

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-015-22128

## 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

## 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

1980' FSL &amp; 660' FWL of Section 7-18S-25E

At proposed prod. zone

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

8 miles West of Atoka, NM

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

## 18. DISTANCE FROM PROPOSED LOCATION\*

TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

## 16. NO. OF ACRES IN LEASE

ARTESIA, OFFICE

## 19. PROPOSED DEPTH

8450'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 20. ROTARY OR CABLE TOOLS

Rotary

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

## 22. APPROX. DATE WORK WILL START\*

As soon as possible

## 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13-3/8" New	48# K-55	Approx. 320'	175 sacks - circulate
12½" - 11"	8-5/8" New	24# K-55	Approx. 1100'	550 sacks - circulate
7-7/8"	5½" New or 4½" New	15.5-17#K-55 or 10.5-11.6# K-55	Approx. 8400'	250 sacks 300 sacks

Propose to drill & test the Morrow & intermediate formations. Approximately 320' of surface casing will be run and cement circulated to shut off gravel & caving. Intermediate casing will be set 100' below the Artesian Water Zone & cemented to the surface. If commercial pay is encountered, will run 5½" or 4½" casing and cement with 600' of cover, perforate & stimulate as needed for production.

MUD PROGRAM: F. W. Gel & LCM to 1100', Fresh Water to 4000', KCL water to 6200', Flosal-Drispak-KCL mud to TD, MW 8.8-9.0, Vis 35-39, WL 10-7.

BOP PROGRAM: BOP's & hydril on 8-5/8" casing & tested, pipe rams daily, blind rams on trips, Yellow Jacket prior to drilling Wolfcamp.

GAS ACREAGE NOT DEDICATED.

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

*Edderly*

TITLE

Engineer

DATE

3-16-77

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

DECLARED WATER BASIN

CEMENT BEHIND THE  
CASING MUST BE CIRCULATED  
DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

THIS APPROVAL IS RESCINDED IF OPERATIONS  
ARE NOT COMPLETED WITHIN 3 MONTHS.  
EXPIRES JUL 18 1977

\*See Instructions On Reverse Side

NOTIFY USGS IN SUFFICIENT TIME TO  
WITNESS CEMENTING THE CASING.

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 <b>YATES PETROLEUM CORP.</b>			Lease <b>FEDERAL CX</b>		Well No. <b>2</b>
Unit Letter <b>L</b>	Section <b>7</b>	Township <b>18 South</b>	Range <b>28 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>1980</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>3646</b>	Producing Formation <b>Morrow</b>	Pool <b>Undesignated</b>	Dedicated Acreage: <b>320</b> Acres		

