Form 9-331 C
(May 1963)

NMOCC COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-22390

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED
NOV 9 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
JAN 9 1978
O. C. C.
ARTESIA, OFFICE

5. LEASE DESIGNATION AND SERIAL NO.: NM 0487738

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

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

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Federal "AB"

2. NAME OF OPERATOR: Yates Petroleum Corporation

9. WELL NO.: 4

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

10. FIELD AND POOL, OR WILDCAT: Undesignated

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface: 660' FNL & 1980' FEL of Section 30-18S-25E
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 30-18S-25E Unit B NMPM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 10 miles southwest of Artesia

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): 660'

16. NO. OF ACRES IN LEASE:

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.:

19. PROPOSED DEPTH: 8850'

20. ROTARY OR CABLE TOOLS: Rotary tools

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3617' GR

22. APPROX. DATE WORK WILL START*: As soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13-3/8"	48# J-55	Approx. 320'	175 sacks - circulate
12¼"	8-5/8"	24# J-55	" 1080'	550 sacks - circulate
7-7/8"	5½ or 4½"	15.5-17# K-55 10.5-11.6# K-55	TD	300 sacks

Propose to drill and test the Morrow & intermediate horizons. Will set approximately 320' surface casing to shut off gravel & cavings. Will set intermediate casing 100' below Artesian Water Zones. Both strings will be circulated with cement. If commercial, will run 5½" or 4½" casing and cement with 1000' of cover.

Mud Program: Gel & LCM to 1080', Water to 6700', Flosal-Drispak to TD, MW 8.9-9.1, Vis 34-40, WL 12-7.

BOP Program: BOP's & hydril on 8-5/8" casing, tested daily, Yellow Jacket prior to drilling Wolfcamp (see Exhibit D)

Gas Acreage not committed.

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 Bud Gibson TITLE Land Engineer DATE 11-9-77

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE JAN 6 - 1978

APPROVED BY Lee D. Lara TITLE ACTING DISTRICT ENGINEER DATE JAN 6 - 1978

CONDITIONS OF APPROVAL, IF ANY:

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES APR 6 - 1978

*See Instructions On Reverse Side

NF MEXICO OIL CONSERVATION COMMISS
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 CORP.	Federal AB	4

Unit Letter	Section	Township	Range	County
B	30	18 S.	25 E.	Eddy

Actual Footage Location of Well:
660 feet from the North line and 1980 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3617	Morrow	Undesignated	320 Acres

