Form 9-331 C
(May 1963)

N. M. O. C. C. COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-22116

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
MAR 10 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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

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

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
207 South Fourth Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
2200' FNL & 990' FWL of Section 25-18S-25E
At proposed prod. zone

RECEIVED
APR 13 1977
O. C. C.
ARTESIA, OFFICE

5. LEASE DESIGNATION AND SERIAL NO.
~~NM-064080~~ LC-064488

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Yates Federal

9. WELL NO.
3

10. FIELD AND POOL, OR WILDCAT
Penasco Draw (Yeso, SA)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Unit E, NMPM
Section 25-18S-25E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
3 miles west of Dayton, NM

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
40

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

19. PROPOSED DEPTH
2500'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3459' GR

22. APPROX. DATE WORK WILL START*
April 11, 1977

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10-3/4" New	32.75# J-55	Approx. 300'	200 sacks - circulate
9½"	7" New	20# K-55	Approx.1130'	550 sacks - circulate
6¼"	4½"-5½" New	10.5#-15.5# J-55	Approx.2500'	175 sacks - circulate

We propose to drill a San Andres test. Approximately 300 feet of surface casing will be set to shut off gravel and caving, cement circulated. Intermediate casing will be set 100 feet below the Artesian Water Zone, cement circulated. A tapered production string (4½" and 5½" casing) will be set at TD, cement circulated, the well perforated and sand-frac'd for oil production.

MUD PROGRAM: F.W. Gel & LCM to 1130' (or dry drill), fresh water to TD.

BOP PROGRAM: BOP's will be installed on the 7" 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 Engineer DATE 3-9-77

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

DECLARED WATER BASIN
10¾"

APPROVED BY TITLE DATE
CONDITIONS OF APPROVAL, IF ANY:

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES JUL 12 1977

CEMENT BEHIND THE 7" CASING MUST BE CIRCULATED

NOTIFY USGS IN SUFFICIENT TIME TO WITNESS CEMENTING THE 7" CASING.

APPROVED
APR 12 1977
[signature]
ACTING DISTRICT ENGINEER

*See Instructions On Reverse Side

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	Lease	Well No.
YATES PETROLEUM CORPORATION	YATES FED	3

Unit Letter	Section	Township	Range	County
E	25	18	25	EDDY

Actual Footage Location of Well:
2200 feet from the North line and 990 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3459	San Andres	Penasco Draw (Yeso, 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).

