

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☐ Gas Well ☒ Other

2. Name of Operator

YATES PETROLEUM CORPORATION

3. Address and Telephone No.

105 South Fourth Street, Artesia, New Mexico 88210

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1650' FNL & 990' FEL
Sec. 10-T18S-R29E

5. Lease Designation and Serial No.

LC-062072

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

West Loco Hills G4S Unit

8. Well Name and No.

WLHUG4S Tract 17 #5

9. API Well No.

10. Field and Pool, or Exploratory Area

Loco Hills Q-G-SA

11. County or Parish, State

Eddy County, New Mexico

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☒ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Yates Petroleum Corporation proposes to re-enter the captioned well for the purpose of returning to injection. This well was originally drilled by Newmont Oil Company and was plugged and abandoned in 1983. Please note attached copy of Form 3160-3 which contains the information needed to perform the re-entry.

RECEIVED

AUG 19 2 23 PM '93

CARLOS J. TORRES
AREA MANAGER

RECEIVED

AUG 19 10 50 AM '93

RECEIVED

14. I hereby certify that the foregoing is true and correct

Signed

Title

LAND TECHNICIAN

Date

8/11/93

(This space for Federal or State office use)

Approved by

Title

AREA MANAGER

Date

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☐DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☐

OTHER Re-entry

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

YATES PETROLEUM CORPORATION

3. ADDRESS AND TELEPHONE NO.

105 South Fourth Street, Artesia, New Mexico 88210

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

At surface

1650' FNL & 990' FEL

At proposed prod. zone

Same

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

Approximately 6 miles Southwest of Loco Hills, New Mexico

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

320

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

2634'

20. ROTARY OR CABLE TOOLS

Pulling Unit

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

3498' GR

No Water Basin

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	8 5/8"	28# J-55	432'	50 sacks in place
7 7/8"	7"	20# J-55	2527'	100 sacks in place
7"	4 1/2"	9.5# J-55	2527'	150 sacks circulate

Yates Petroleum Corporation proposes to run 4 1/2" 9.5# J-55 casing to 2527' (base of 7" casing). Circulate cement back to the surface. Run packer and 2 3/8" 4.5# tubing to 2500' and return well to injection.

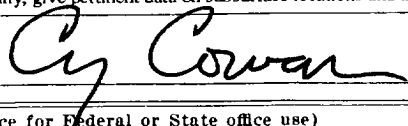
Injection formation is the Loco Hills Sand. Attached is a copy of NMOC Order R-2178 authorizing injection of fluids into this well. This is Exhibit E.

Approval Subject to
General Requirements and
Special Specifications
Attached

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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

LAND TECHNICIAN

DATE

8/11/93

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

5. LEASE DESIGNATION AND SERIAL NO.

LC-062072

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

West Loco Hills G4S Unit

8. FARM OR LEASE NAME, WELL NO.

WLHU G4S, Tract 17 #5

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Loco Hills Q-G-SA

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

Sec. 10-T18S-R29E

12. COUNTY OR PARISH

Eddy

13. STATE

NM

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease West Loco Hills Unit G4S Tract 17		Well No. 5
Unit Letter H	Section 10	Township 18S	Range 29E	County Eddy	
Actual Footage Location of Well: 1650' feet from the North line and 990 feet from the East line					
Ground level Elev. 3498'		Producing Formation Grayburg #4 Sand		Pool WLHUG4S	Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?