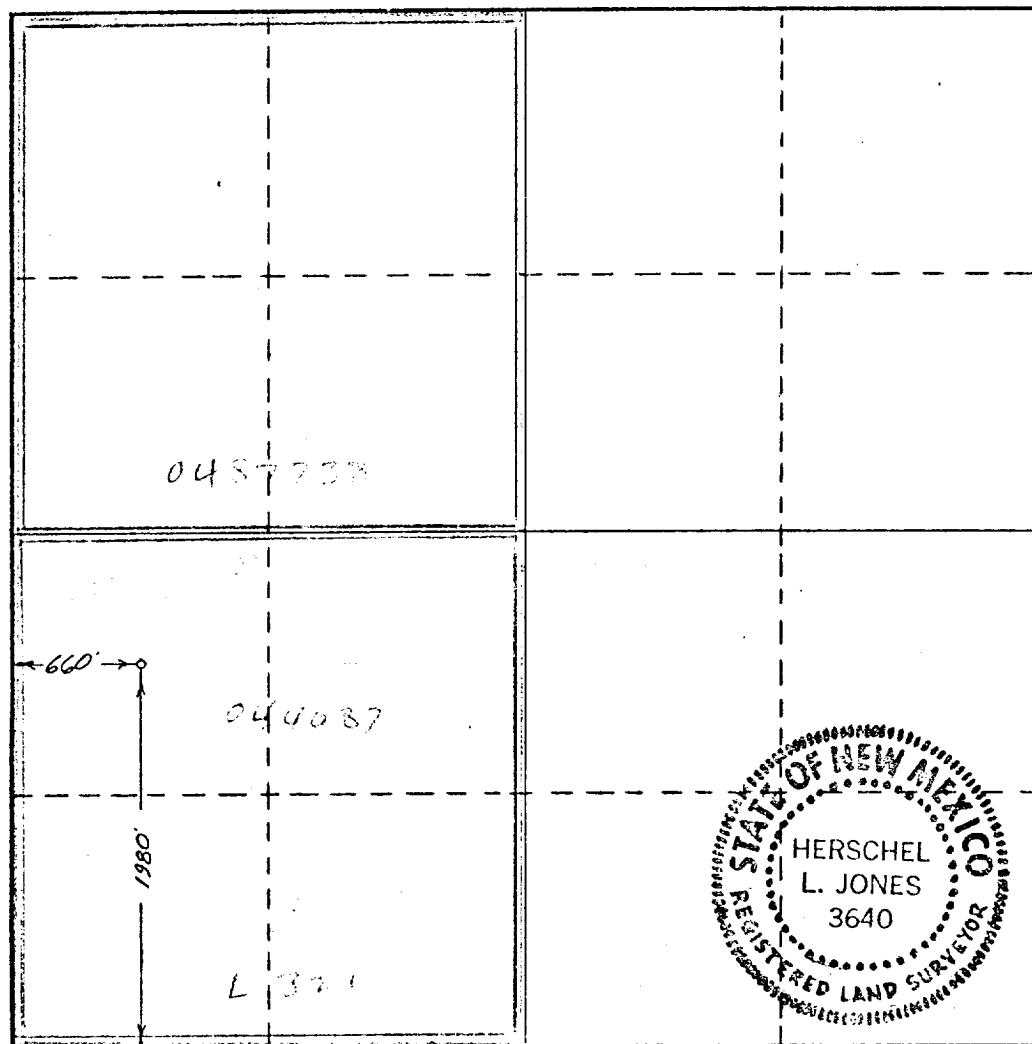
1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is 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

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ARTESIA, NEW MEXICO

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.

*Eddie M. Mahfood*

Name

**Eddie M. Mahfood**

Position

**Petroleum Engineer**

Company

**Yates Petroleum Corp.**

Date

**March 16, 1977**

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

**3/3/77**

Registered Professional Engineer and/or Land Surveyor

*Herschel L. Jones*

Certificate No.

**3640**

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

YPC- Federal CX #2, 1980/s 660/w, Sec 7-18S-25E, Eddy Co.

Other information to accompany Form 9-331-e:

1. Surface Formation: Quaternary Alluvium.

2. Geologic Markers anticipated:

San Andres	@	640'
Glorieta	@	1905'
Abo	@	3943'
Wolfcamp ls	@	5105'
Cisco	@	6315'
L. Canyon	@	7241'
Strawn	@	7732'
Atoka	@	8025'
Morrow Elastics	@	8210'
Chester ls	@	8380'

3. Surface Water anticipated @ 395-420'; Artesian Water @ 670-990'.

Oil & Gas Pays: Possible Basal Abo @ 5060-5105'; approx BHP- 2030 psi

Possible Cisco @ 6350-6780; approx BHP- 2700 psi

Possible Morrow @ 8250-8380; approx BHP- 3525 psi

4. Casing Program: See Form 9-331-e.

5. Pressure Control: See Form 9-331-e and Exhibit "D."

6. Mud Program: See Form 9-331-e

7. Auxiliary Equipt.: Kelly cock; Pit level indicators & flow sensor;  
Sub with full-opening valve on floor.

8. Drill stem tests as warranted; Mud-logger on @ 4900'; no coring;  
CNL-Density log and Dual Laterolog.

9. Pressure and temperature data is from previous drilling experience  
in the area. Hydrogen sulfide and other toxic gases are  
minimal or non-existent. Mud is checked hourly and inhibited  
for corrosion control.

