

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Artesia, NM 88210

C/SF

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

RECEIVED

3. ADDRESS OF OPERATOR

207 S. 4th Street, Artesia, NM 88210

MAR - 3 1982

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

990' FNL & 1980' FEL

O. C. D.

ARTESIA, OFFICE

At proposed prod. zone

same

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

4 miles west of Artesia, NM

15. DISTANCE FROM PROPOSED*

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

990'

16. NO. OF ACRES IN LEASE

200

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.

Approx. 300'

19. PROPOSED DEPTH

8400'

20. ROTARY OR CABLE TOOLS

Rotary

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

3529 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" 17 1/2"	10 3/4" 3 3/8"	48#	Approx. 360'	300 circulate
12 1/4"	8 5/8"	24#	Approx. 1150'	600 circulate
7 7/8"	4 1/2"	10.5#K- 11.6#K	TD	300
	5 1/2"	15.5K - 17K		

We propose to drill to the Morrow formation, test with approx. 360' or 13 3/8" casing to shut off surface gravel and caving and 8 5/8" casing will be set 100' below the Artesian zone with cement and circulated. 4 1/2" or 5 1/2" production casing will be run to TD and cemented with 600' of coverage on pay. Will perforate and stimulate as needed for production.

MUD Program: Fresh water gel and LCM to 1150', water from 1150' casing point to 6200', KCL Starch Drispack to 7500', KCL gel & Drispack to TD.

BOP Program: BOP's will be installed on 8 5/8" casing and tested daily

RECEIVED
MAR 1 1982

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 proposed preventer program, if any.

24.

SIGNED

Ken Beaulieu

TITLE

Reg. Coordinator

DATE

2-25-82

(This space for Federal or State office use)

PERMIT NO.

APPROVED

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

MAR 1 1982

JAMES A. GILLHAM
DISTRICT SUPERVISOR

TITLE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DATE

Footed ID-1
API + ML Book
3-5-82OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

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.

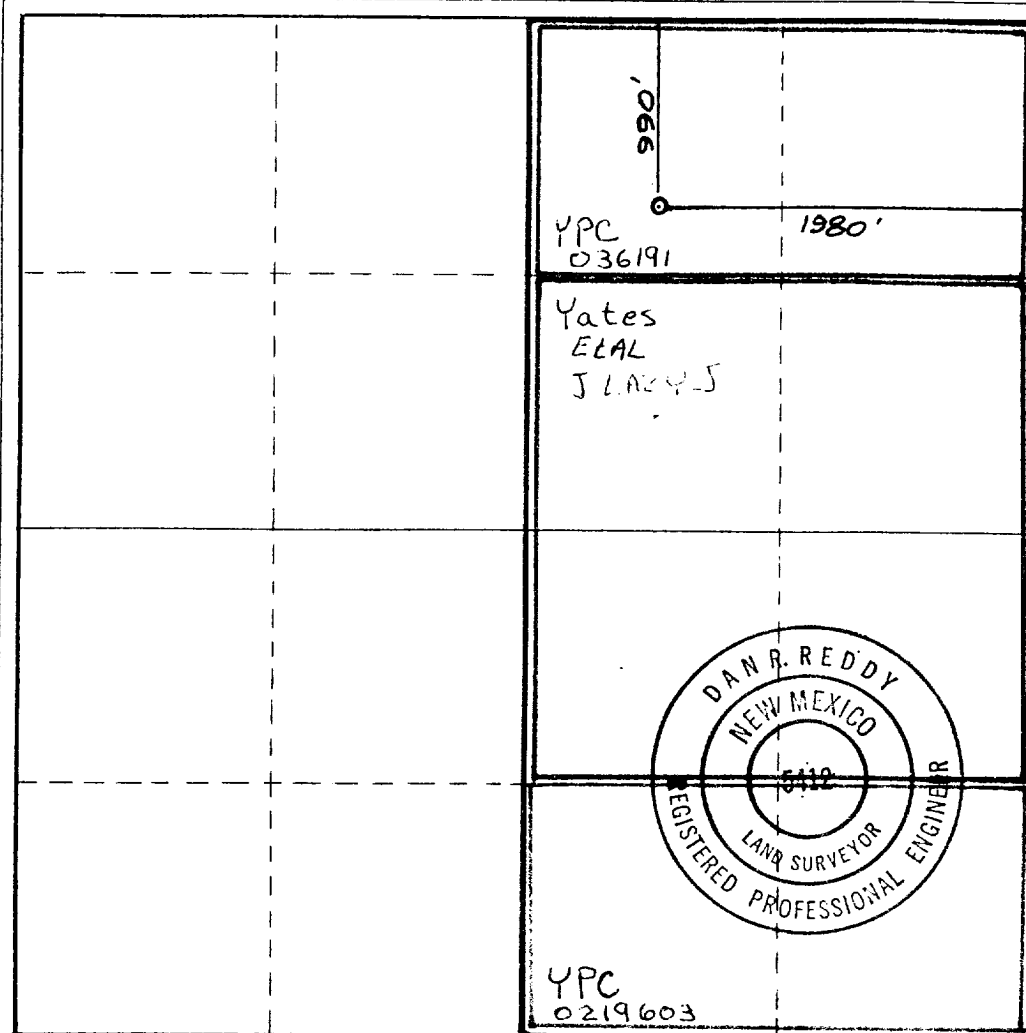
Operator YATES PETROLEUM CORPORATION			Lease Federales B O Com		Well No. 10
Unit Letter B	Section 22	Township 17 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 990 feet from the North line and 1980 feet from the East line					
Ground Level Elev. 3529	Producing Formation MORROW		Pool EAST EAGLE CREEK ATOKA MORROW		Dedicated Acreage: 320 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