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

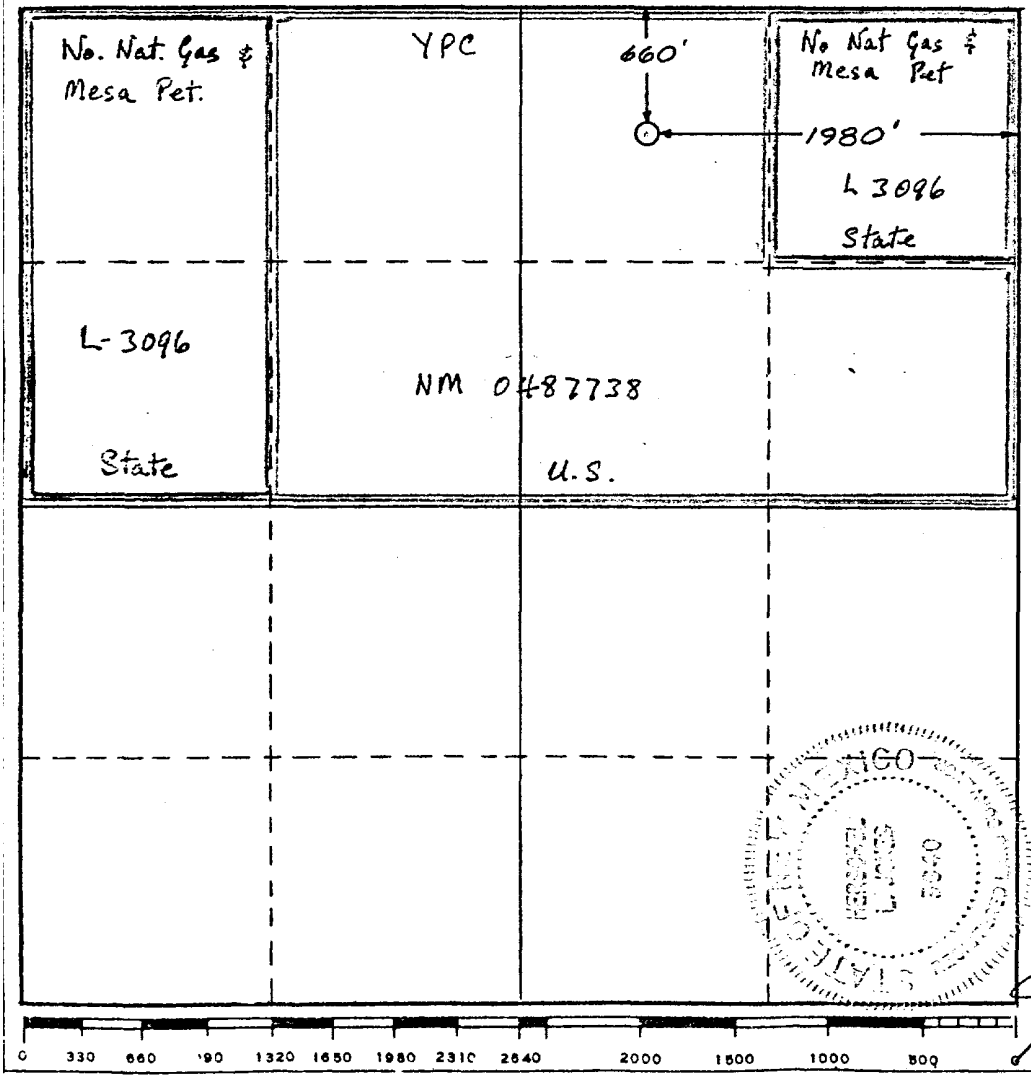
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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

[X] Yes [ ] No If answer is "yes," type of consolidation Being Communitized

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.

Name: Eddie M. Mahfood

Position: Engineer

Company: Yates Petroleum Corp.

Date: 11-7-77

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: November 2, 1977

Registered Professional Engineer and/or Land Surveyor

Certificate No. 3640

SITE: FEDERAL "AB" #4, 660' FNL & 1980' FEL, Section 30-18S-25E

1. SURFACE FORMATION: San Andres Lime

2. GEOLOGICAL MARKERS ANTICIPATED:

San Andres	688	Morrow Clastics	8538
Glorietta	2048	Chester	8765
Abo	4090	TD	8810
Wolfcamp LS	5197		
Lower Canyon	7416		
Strawn	7968		
Atoka	8332		

3. SURFACE WATER: None. Penasco Draw located approximately one (1) mile north.

4. CASING PROGRAM: Approximately 320' of surface pipe, concrete to surface; 1080' of intermediate casing, circulated to surface; and 8810' of production casing engineered with 1000' cement cover.

5. PRESSURE CONTROL: See Exhibit D. Hydril & BOP's on 8-5/8" casing to be tested daily; Yellow Jacket prior to drilling Wolfcamp.

6. MUD PROGRAM: Fresh water gel & LCM to 1080'; water to 6700'; Flosal-Drispak-KCL mud to TD. MW 8.9-9.1, Vis 34-40, WL 12-7.

7. AUXILIARY EQUIPMENT: Kelly Cock; Pit level indicators and flow sensory.

8. DRILL STEM TESTS: As warranted.

9. WELL TYPE: This is an undesignated well. Normal bottom hole conditions. H_2S and other toxic gas are minimal. Drilling mud is inhibited for corrosion control.