10. Anticipated Starting Date: 4-7 weeks

Emm.  
3-15-77

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

1. EXISTING ROADS: See Plat (Exhibits A & B) From Artesia go 4 miles south on U.S. 285 (north of Ranch House) then west on black-top 1 mile to 13th Street. Continue west on caliche road (county maintained road) for 4.2 miles to Kennedy Ranch house, then south 0.1 mile and south-west on lease road for 2.5 miles, then south on lease road for 0.3 miles to TWPL Right-of-way. The lease roads are caliched and maintained.
2. PLANNED ACCESS ROADS: See Plat (Exhibits A & B) Mr. Herman Classen, Transwestern Pipeline Company, Roswell (ph: 623-0761) says TWPL has no objections to using the north side of their Right-of-way for an access road, approximately 3800' in length, 12' wide with turnouts. Yates Petroleum Corporation would install a cattle guard in their fence-cut for the lifetime of the drillsite. The road would be caliched and watered for dust control.
3. LOCATION OF EXISTING WELLS: See Plat (Exhibits A & B) There are several producing gas wells in the area to the south, east and northeast. There are 2 dry holes to the west, one converted to a water source well. The nearest windmill is 1/2 mile northwest.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) The tank battery will be on the south side of the pad. Flow-lines will be 2" steel and will be above ground. A fiberglass tank will collect produced water for subsequent disposal by trucking to a suitable disposal system.
5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit B) Drilling water will be piped from source water well in NE/4 of NW/4, Section 1-18S-24E.
6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit B) There is an open caliche pit on the east side of Federal "CZ" No. 1 well in NW/4 of NE/4, Section 8-18S-25E.
7. METHODS FOR HANDLING WASTE DISPOSAL: See Plat (Exhibit C) Well cuttings will be disposed of in the reserve pits; 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. If productive, produced water will be collected in a tank and hauled away.
8. ANCILLIARY FACILITIES: None.
9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) Exhibit C shows position of drill pad, rig, reserve pits, burn pit, mud pits, jet sump, pipe racks, pumps, water tanks. Pad size - 270' X 220'; Cut and fill - negligible; Surfaced with caliche, watered & compacted; Reserve pit - 80' X 120', plastic-lined; Pad is flagged with red tape, Pit area is flagged with blue tape.
10. PLANS FOR RESTORATION OF SURFACE: If well is productive, pits will be fenced until dry, then backfilled 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 rock or caliche outcrop.  
(b) Soil is a thin sandy loam.  
(c) Vegetation consists of Prairie Grass, Filaree, Yucca, broomweed, greasewood, cactus.  
(d) There are no ponds or streams in the area. The nearest windmills or water wells are located 1.5 miles northeast and 1.7 miles northwest.  
(e) The nearest residences or buildings are located 1.5 miles to the northeast.  
(f) Surface use is 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 rights to Diamond A Cattle Co., Roswell, NM.
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood, Leon Bergstrom, or James Jonas, 207 South Fourth Street, Artesia, NM - phone: 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.

