Form 9-331 C
(May 1963)

UNOCD COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

For Budget Bureau No. 42-R1425

C/SF

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23737

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.: NM 28010

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: ~~Federal~~ Bogle "QB" Federal

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: San Andres

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 31-16S-30E

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 South 4th Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 2310' FNL and 330' FWL
At proposed prod. zone: Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 8 miles northeast of Loco Hills, New Mexico

12. COUNTY OR PARISH: Eddy — 13. STATE: 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: 400

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. 3100'

20. ROTARY OR CABLE TOOLS: Small Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3697.4 GL

22. APPROX. DATE WORK WILL START*: ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10 3/4"	48# J-55	525'	400 circulate
7 7/8"	4½ or 5½"	10.5 or 15.5#	TD	220 circulate

We propose to drill and test the San Andres 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 TD

BOP PROGRAM: BOP will be installed on ~~4 1/2"~~ 10 3/4" casing and tested daily.

RECEIVED
APR 06 1981
O. C. D.
ARTESIA, OFFICE

API

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 3/21/81

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED
(Orig. Sgd.) GEORGE H. STEWART
APR 31981
JAMES A. GILLHAM
DISTRICT SUPERVISOR

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED
MAR 24 1981
OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-1..
Effective 1-1-..

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
YATES PETROLEUM CORP.	~~FEDERAL~~ BOGLE "QB" Federal	1

Unit Letter	Section	Township	Range	County
E	31	16 SOUTH	30 EAST	EDDY

Actual Footage Location of Well:
2310 feet from the NORTH line and 330 feet from the WEST line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3697.4	SAN ANDRES	~~UNDES~~ SAN ANDRES	~~40~~ Acr..

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

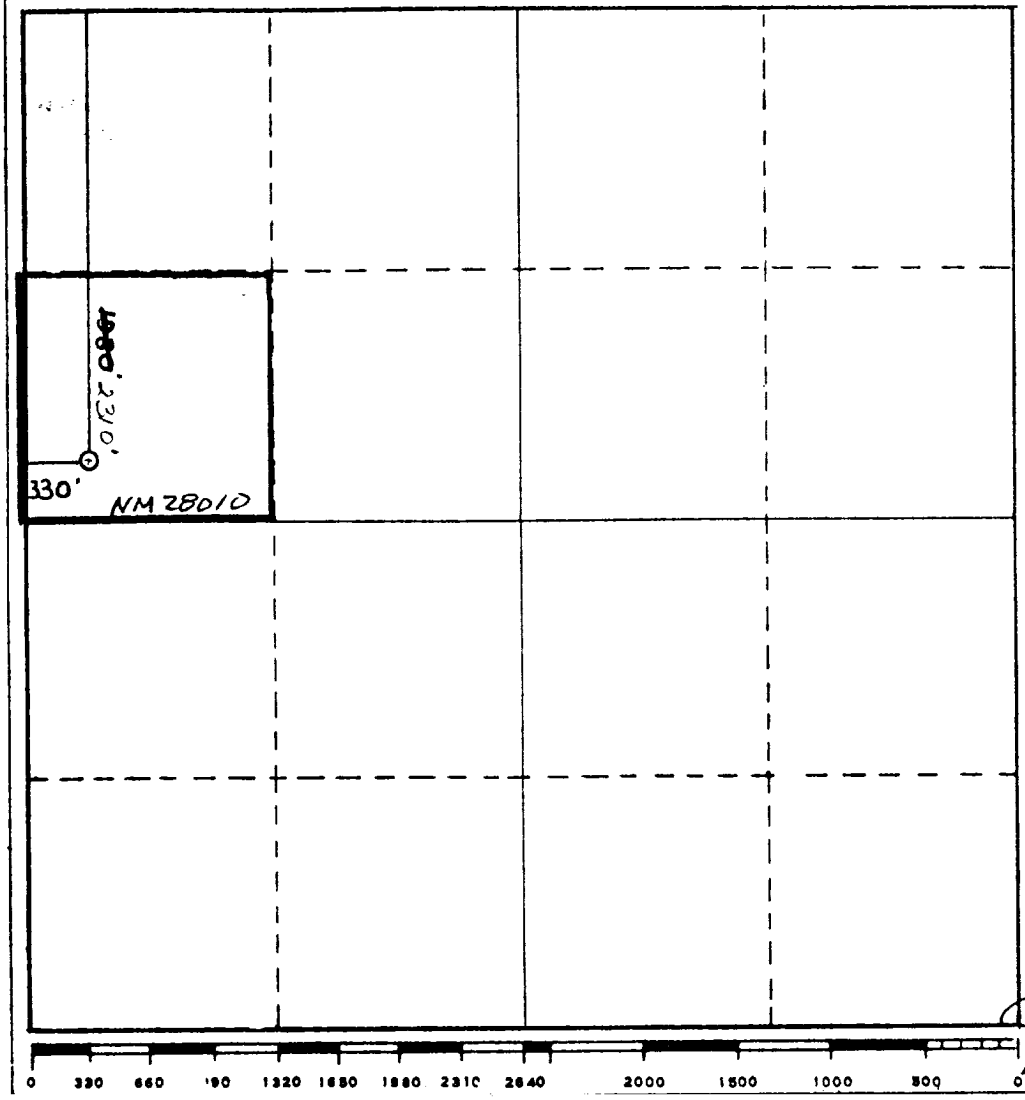
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to worki.. interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consol.. dated 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 .. this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitizatio.., forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commi.. sion.