10. ANTICIPATED STARTING DATE: Within next thirty (30) days.

YATES PETROLEUM CORPORATION - FEDERAL "AB" NO. 4
660' FNL & 1980' FL, Section 30-18S-25E, Eddy County, New Mexico

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

1. EXISTING ROADS: See Exhibits A & B. Travel south on U. S. 285 to the 4-Dinkus Ranch Road (approximately 5 miles), turn right (west) and travel approximately 5½ miles on the 4-Dinkus Ranch Road to the turnoff. Turn left (south) and travel approximately 2½ miles then turn right (west) past the 1 Dinkus Antweil well. Turn right (north) at the cattleguard and travel north past the El Paso gas line then turn left (west) to the Antweil, 1 Penasco site. From there follow an existing ranch road up a slight hill, turn right (west) for approximately 1 mile. The proposed site is located 1/10 mile south of the existing ranch road.

2. PLANNED ACCESS ROADS: See Exhibits A & B. A short piece of new road will have to be constructed just north of the Antweil, 1 Penasco pad to connect the existing surfaced road to the ranch road. Approximately one mile of ranch road will need to be improved to 12 foot width with bar ditches and surfaced with caliche. Approximately 1/10 mile of new access road will have to be constructed to connect the proposed location to the existing ranch road.

3. LOCATION OF EXISTING WELLS: See Exhibits A & B. Eight gas wells, one oil well and three abandoned wells exist within two miles of the proposed site. Four windmills exist within a two mile distance of the proposed site.

4. TANK BATTERIES, PRODUCTION FACILITIES AND LEASE PIPELINES: See Exhibit C. Reserve and circulating pits will be located on the northwest part of the pad. Tank battery will be built on southern portion of the pad.

5. WATER SUPPLY: See Exhibit B. The well will be drilled with a fresh water system. Water will be obtained from a commercial source and will be hauled to the location over existing and planned access raods shown in Exhibits A & B.

6. CONSTRUCTION MATERIAL: See Exhibit B. Caliche will be obtained from a nearby pit located to the north of the location approximately 2 miles by existing roads.

7. WASTE DISPOSAL: See Exhibit C. Well cuttings will be disposed of in the reserve pits; mud sacks, paper and 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. ANCILLARY FACILITIES: None.

9. WELLSITE LAYOUT: See 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 - 220' X 270', cut and fill - 1-3' cut on south side to fill on north side. Surface to be caliched. Reserve pit - 80' X 120', plastic-lined.

10. 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 undulating.
(b) Soil is loam & caliche.
(c) Vegetation consists of prairie grass, mesquite and scattered cedar.
(d) There are no ponds or running streams near the site. The nearest windmills or water wells are located northeast, southeast and east of the site.
(e) The nearest residences or buildings are located 2 miles NE of location.
(f) Surface use is grazing.
(g) The effect on the environment will be minimal; drillsite is in semiarid desert country, wind-blown and natural re-seeding.
(h) Surface ownership is Diamond A Cattle Company, Roswell, NM.