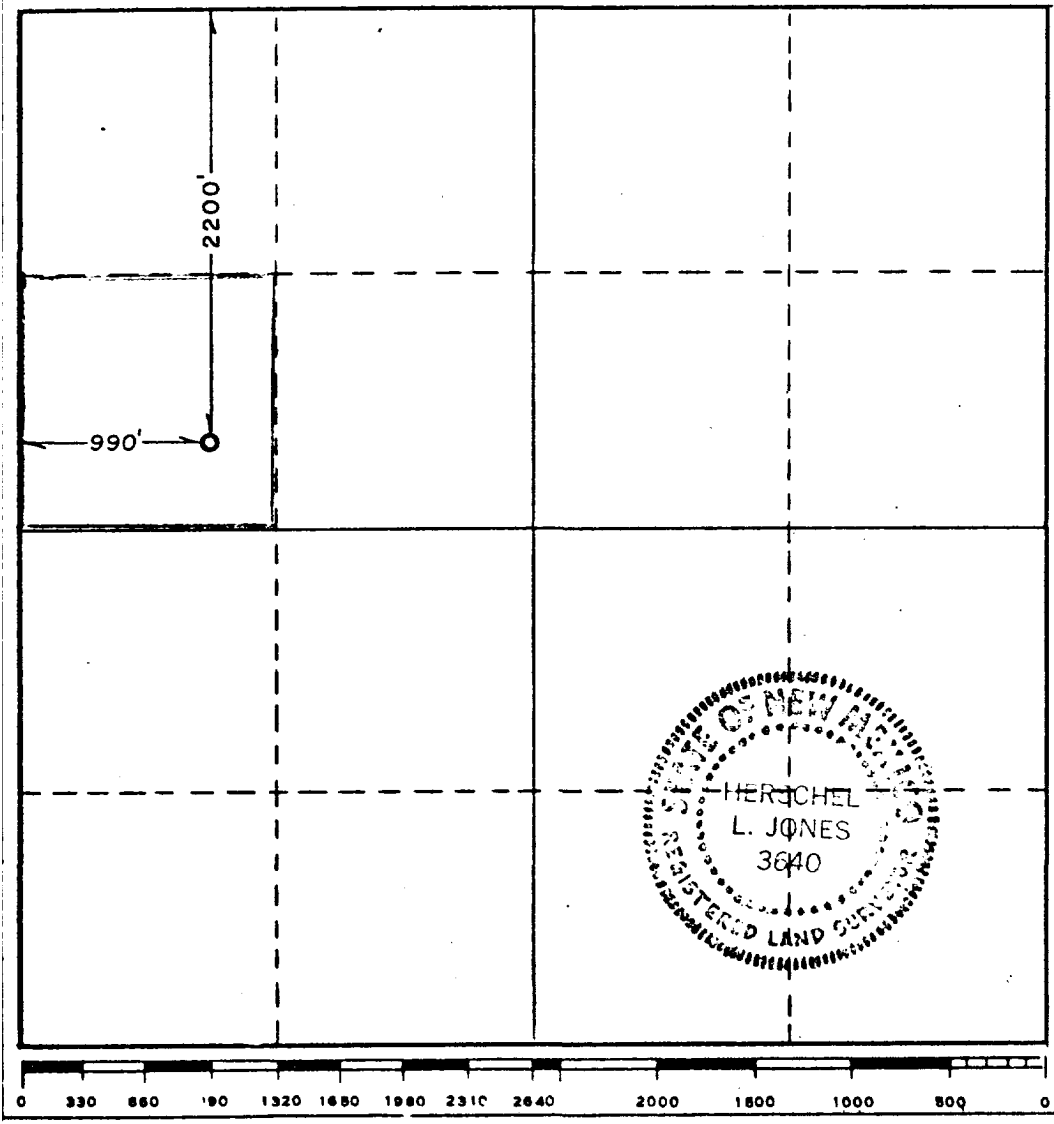
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

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

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.

RECEIVED
MAR 10 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO



CERTIFICATION

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

Name: Eddie M. Mahfood

Position: Petroleum Engineer

Company: Yates Petroleum Corp.

Date: 3-8-77

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: 2/21/77

Registered Professional Engineer and/or Land Surveyor

Certificate No.

YPC - Yates Federal #3, 2200/N 990/W Sec 25-18s-25E, Eddy Co

Other information to accompany Form 9-331-C:

1. Surface Formation: Quaternary Alluvium (poss. Queen).
2. Geologic markers anticipated: San Andres @ 690
   Glorietta @ 2070
   Yeso @ 2170
3. Surface Water: Approx 160-260; Artesian Water: Approx 870-990;
   Oil & Gas Pays: Slaughter @ 1300-1550; Yeso @ 2170-2450.
4. Casing Program: See form 9-331-C.
5. Pressure Control: See form 9-331-C & Exhibit "C" (BOP's).
6. Mud Program: See form 9-331-C.
7. Auxiliary Equipt: Sub with full-opening valve on the floor
8. No drill stem tests; no coring; 10ft samples.
9. A development well (in-field) with better structural position than the #1 well which is P&A. Pressure data from previous drilling experience. Hydrogen sulfide and other toxic gases are minimal and well controlled with water.
10. Anticipated Starting Date: April 1977.

3-9-77

Surface Use Plan to Accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) Go 9 miles south from Artesia on U. S. 285, then west 3 miles on blacktop to TWPL Gas Plant, then north approximately 3000 feet on caliche road (county maintained) to lease road, east past tank battery on little used lease road to location.

2. PLANNED ACCESS ROADS: See Plat (Exhibit A) Will improve lease road about 250' east from tank battery to location, 12' wide, with gravel or caliche, watered and compacted.

3. LOCATION OF EXISTING WELLS: See Plat (Exhibit A) A development or in-field well in the Penasco Draw (Yeso-S.A.) Pool. There are 2 disposal wells ½ mile east of this location and two water wells in SE SE Section 26-18S-25E.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit B) Existing tank battery, 200-300' west of location. Flowlines will be 2" steel and above ground across pad to tank battery.

5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit A) Will pipe drilling water from source well (and earthen tank) in SE/SE Section 26-18S-25E.

6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit A) There are 2 gravel (or caliche) pits open in area, one in SE/NE Section 26-18S-25E, the other in SE/NW Section 35-18S-25E.