CERTIFICATION

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

Gliserio Rodriguez

Name
GLISERIO RODRIGUEZ

Position
GEOGRAPHER

Company
YATES PETROLEUM CORP.

Date
3-21-81

I hereby certify that the well locatio.. shown on this plat was plotted from fie.. notes of actual surveys made by me o.. under my supervision, and that the same is true and correct to the best of m.. knowledge and belief.

NEW MEXICO
3640
REGISTERED LAND SURVEYOR

Date Surveyed
FEBRUARY 24, 1981

Registered Professional Engineer
and/or Land Surveyor

Certificate No.
3640

Yates Petroleum Corporation
Federal Bogle "QB" #1
2310' FNL and 330' FWL
Section 31 - 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:

Yates	1137	Grayburg	2224
Seven Rivers	1396	San Andres	2793
Queen	1976	TD	3100

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

   Water: Approximately 130'

   Oil: San Andres 3050'

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
Federal Bogle "QB" #1
Section 31 - 16S - 30E
2310' FNL and 330' 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, 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 8 miles northeast of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

   DIRECTIONS:

   Travel east from Artesia on Highway 82 approximately 22 miles. Turn north on county road (Kewannee Road). Go 1½ miles north of Transwestern Gas Plant and turn east. Go approximately 1.2 miles to a dry hole marker for the LaRue & Muncy Leonard #8. The new road will start here going east approximately 1300 feet to the location. The route is marked by red and white flags and will meet the southwest corner of the pad. There is a gas pipeline close to the location. It will be covered by an earth ramp.

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 the location.

   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 west.

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 a water hauling firm and will be trucked to the location.

6. SOURCE OF CONSTRUCTION MATERIALS.

   A. Materials will come from 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 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 caliche. The sand will be scraped off.

   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 BLM stipulations will be complied with.

11. OTHER INFORMATION.

A. Topography: The land surface in the vicinity of the wellsite is sandy and covered with dunes.

B. Flora and Fauna: The vegetation cover consists of 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 an 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.