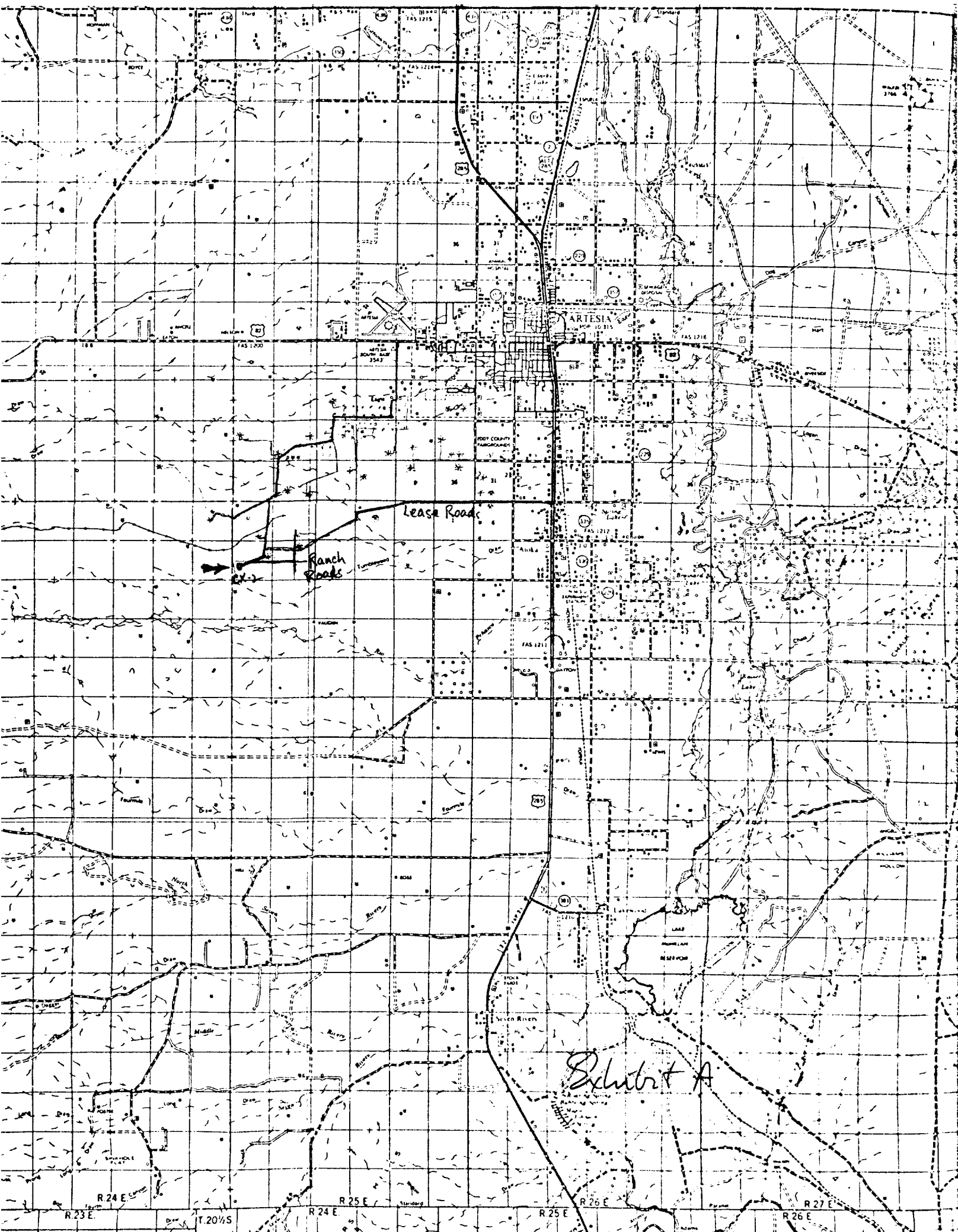
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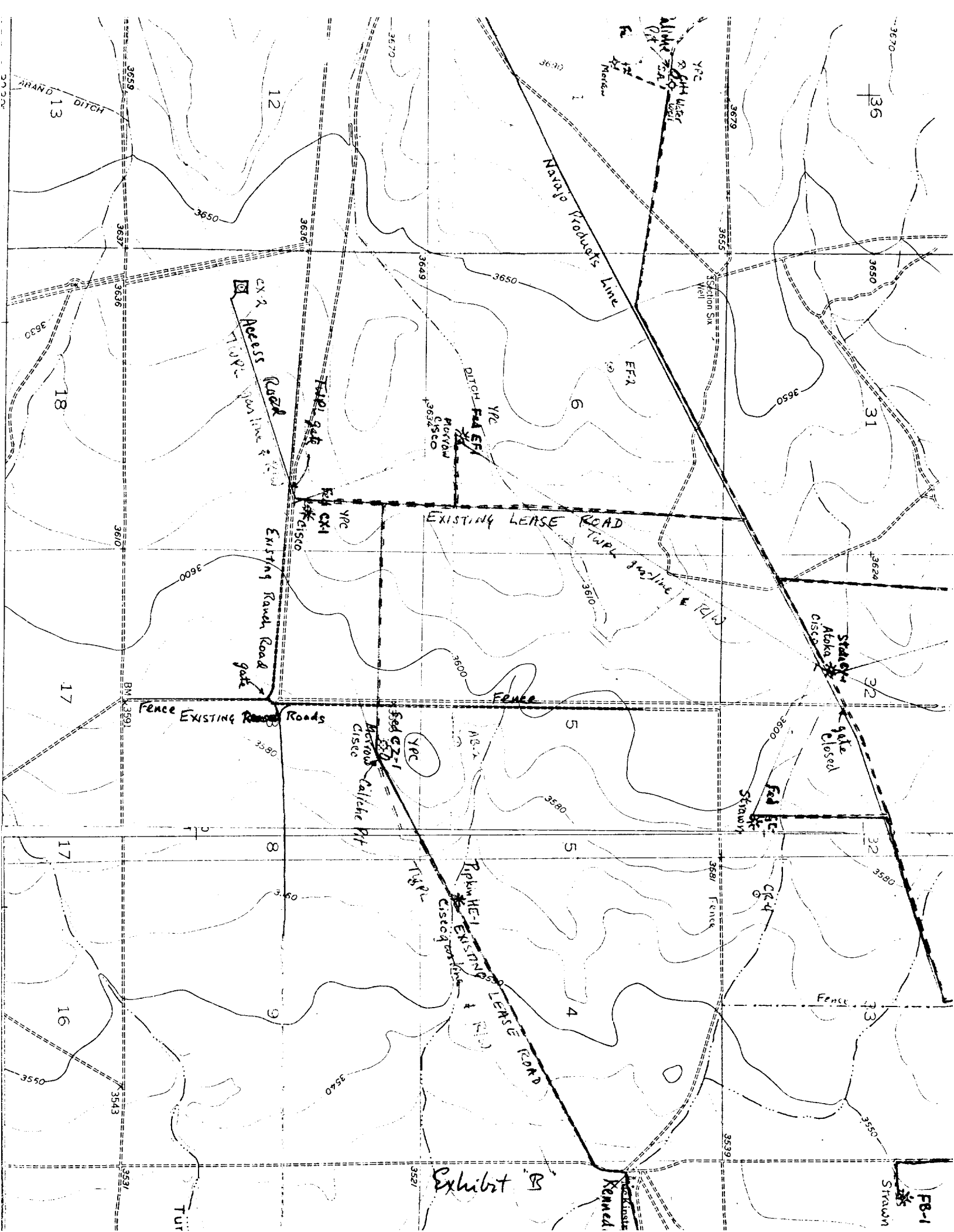