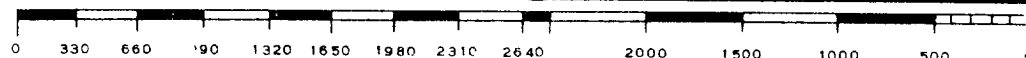
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

[Signature]
Name
BLISERIO RODRIGUEZ
Position
Reg. MGR.
Company
Yates Petroleum Corp
Date
2-25-82

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
Feb. 24, 1982
Registered Professional Engineer and/or Land Surveyor

[Signature]
Certificate No.
NMPE&LS No. 5412



YATES PETROLEUM CORPORATION
Federales "BO" Com #10
990' FNL and 1980' FEL
Section 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 alluvium.

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

San Andres	755'	Atoka	7850'
Glorieta	2150'	Morrow	8050'
Abo	4070'	TD	8400'
Wolfcamp	5260'		
Cisco	6315'		
Lower Canyon	7160'		
Strawn	7475'		

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

Water: 150' - 250'; 760' - 1050'

Oil or Gas: Oil: Slaughter 1330' - 1440'; Gas: 5300-5350, 6400-6550, 7650-7700, 7800-7850, 8000- 8200'.

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:

Samples: 10' out from under surface

DST's: As warranted

Coring: As warranted

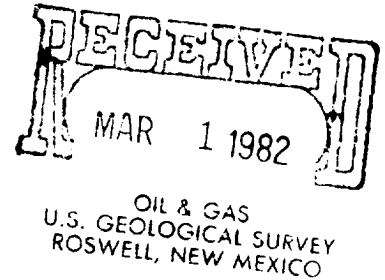
Logging: CNL-FDC TD to casing w/GR-CNL on to surface; DLL from TD to casing w/RxO

9. No abnormal pressures or temperatures are anticipated.

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Federales "BO" Com #10
990' BNL & 1980' FEL
Section 22-T17s-R25e



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 rehabilitation of the surface after completion of the well so that an appraisal can be made of the environment effected by the well.

1. EXISTING ROADS.

Exhibit A is a portion of a USGA topographic map showing the wells and road in the vicinity of the proposed location. The proposed wellsite is located approximately 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. From Artesia head west on Highway 82 for 2 miles. (Airport will be to the north.) Turn south at the blue cattleguard and proceed south for approximately 1 mile.
2. The new road will start here going off the black top in a westerly direction to the southeast corner of the pad.

2. PLANNED ACCESS ROAD.

- A. Approximately 300' of road will be needed to get to the location.

3. LOCATION OF EXISTING WELLS.

- A. This well is being drilled within the Eagle Creek field.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There is production facilities on this lease at the present time. See Exhibit A.
- 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 of oil, electricity is available on lease. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. Water will be piped in from our water well.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche will be taken from a fee pit in the NW/NW Section 23-17s-25e.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in a small reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit 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. ANCILIARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT

- A. Location is in a flat area amid the oil wells on this lease.

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 pit, if any, containing fluids will be fenced until they have dried.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements made in the Operator-Landowner Agreement 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 FORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is rolling hills. The immediate area of the wellsite is discussed above in paragraph 9A.
- B. Flora and Fauna: Terrian is sloping with prairie grasses, native flowers and yucca.
- 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: Surface is privately owned with federal minerals. Yates Petroleum Corporation has submitted an application to drill a well on surface owned by Bill Gissler, P.O. Box 987, Artesia, New Mexico 88210. This well is located 990' FNL and 1980' FEL in Section 22, T17S, R25E.