3-21-81
Date

Gliserio Rodriguez
Gliserio Rodriguez, Geographer

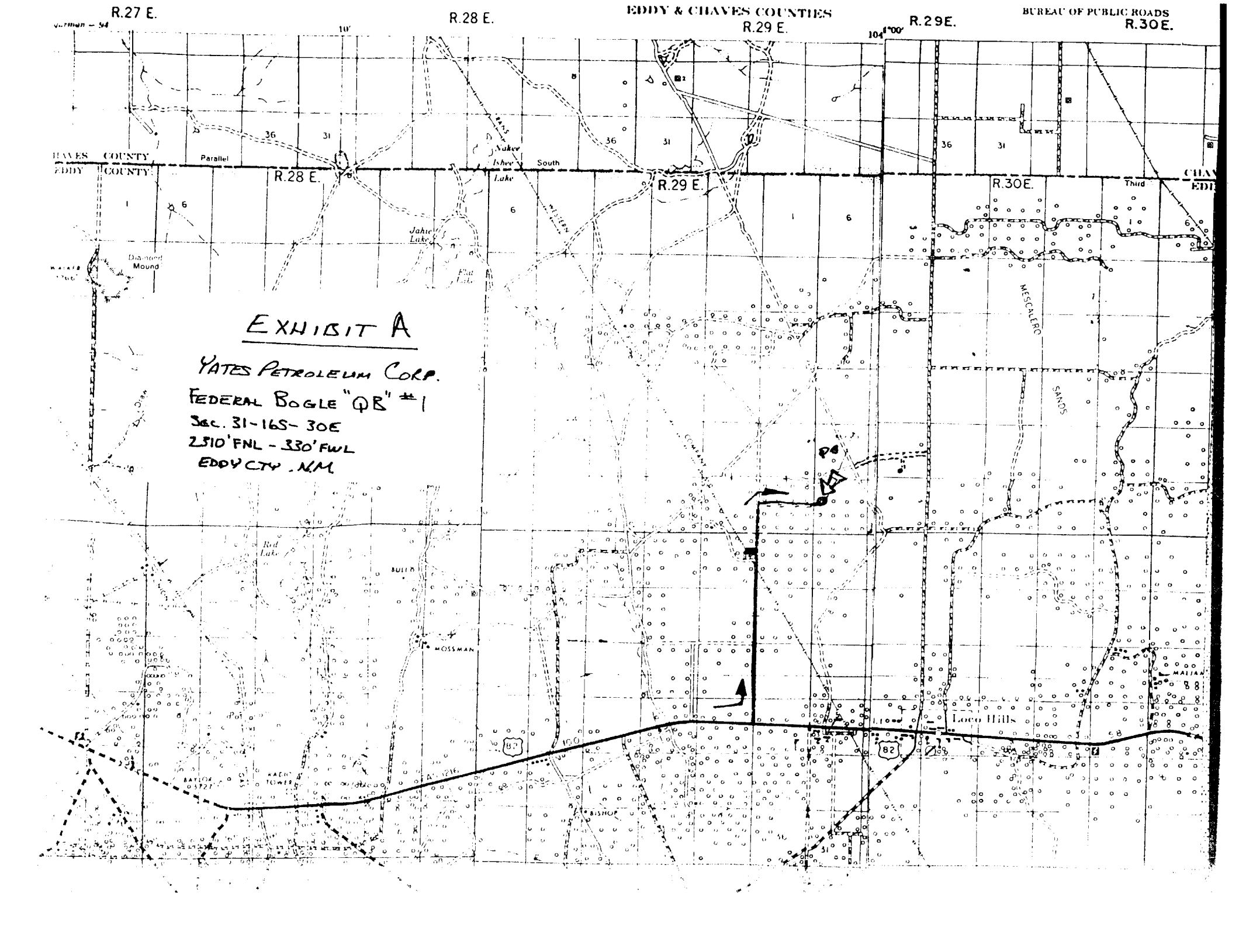
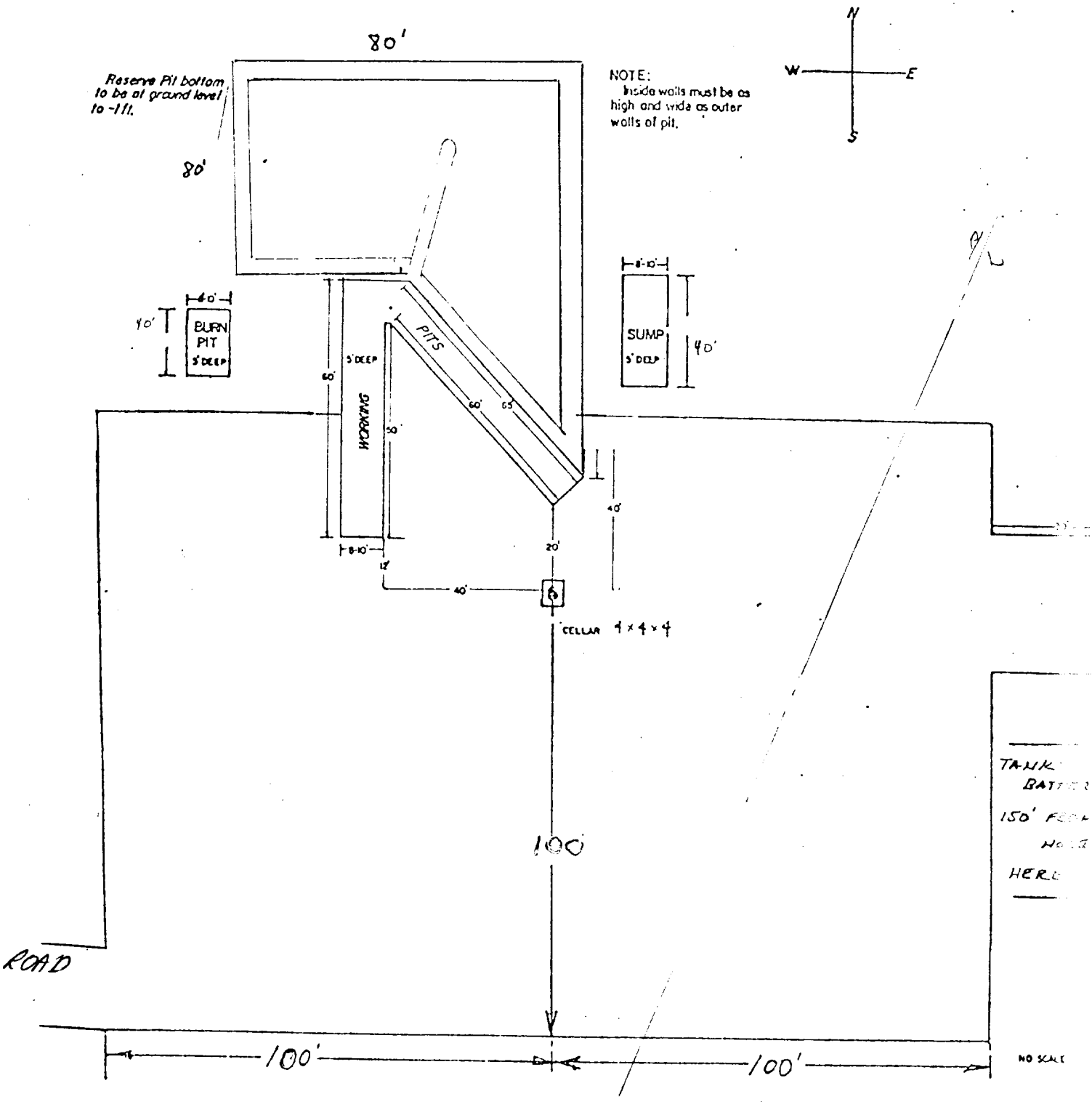
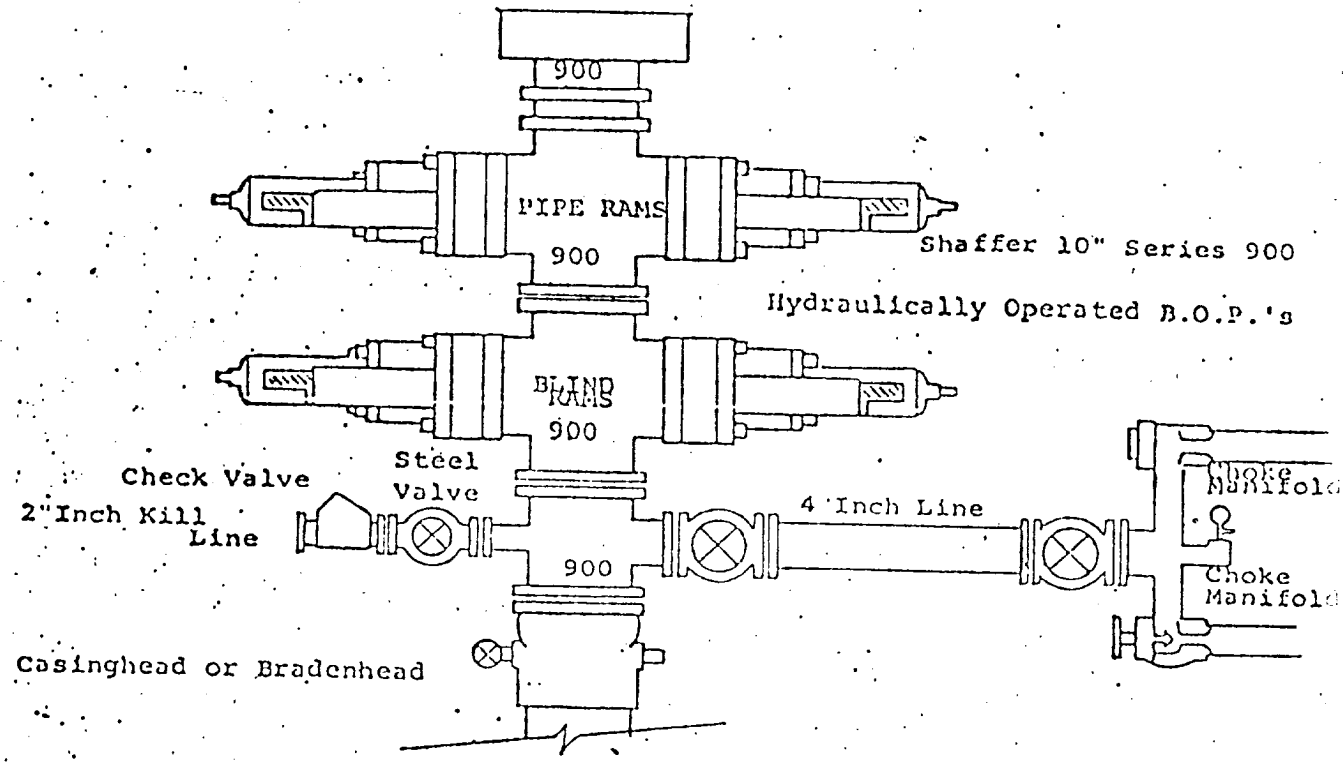

R.27 E.
R.28 E.
EDDY & CHAVES COUNTIES
R.29 E.
R.29E.
BUREAU OF PUBLIC ROADS
R.30E.
CHAVES COUNTY
EDDY COUNTY
Parallel
R.28 E.
R.29 E.
R.30E.
Third
Diamond Mound
Jahn Lake
Red Lake
MESCALERO SANDS
COMPANY
MOSSMAN
BISHOP
Loco Hills
82
EXHIBIT A
YATES PETROLEUM CORP.
FEDERAL BOGLE "QB" #1
Sec. 31-16S-30E
2310' FNL - 330' FWL
EDDY CTY. N.M.

EXHIBIT B

YATES PETROLEUM CORPORATION





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.