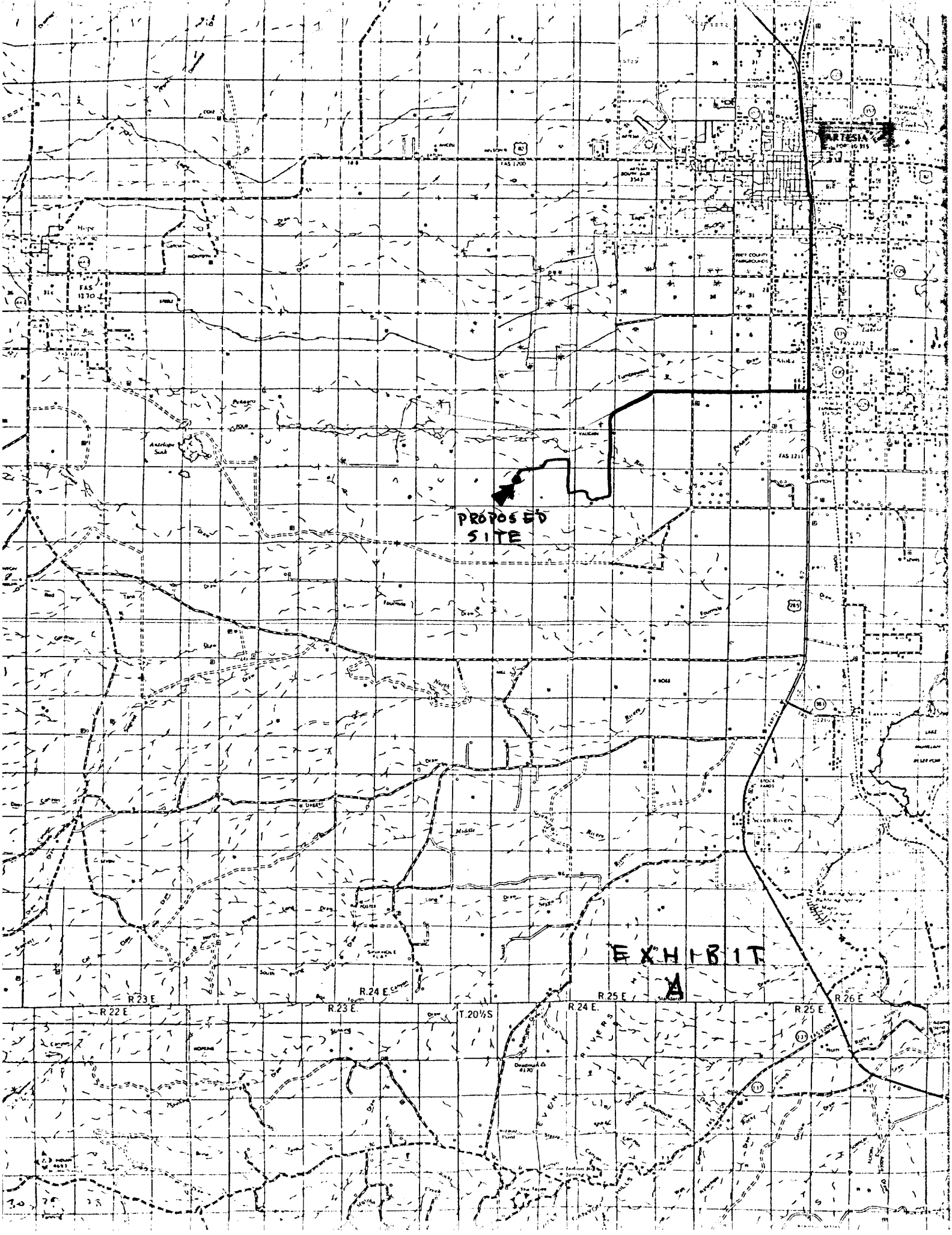
12. LESSEE'S OR OPERATOR'S REPRESENTATIVES: Eddie M. Mahfood or Budd Hebert, 207 South Fourth Street, Artesia, NM. Phone: 746-3558.