7. METHODS FOR HANDLING WASTE DISPOSAL: See Plat (Exhibit B) Well cuttings will be disposed of in the reserve pit; mud sacks, paper & garbage will be burned; garbage will be accumulated in trash barrels and disposed of by burning or buried three feet in the burn pit. Produced water is now piped from the tank battery to the disposal wells.

8. ANCILLARY FACILITIES: None.

9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit B) Exhibit B shows position of drill pad, rig, reserve pit, burn pit, mud pits, jet sump, pipe racks, pumps, water tanks. Pad size - 140' X 90' Cut and fill - Negligble cut, but will fill 4-8". Surfaced with gravel and caliche. Pit area - 60' X 35'. Pad is flagged with red tape; Pit area is flagged with orange tape.

10. PLANS FOR RESTORATION OF SURFACE: Pits will be fenced until dry, then back-filled and levelled as soon as practical. Location will be cleaned, all excess material removed from location. Upon abandonment location will be cleaned and levelled or restored in compliance with BLM stipulations.

11. OTHER INFORMATION: (a) Terrain is gently rolling with excellent drainage.
    (b) Soil is sandy loam & gravel.
    (c) Vegetation consists of prairie grass, tumbleweed, greasewood and cactus.
    (d) Rio Penasco, a dry river-bed, is about 50' north of location. There is one active windmill & two water wells within one mile radius of the location.
    (e) The nearest residence is about 2 miles southwest and there is a gas-sweetening plant ½ mile south of the location.
    (f) Surface use is oil field operations and some grazing.
    (g) The effect on the environment will be minimal; drillsite is in semi-arid desert country, wind-blown and natural re-seeding.
    (h) Surface ownership is BLM with grazing permit to Hugh Kincaid.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood, Leon Bergstrom, or Jim Jonas, 207 South Fourth Street, Artesia, NM, 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 Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