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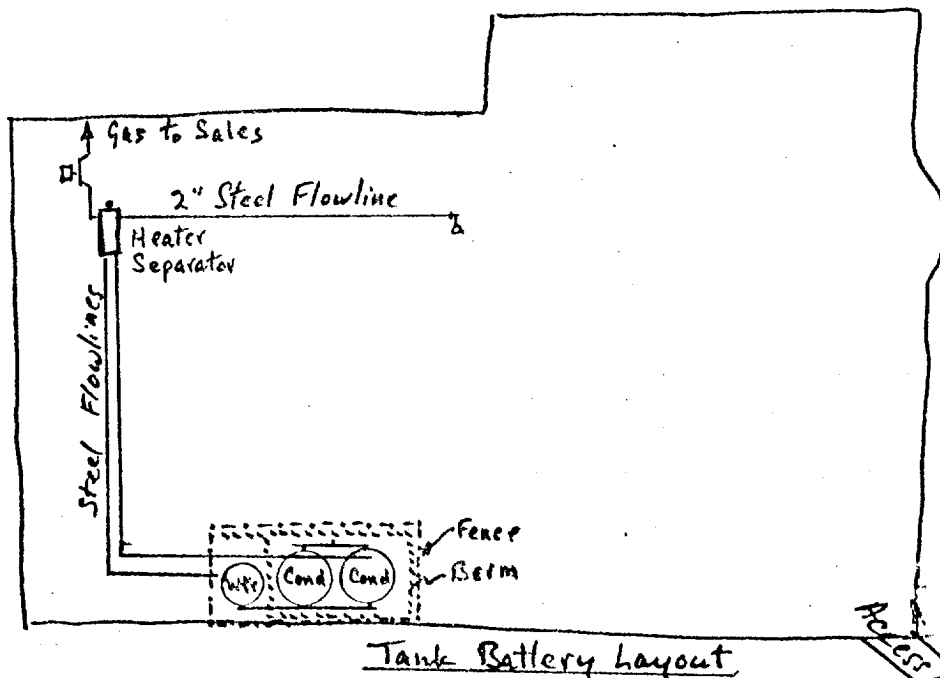
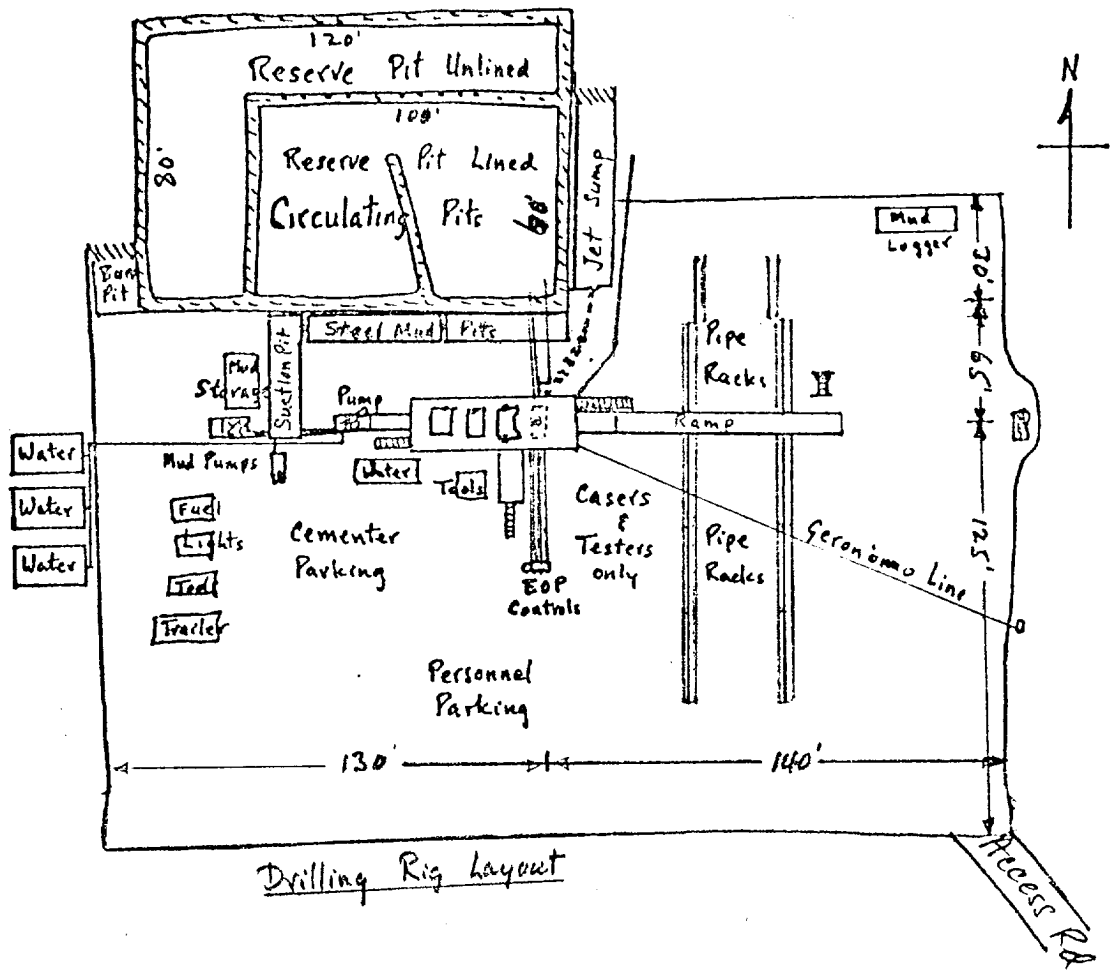