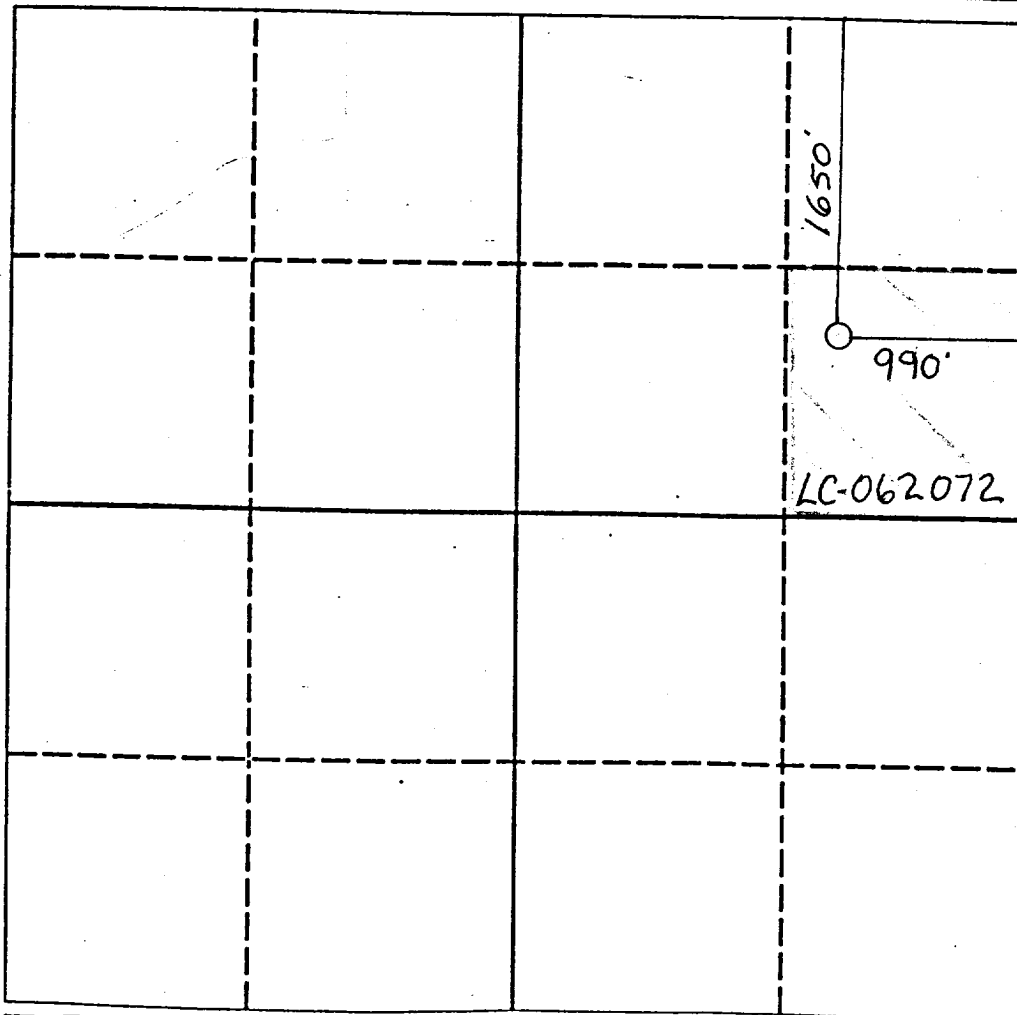
☐ Yes

☐ 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Cy Cowan

Printed Name

Cy Cowan

Position

Land Technician

Company

Yates Petroleum Corporation

Date

8/11/93

SURVEYOR CERTIFICATION

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

Signature & Seal of
Professional Surveyor

ORIGINAL PLAT NOT AVAILABLE

Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

YATES PETROLEUM CORPORATION
WLHU G4S Tract 17 #5
1650' FWL & 990' FEL
Sec. 10-T18S-R29E
Eddy County, New Mexico

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

Top of Salt	412'
Base of Salt	890'
Queen	2128'
Grayburg #4 Sand	2619'
TD	2634'

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

Water:	300' - 350'
Oil or Gas:	2619'

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
10"	8 5/8"	28#	J55		In Place		
7 7/8"	7"	20#	J55		In Place		
7"	4 1/2"	9.5#	J55	8R	ST&C	0-2525'	2525'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

B. CEMENTING PROGRAM:

Surface casing: 8 5/8" 28# J-55 432' 50 sacks cement. In place.

Intermediate Casing: 7" 20# J-55 to 2527' cemented with 100 sacks. In place.

Production Casing: 4 1/2" 9.5 # J-55 to 2527' cement with enough cover to circulate back to surface.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-2527'	Brine	9.3 - 9.6	29	N/C

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: None anticipated.
Logging: Cement Bond Log.
Coring: None Anticipated.
DST's: None Anticipated.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:
Anticipated BHP: None Anticipated.

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: 2619' Top of Grayburg Sand. See attached H2S Operations Plan.