March 8, 1977
Date

Eddie M. Mahfood, Engineer
Name and Title

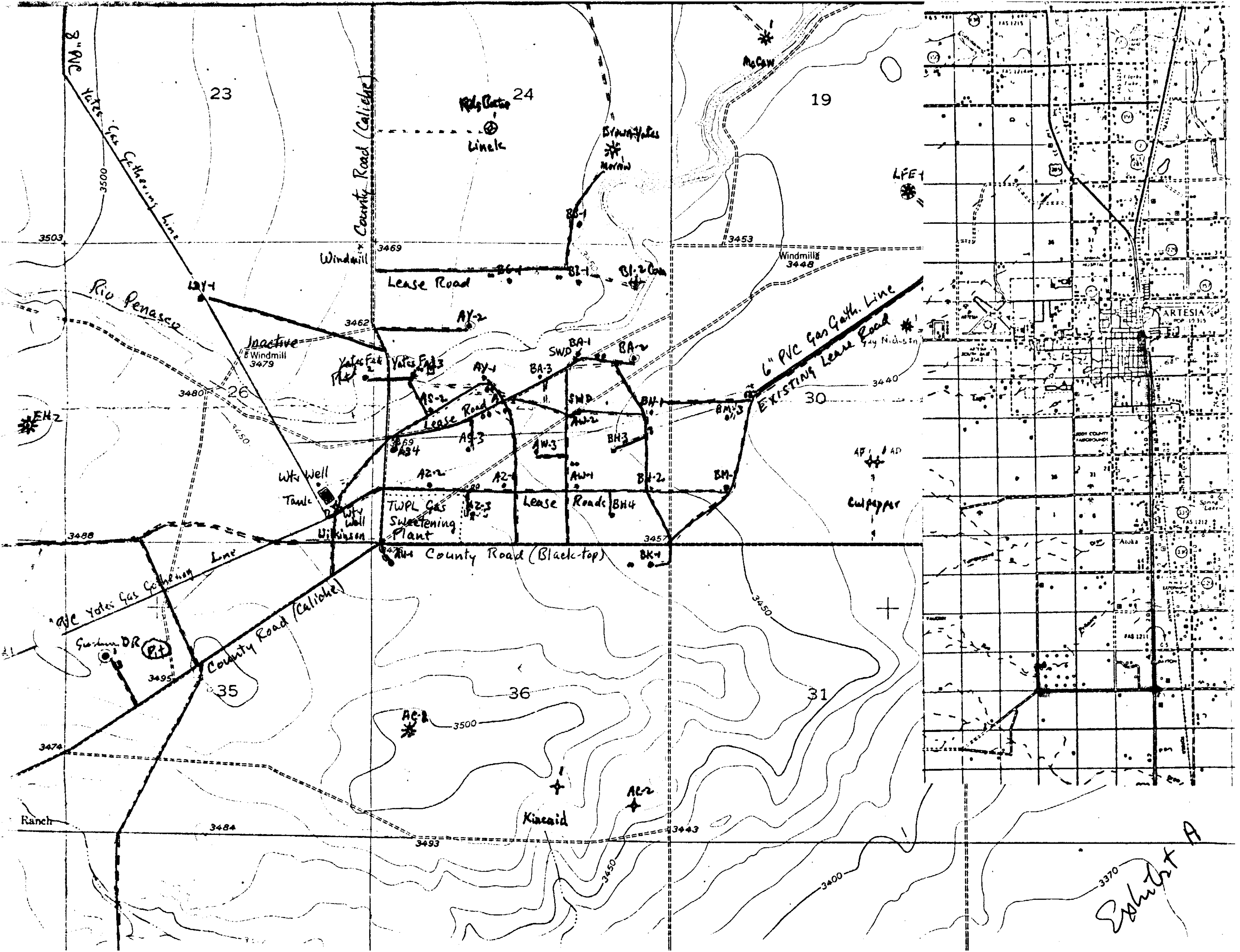