In an on-site visit with Mr. Gissler, it was agreed that we would compensate him monetarily for the surface damages incurred. The pit area will be leveled after they are dry and along with the pad will be left to reseed naturally.

12. OPERATOR'S REPRESENTATIVE.

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

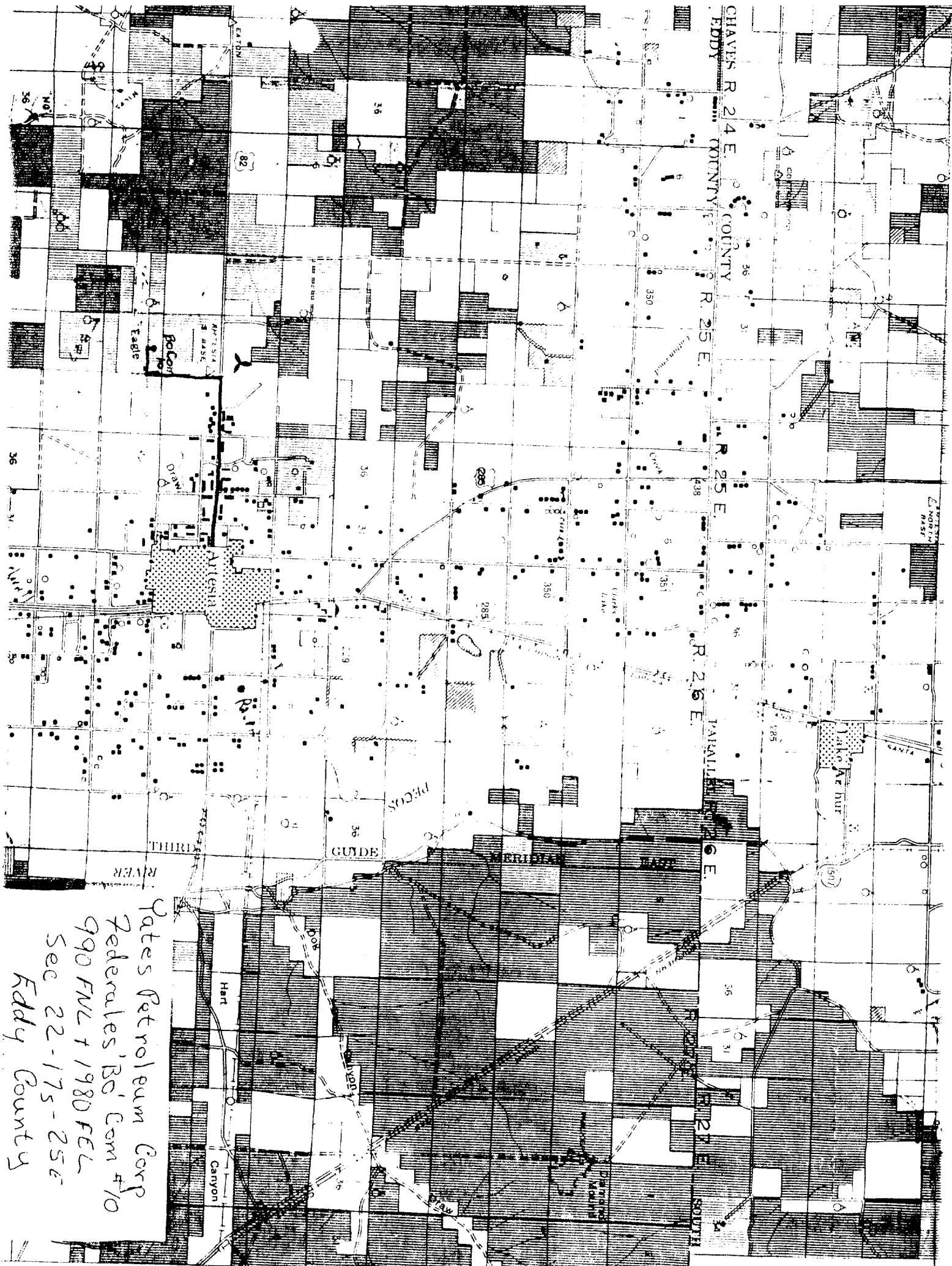
Gliserio "Rod" Rodriguez, Cy Cowan or Ken Beardemphl
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

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.