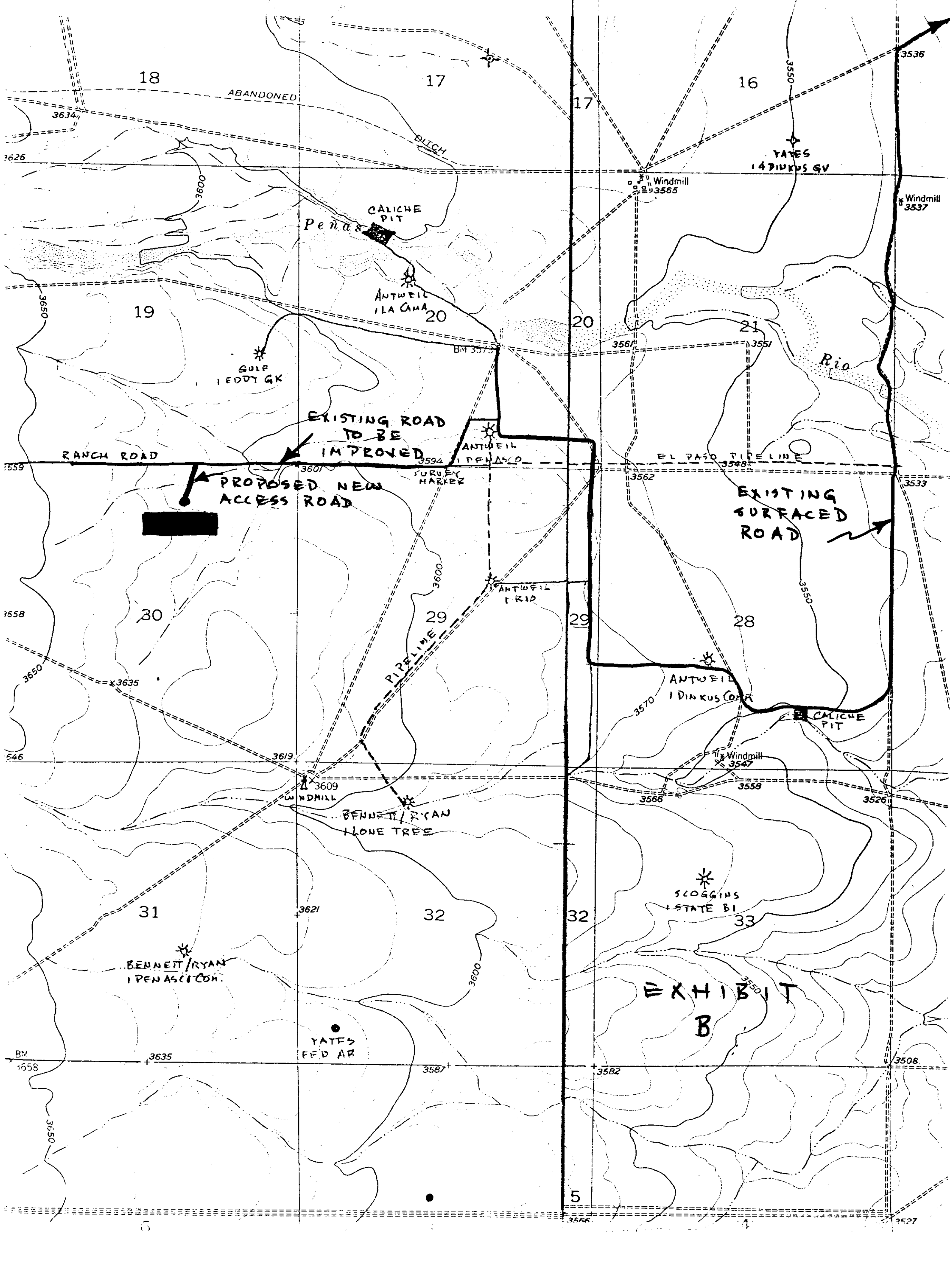
13. CERTIFICATION:

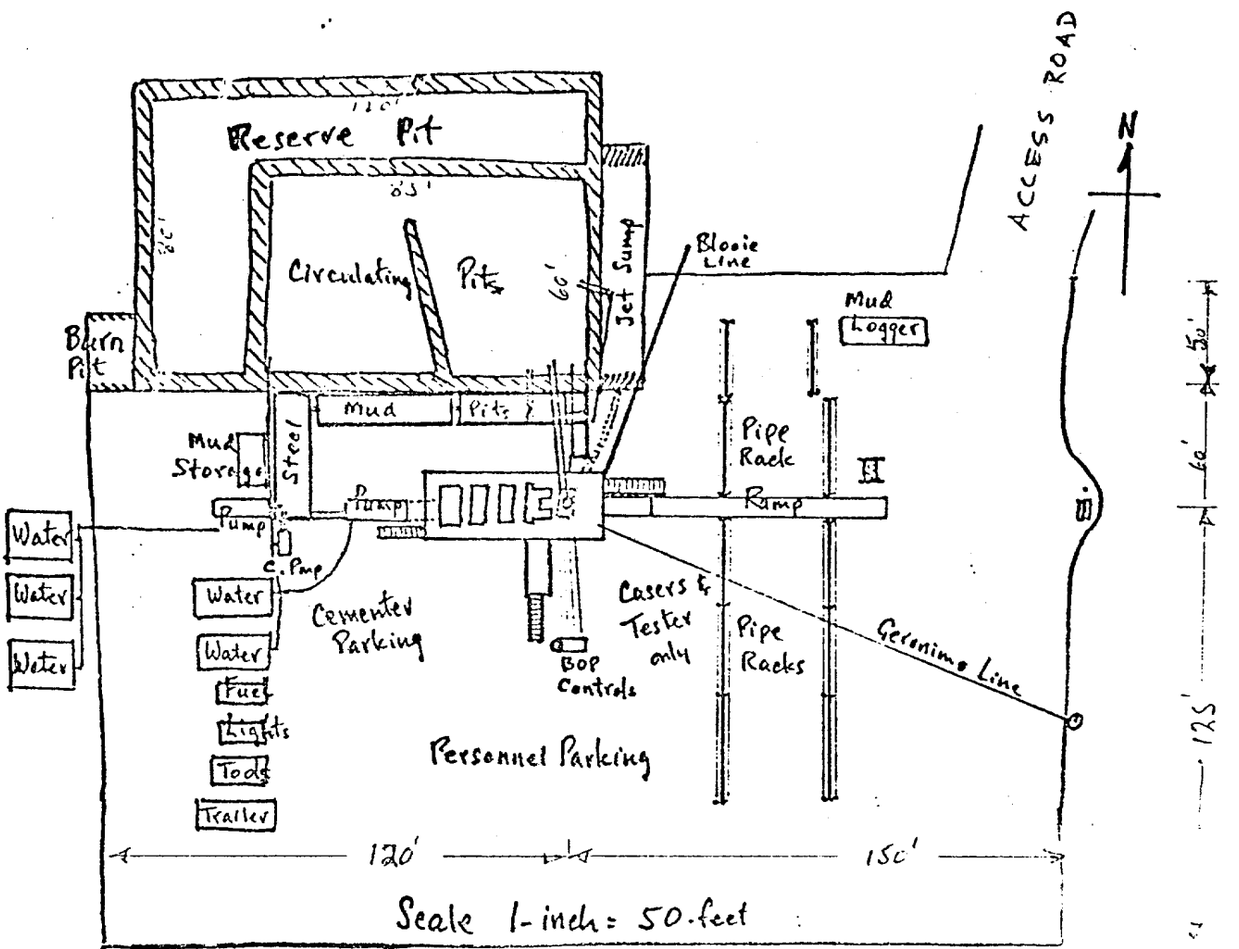
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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.