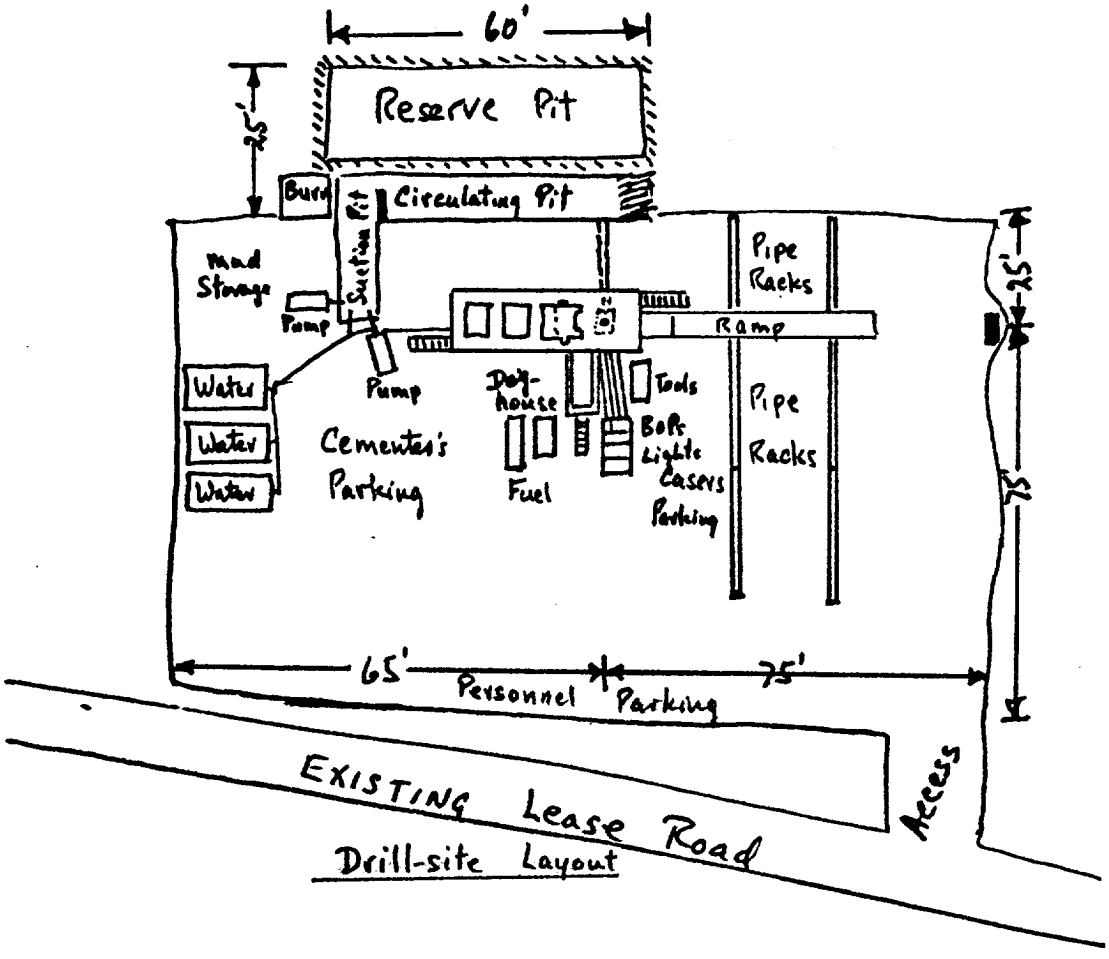
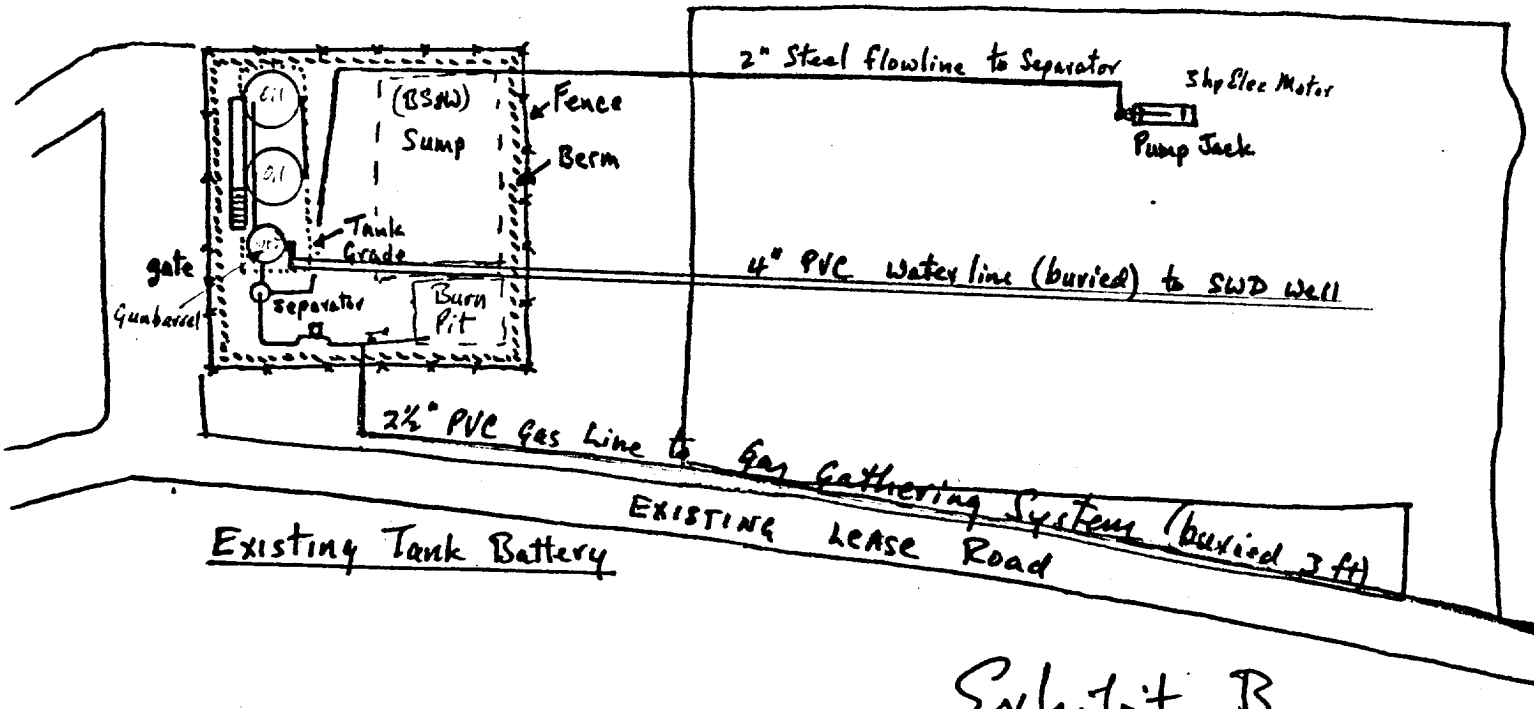