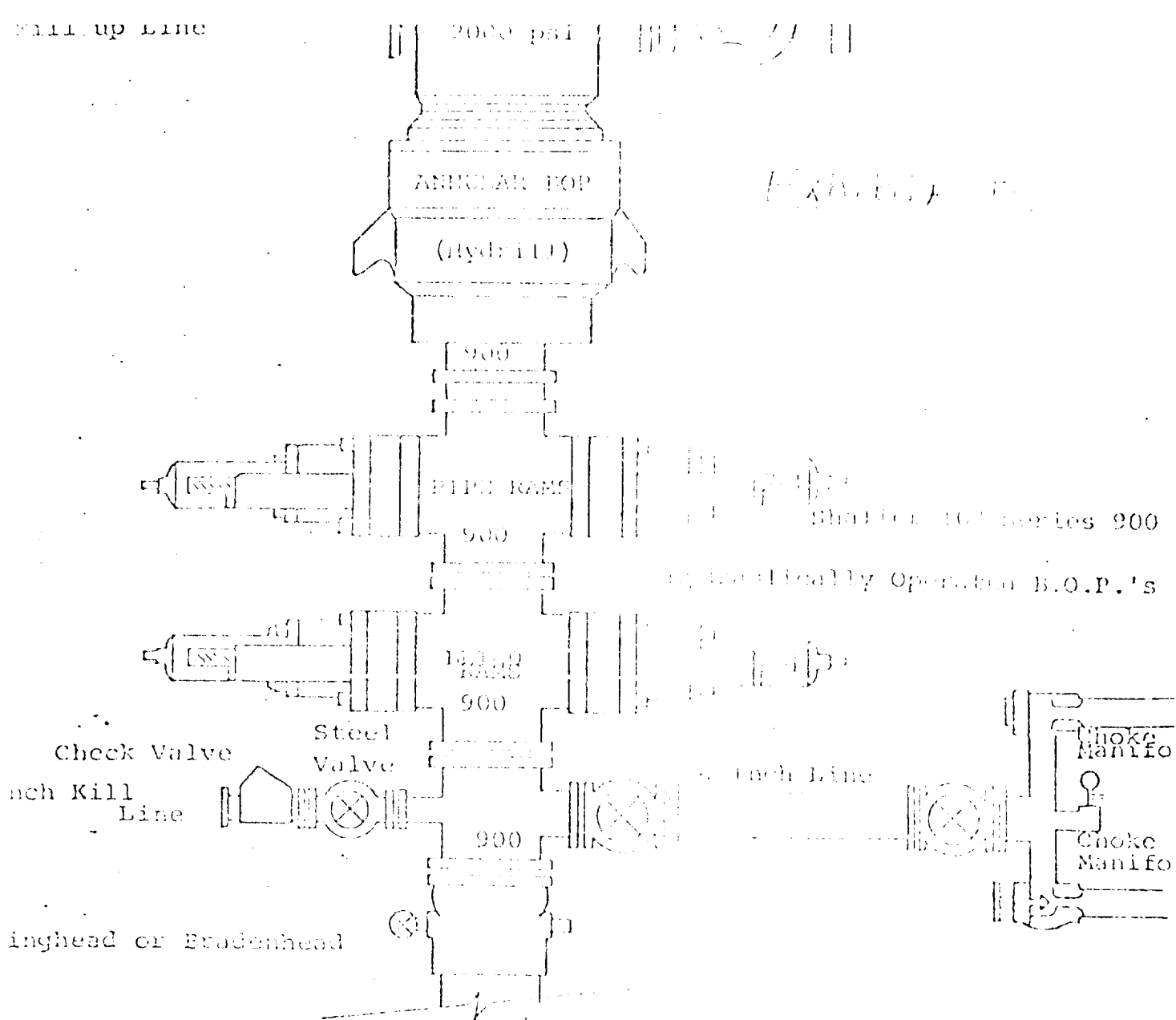
2-25-82
Date

Ken Beardemphl
Ken Beardemphl, Regulatory Coordinator



Pates Petroleum Corp
Federales' B' Com #10
990 FNL + 1980 FEL
Sec 22-175-25E
Eddy County

Fill-up Line



FOLLOWING CONTAINS MINIMUM REQUIREMENTS:

- All preventers to be hydraulically operated with secondary manual control installed prior to drilling out. Minimum 1000 psi.
- Choke outlet to be a minimum of 4" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manual preventers to be all steel, hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 10% in excess of that required with sufficient volume to operate at 1000 psi.
- All connections to and from preventer shall be pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available from rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips before commencing casing. Operator not responsible for blowouts resulting from not keeping hole full.
- D. P. float must be installed and used before start of third gas intrusion