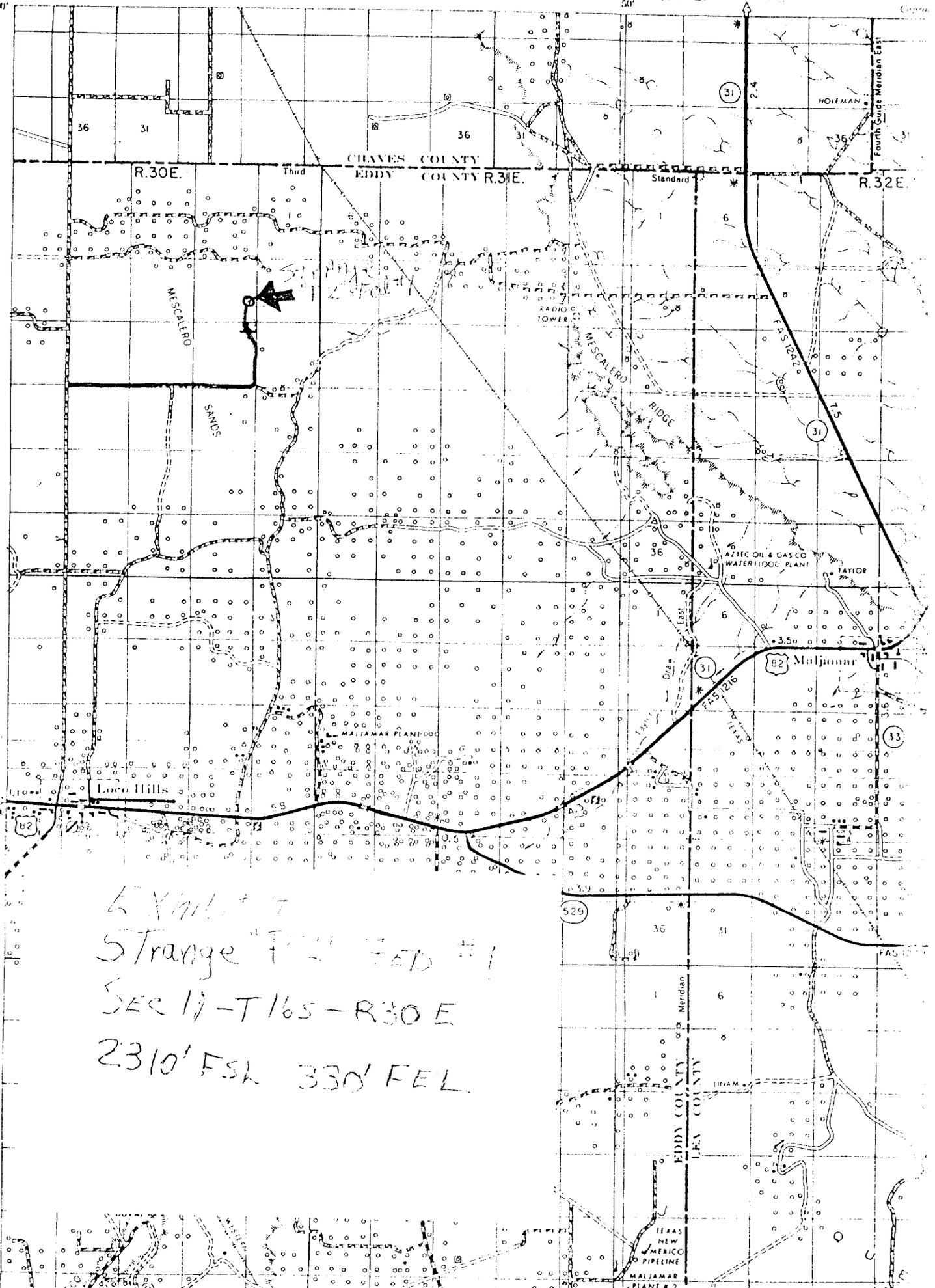


EXHIBIT
 Strange "F" FED #1
 SER 19 - T16S - R30E
 2310' FSK 330' FEL

To Artesia

Artesia - 11th

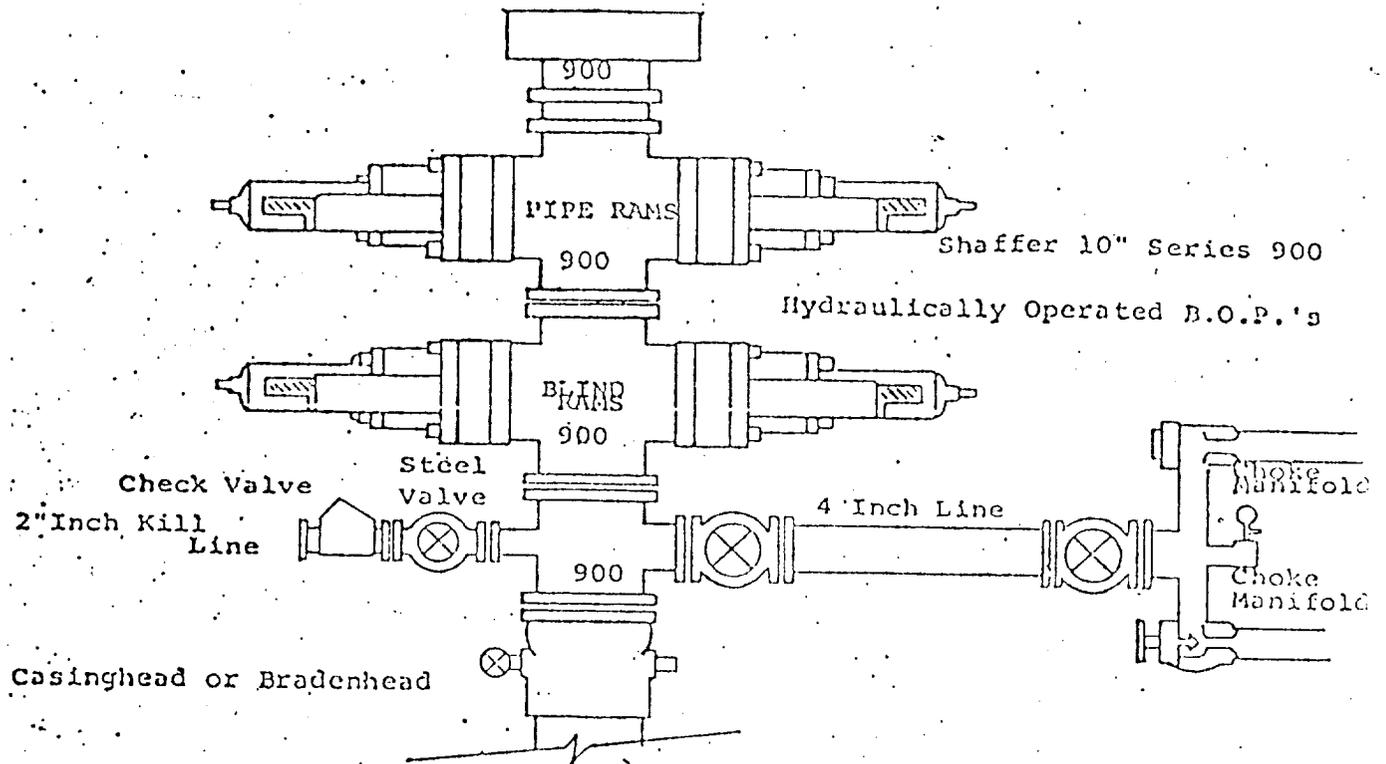
Crown

Fourth Guide Meridian East

EDDY COUNTY
LEA COUNTY

TEXAS
NEW
MEXICO
PIPELINE
MALJAMAR
PLANT # 2

Exhibit D



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.

YATES PETROLEUM CORPORATION