Maximum Bottom Hole Temperature: 85 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 10 days to drill the well with completion taking another 5 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
West Loco Hills G4S Unit Tract 17 #5
1650' FNL & 990' FEL
Sec. 10-T18S-R29E
Eddy County, New Mexico

This plan is submitted with Form 3160-3, 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 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 operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 6 miles Southwest of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Artesia on Highway 82, approximately 19 miles to Valley Gas Rd., (CR 212). Turn south and go to intersection of Valley Gas Rd., and C.R. 217. Turn west for .1 of a mile. Turn south and go approximately .2 of a mile. New road will start here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 200' in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a west/east direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. No traffic turnouts will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

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

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to clean out the proposed well with a salt brine system. The brine 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:

If needed, dirt contractor will locate closest pit, contact surface owner, and pay for any materials used.

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.
- 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. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES:

- A. None.

9. WELLSITE LAYOUT: Well site location will be cleaned off. A small workover pit will be dug on the north side of the location. Note Exhibit C.

10. PLANS FOR RESTORATION

- 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 dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Federal surface, BLM, Carlsbad, New Mexico.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

Cy Cowan, Land Technician
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

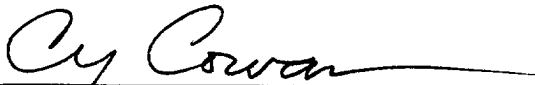
B. Through Drilling Operations,
Completions and Production:

Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site 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 Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

8/11/93


Land Technician

YATES PETROLEUM CORPORATION

H2S Drilling Operations Plan

Personnel employed at the rig site shall receive training in H2S detection, safe drilling procedures and contingency plans. H2S safety equipment shall be installed and functional 3 days or 500 feet prior to encountering known or probable H2S zone at 2619 feet.

Submitted with the APD is a well site diagram showing :

- 1) Drilling rig orientation, location of flare pit.
- 2) Prevailing wind direction.
- 3) Location of access road.

Primary briefing area will be established 150' from wellbore and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area.

A H2S warning sign will be posted at the entrance of the location. Depending on conditions, a green, yellow, or red flag will be displayed.

Green - Normal conditions

Yellow - Potential danger

Red - Danger H2S present.

Wind indicators will be placed on location at strategic, highly visible areas. H2S monitors (a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

- 1) 30 minute "pressure demand" type working unit for each member of rig crew on location.
- 2) 5 minute escape packs for each crew member.
- 3) Trailer with a "cascade air system" to facilitate working in a H2S environment for time periods greater than 30 minutes.

Breathing equipment will be stored in weather proof cases or facilities. They will be inspected and maintained weekly.

The mud system will be designed to minimize or eliminate the escape of H2S at the rig floor. This will be accomplished through the use of proper mud weight, proper ph control of the drilling fluid and the use of H2S scavengers in the drilling fluid. A mud gas separator will be utilized when H2S gas is present in the mud.

Drilling experience has shown that wells in developmental areas, (i.e. Dagger Draw, Livingston Ridge Delaware, and Lusk Delaware) are normally pressured and don't experience either H2S kicks or loss of returns. Due to these circumstances, we request exceptions to the rule requiring flare line with remote lighter and choke manifold with minimum of one remote choke. This equipment would be provided on exploratory wells or wells with the known potential for H2S kicks. Additionally, a SO2 monitor would be positioned near the flare line, and a rotating head utilized.

The drill string, casing, tubing, wellhead, blowout preventers and associated lines and valves will be suitable for anticipated H2S encounters.