11-9-77
Date

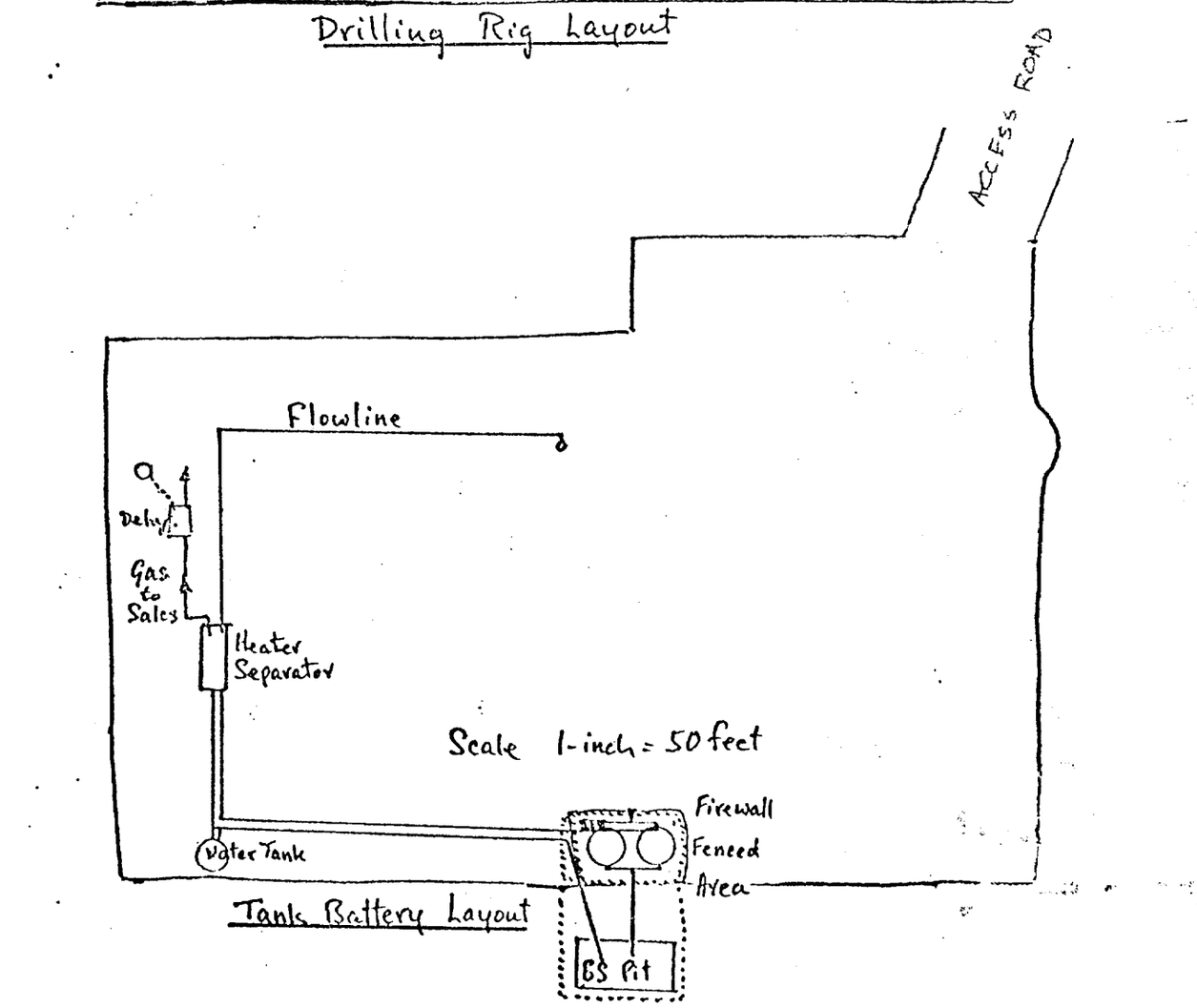
Budd Hebert LAND ENGINEER
Name and Title


PROPOSED SITE
EXHIBIT A
ARTESIA
R 22 E
R 23 E
R 24 E
R 25 E
R 26 E
T. 20½ S
Seven Rivers


18
17
16
ABANDONED
DITCH
3634
3626
3600
CALICHE PIT
Peñas
ANTWEIL 1 LA CAMA
YATES 1 4 DINKUS GV
Windmill 3565
Windmill 3537
3536
3550
19
20
21
3561
3551
Rio
3650
GULF 1 EDDY GK
BM 3573
EXISTING ROAD TO BE IMPROVED
RANCH ROAD
3559
3594
3601
ANTWEIL 1 PENASCO
SURVEY MARKER
PROPOSED NEW ACCESS ROAD
EL PASO PIPELINE
3548
3562
3533
EXISTING SURFACED ROAD
ANTWEIL 1 RIO
30
29
28
3658
PIPELINE
3635
ANTWEIL 1 DINKUS COM
3570
CALICHE PIT
Windmill 3547
3558
3566
3526
3619
3609
WINDMILL
BENNETT/RYAN 1 LONE TREE
3546
31
32
33
3621
SCOGGINS 1 STATE B1
BENNETT/RYAN 1 PENASCO COM.
EXHIBIT B
YATES FED AB
BM
3658
3635
3587
3582
3506
5
3566
3527