8" PVC Yates Gas Gathering Line
County Road (Caliche)
County Road (Black-top)
Lease Road
Rio Penasco
Inactive
Windmill
TWPL Gas Sweetening Plant
6" PVC Gas Gath. Line
EXISTING Lease Road
Wtr Well
Tank
Wilkinson
Linek
Kincaid
Culpepper
Ranch
ARTESIA
23
24
19
26
30
35
36
31

Exhibit A

YPC- Yates Federal No. 3, 2200/N 990/W Sec 25-18s-25E

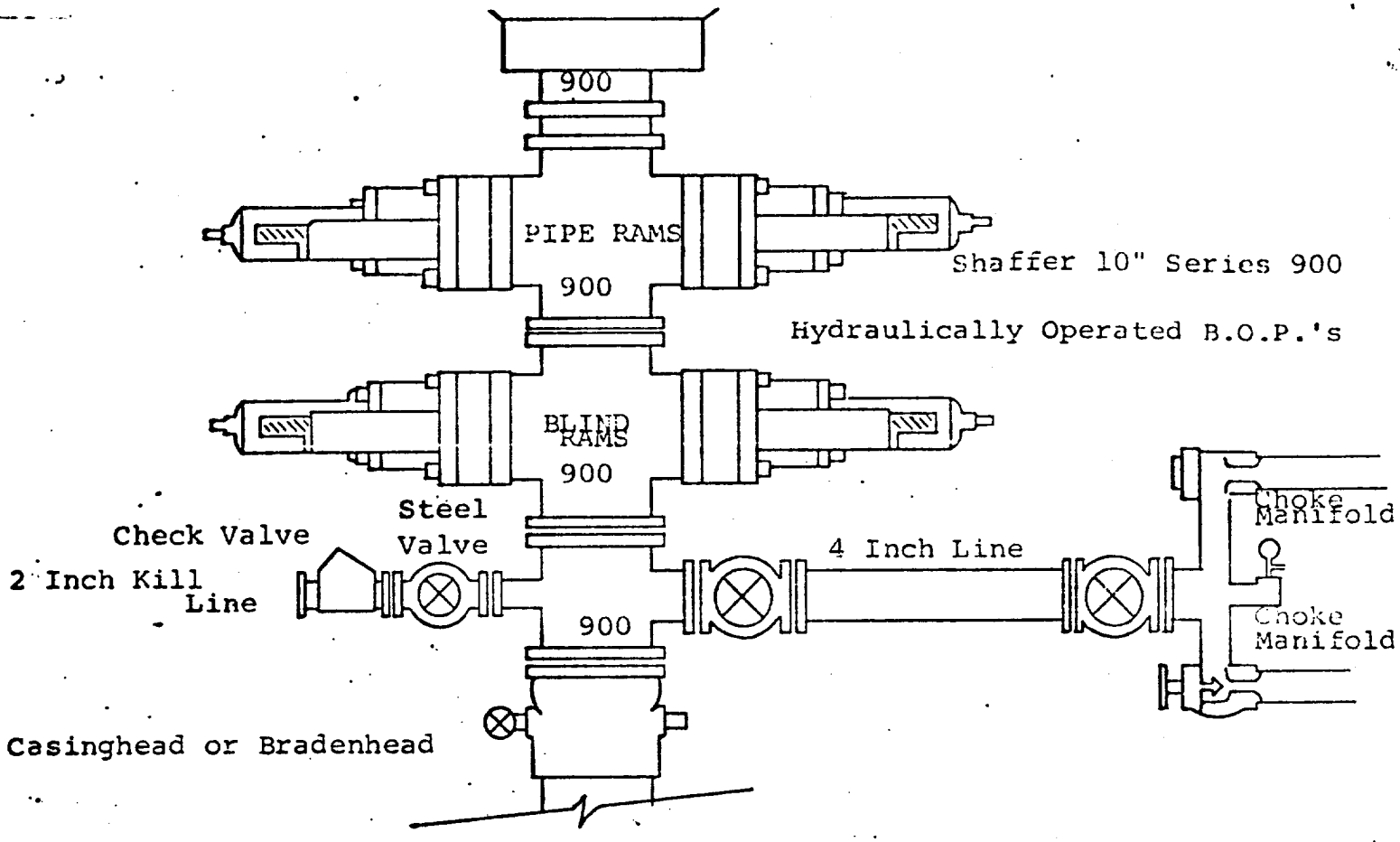


Drill-site Layout



Existing Tank Battery

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.