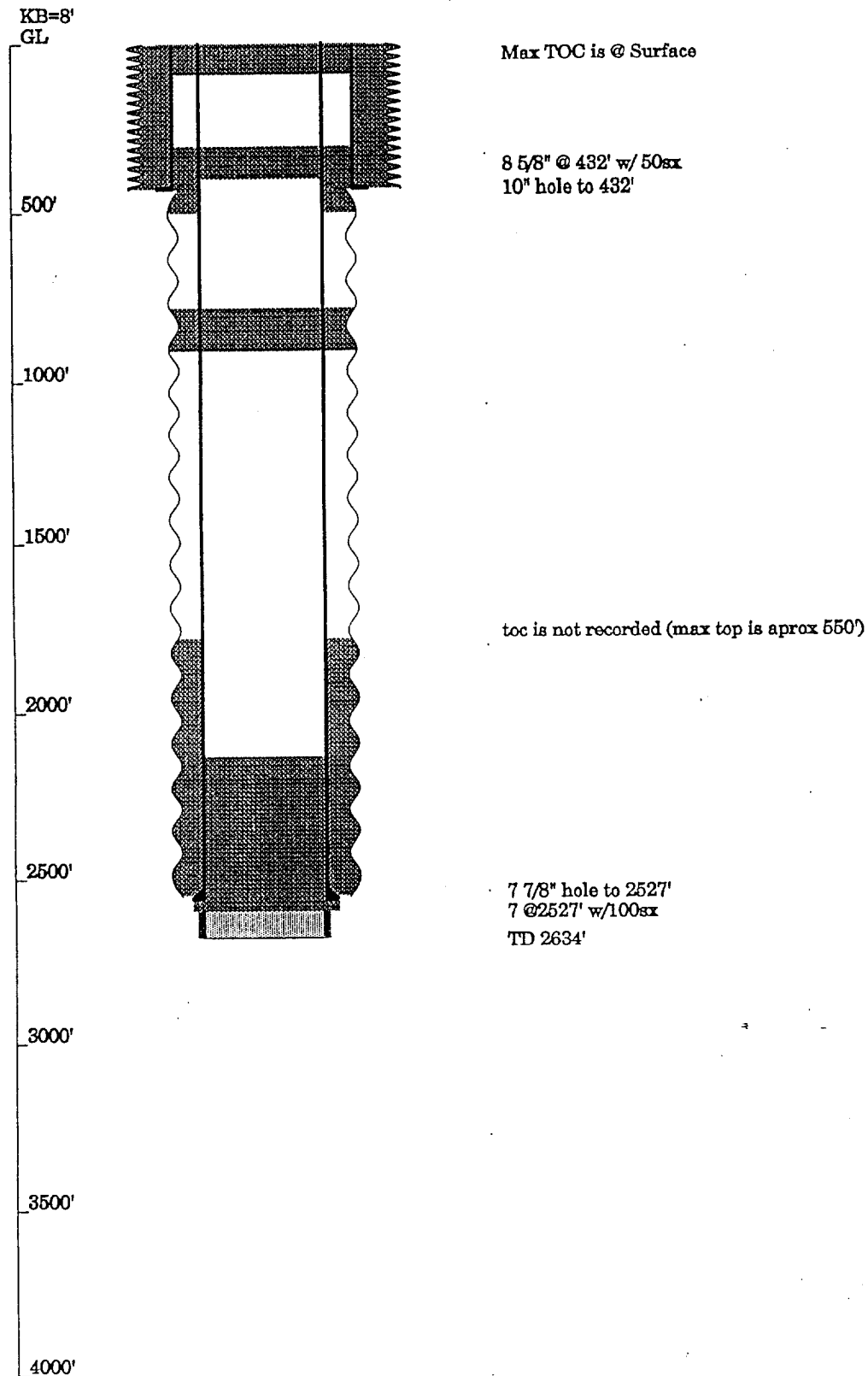
Radio and or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

Drill stem testing to be performed with a minimum number of essential people on location. They will be those necessary to safely conduct the test. If H2S is encountered during a drill stem test, essential personnel will mask up and determine H2S concentration. The recovery will then be reversed to flare pit. Pulling of test tools will be conducted in a safe manner.