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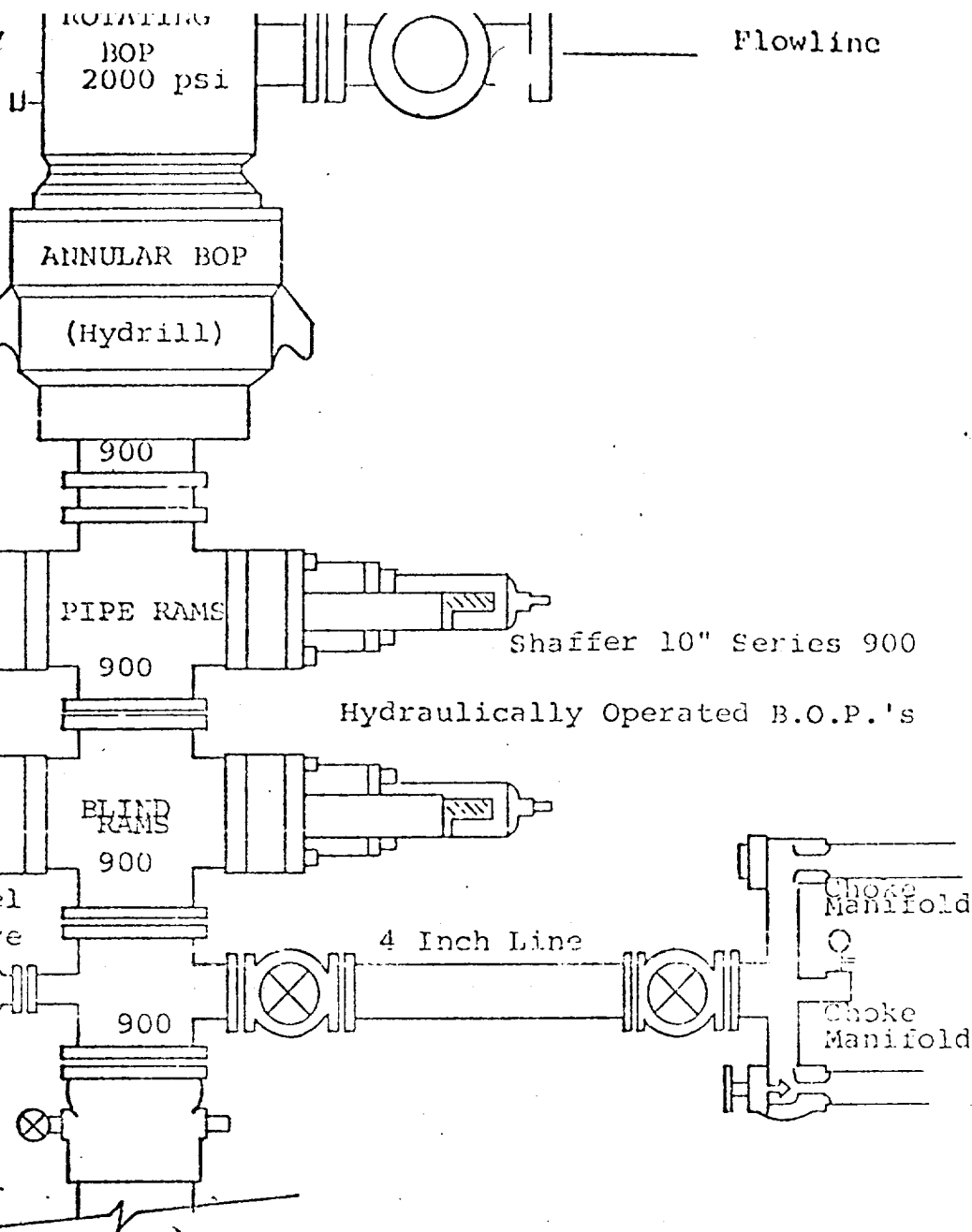
Eddie M. Mahfood Engineer







Rotating head if necessary  
2" Fill up Line



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.

Exhibit D