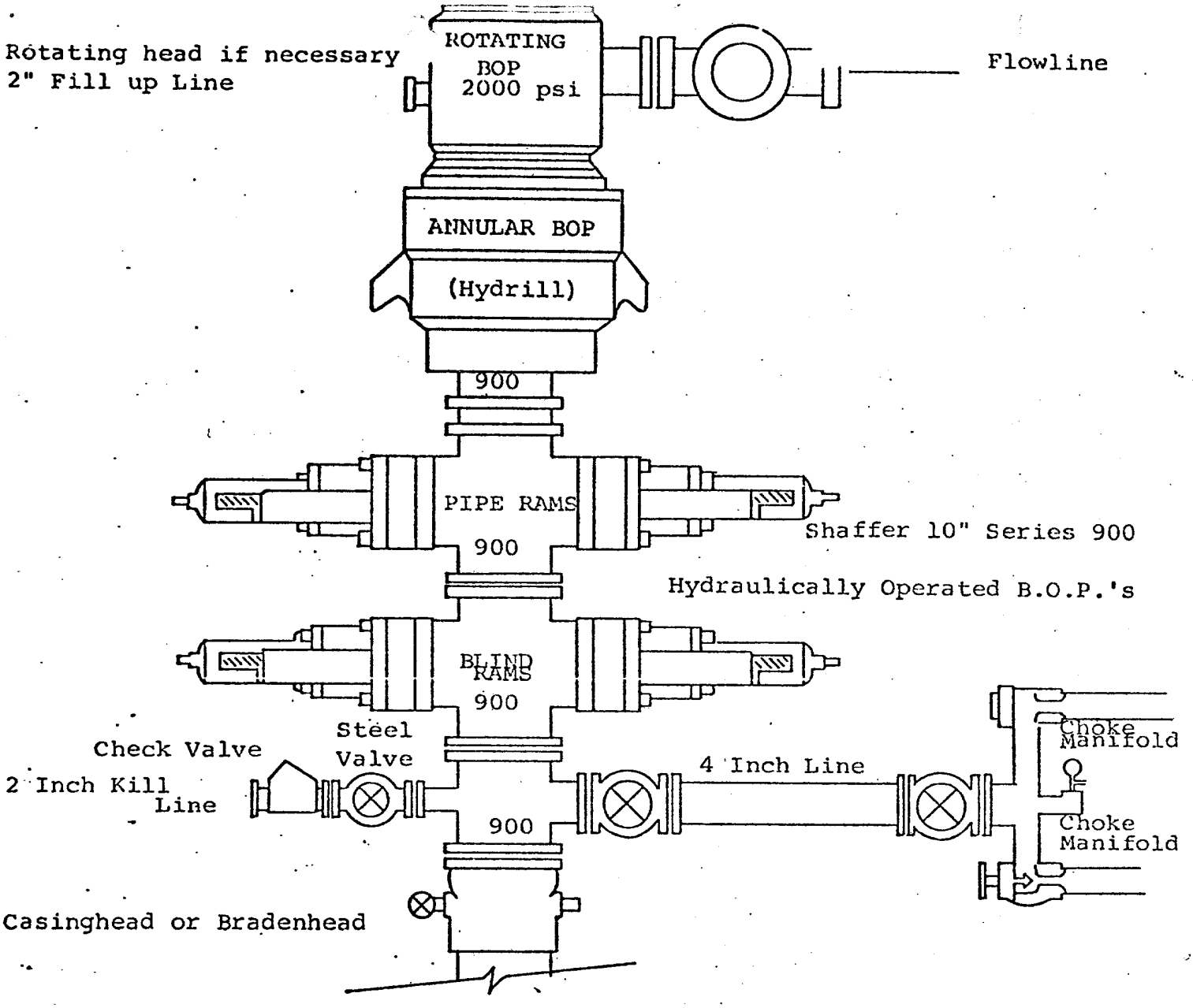


Drilling Rig Layout



Tanks Battery Layout

Exhibit "C"



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.