West Loco Hills Unit #17-5

Unit H, 1650' FNL 990' FEL
Sec. 10-T18S-R29E NMPM

Current Status

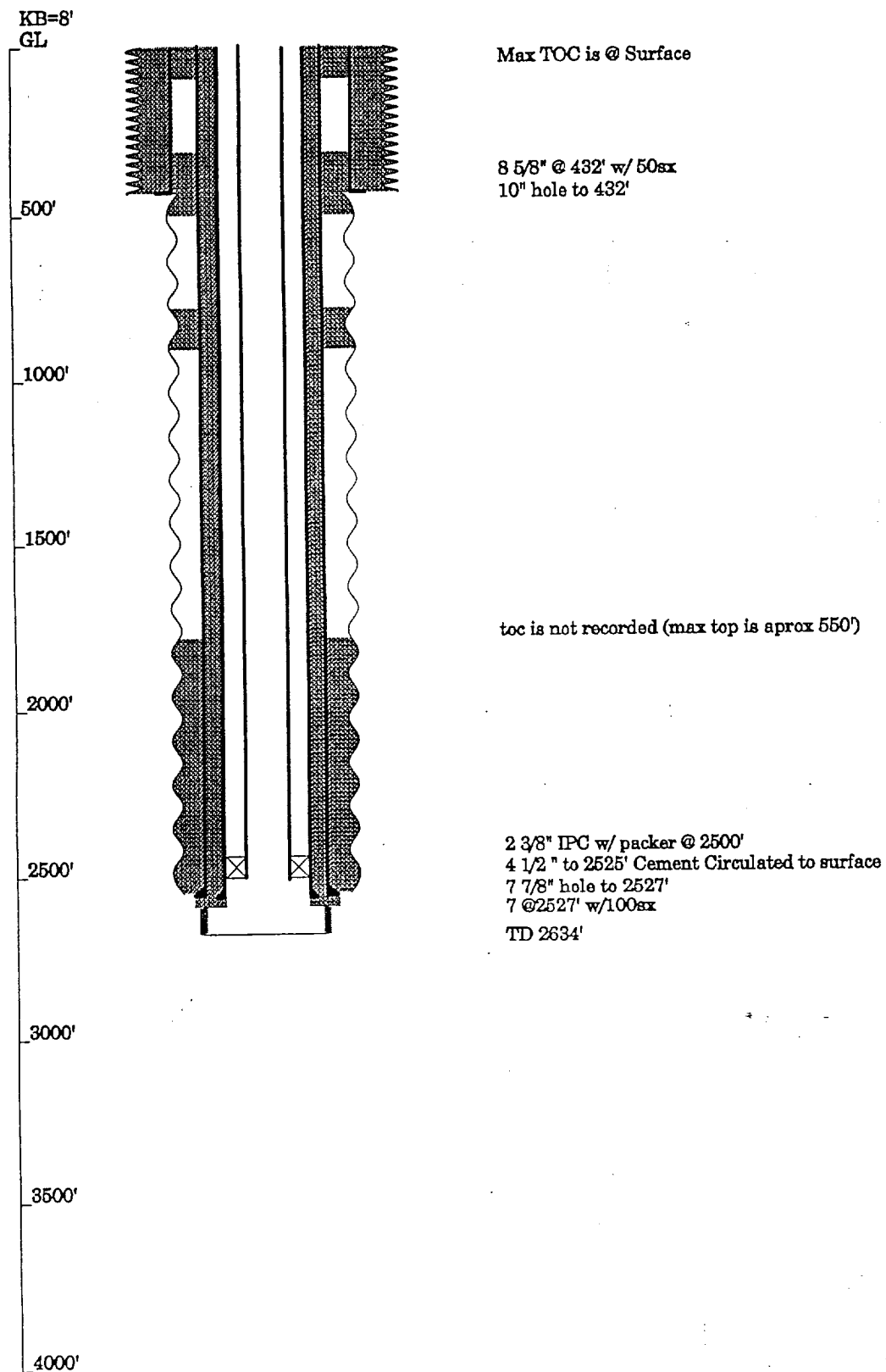


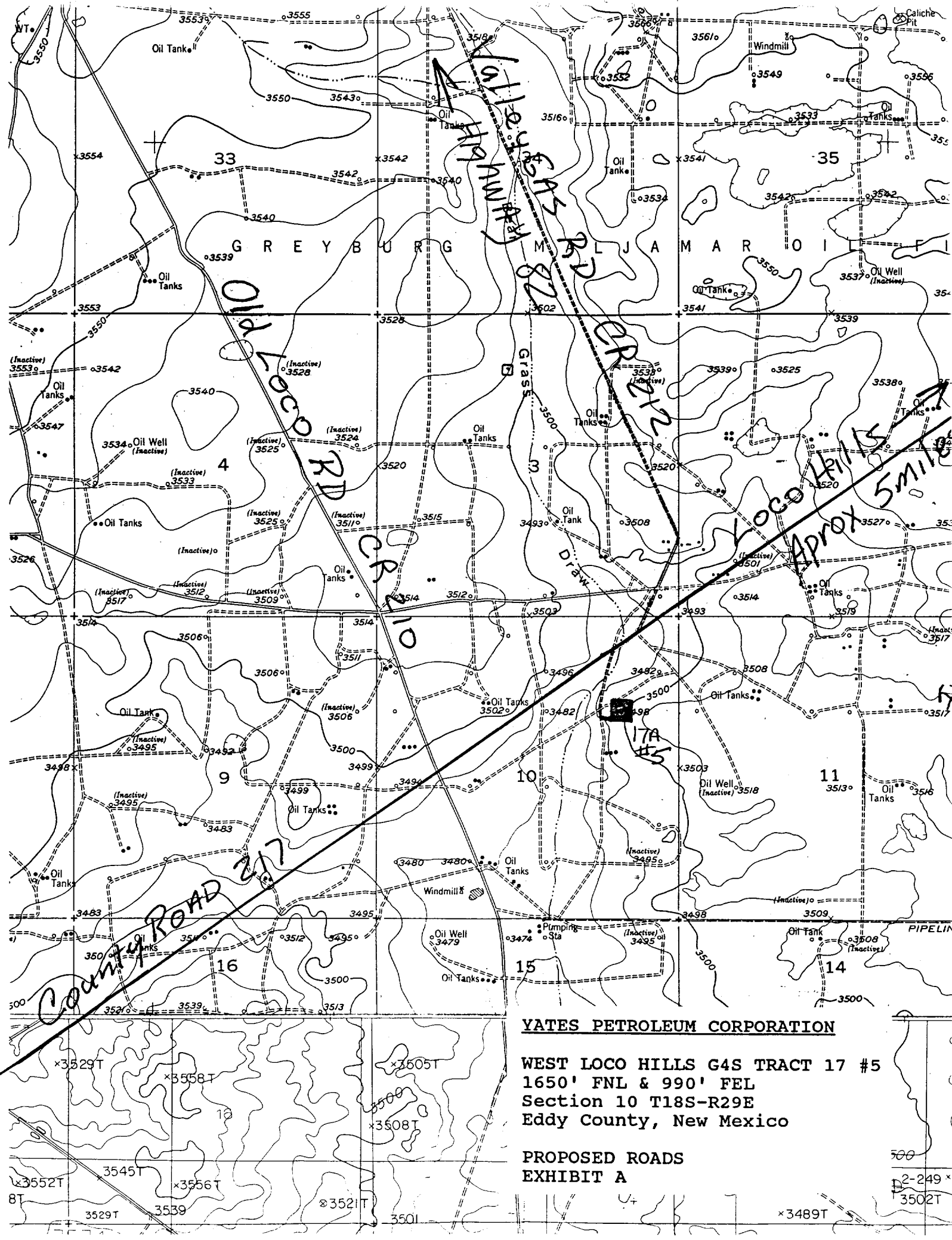
West Loco Hills Unit #17-5

Unit H, 1650' FNL 990' FEL

Sec. 10-T18S-R29E NMPM

Proposed Status





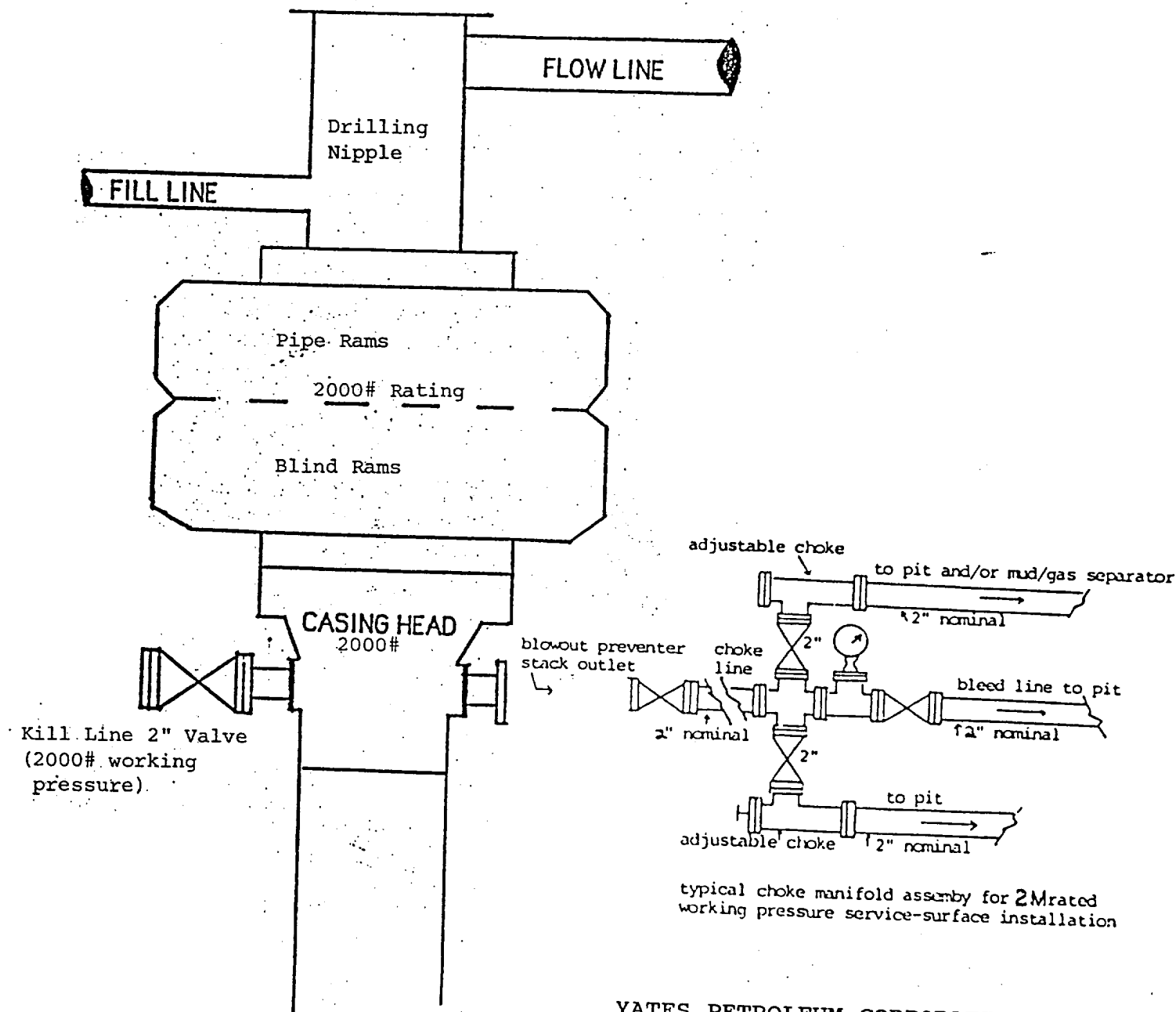
YATES PETROLEUM CORPORATION

WEST LOCO HILLS G4S TRACT 17 #5
1650' FNL & 990' FEL
Section 10 T18S-R29E
Eddy County, New Mexico

PROPOSED ROADS
EXHIBIT A

2-249
3502T

YATES PETROLEUM CORPORATION

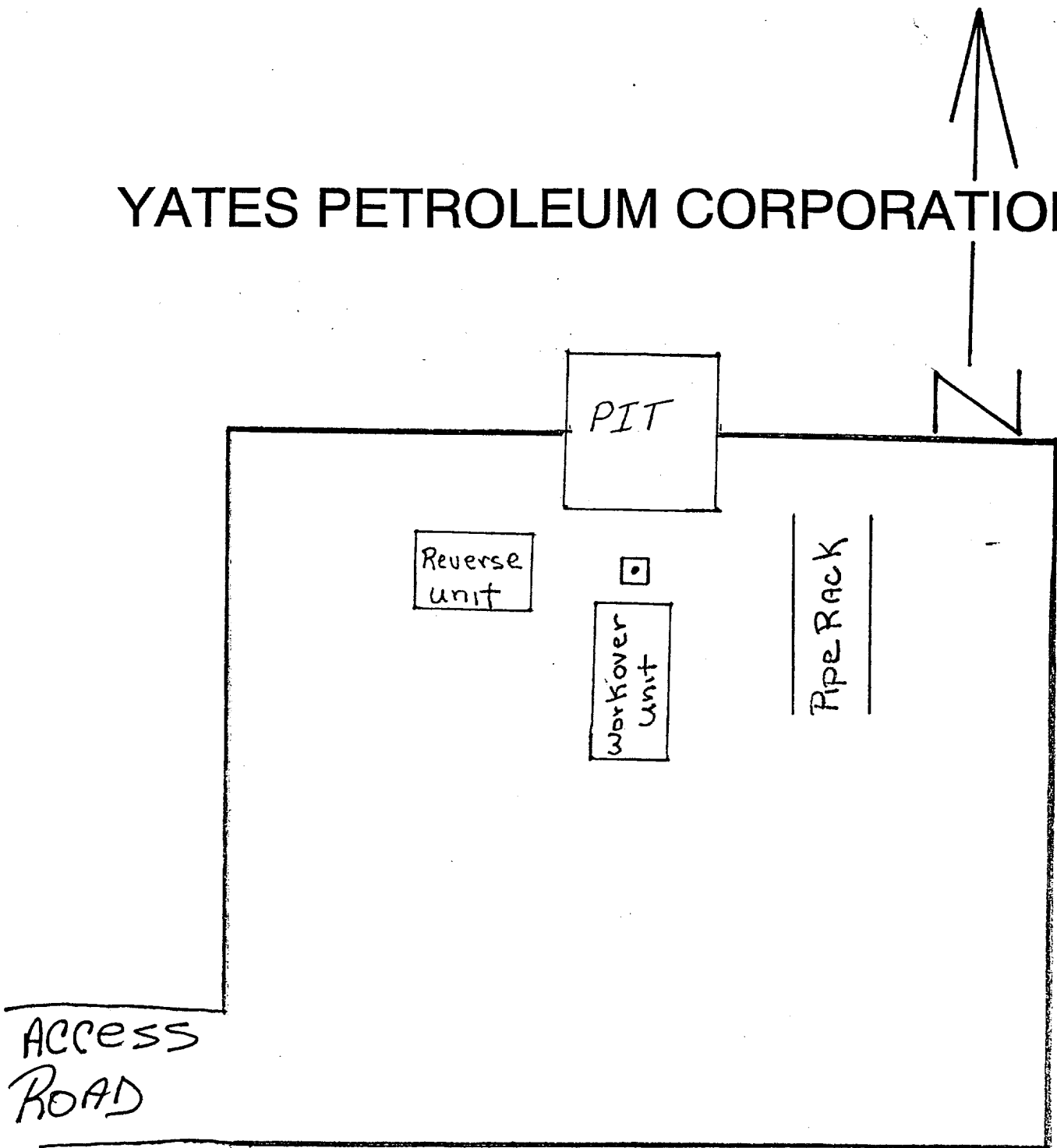


YATES PETROLEUM CORPORATION

WEST LOCO HILLS G4S TRACT 17 #5
1650' FNL & 990' FEL
Section 10 T18S-R29E
Eddy County, New Mexico

BOP DIAGRAM
EXHIBIT B

YATES PETROLEUM CORPORATION



YATES PETROLEUM CORPORATION

WEST LOCO HILLS G4S TRACT 17 #5
1650' FNL & 990' FEL
Section 10 T18S-R29E
Eddy County, New Mexico

RIG LAYOUT
EXHIBIT C



APPLICATION OF NEWMONT OIL
COMPANY TO EXPAND ITS WEST
LOCO HILLS GRAYBURG NO. 4
SAND UNIT WATER FLOOD PROJECT
IN THE LOCO HILLS POOL IN EDDY
COUNTY, NEW MEXICO.

ORDER WFX NO. 227

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order No. R-2178, Newmont Oil Company has made application to the Commission on December 14, 1965, for permission to expand its West Loco Hills Grayburg No. 4 Sand Unit Water Flood Project in the Loco Hills Pool, Eddy County, New Mexico.

NOW, on this 3rd day of January, 1966, the Secretary-Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Order No. R-2178.
4. That the proposed injection wells are eligible for conversion to water injection under the terms of Order No. R-2178.
5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

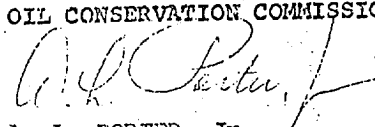
IT IS THEREFORE ORDERED:

That the applicant, Newmont Oil Company, be and the same is hereby authorized to inject water into the Grayburg formation through the following described wells for purposes of secondary recovery, to wit:

Tract 15, Well No. 2 located in Unit C of Section 1-18-29
Tract 27, Well No. 2 located in Unit L of Section 1-18-29
Tract 11, Well No. 8 located in Unit L of Section 11-18-29
Tract 41, Well No. 1 located in Unit L of Section 2-18-29
Tract 17A Well No. 1 located in Unit B of Section 10-18-29
Tract 17A Well No. 5 located in Unit H of Section 10-18-29
Tract 10A Well No. 2 located in Unit N of Section 3-18-29
Tract 10A Well No. 5 located in Unit E of Section 3-18-29
Tract 42, Well No. 1 located in Unit N of Section 10-18-29
Tract 12, Well No. 2 located in Unit 1 of Section 9-18-29
all in Township 18 South, Range 29 East, NMPM.

Done at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


A. L. PORTER, Jr.,
Secretary-Director

YATES PETROLEUM CORPORATION

WEST LOCO HILLS G4S TRACT 17 #5
1650' FNL & 990' FEL
Section 10 T18S-R29E
Eddy County, New Mexico

COPY OF ORDER R-2128
EXHIBIT E