

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
RECEIVED  
GEOLOGICAL SURVEY

30-015-23188

## 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 ☐

O. C. D.

ARTESIA OFFICE

SINGLE  
ZONE ☒MULTIPLE  
ZONE ☐

## 2. NAME OF OPERATOR

Yates Petroleum Corporation

## 3. ADDRESS OF OPERATOR

207 South 4th Street, Artesia, New Mexico 88210

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

At surface

330' FNL and 330' FWL

At proposed prod. zone

Same

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

4 miles SE 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)

330

## 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

3880

## 20. ROTARY OR CABLE TOOLS

Small Rotary

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

3531' GR

## 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
11"	8 5/8"	24#	525'	275 sx circulate
7 7/8"	5 1/2"	15.5#	TD	250 sx CIRC. 800

We propose to drill and test the San Andres. Approximately 525' of surface casing will be set, cement will be circulated to shut off gravel and cavings. If commercial will run 5 1/2" casing and cement with 600' of cover.

MUD PROGRAM: Spud mud to 1200', Brine & LCM to TD.

BOP PROGRAM: BOP on 5 1/2" casing and tested, pipe rams tested daily.

JAN 30 1980

U.S. GEOLOGICAL SURVEY  
ARTESIA, NEW MEXICO

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

TITLE

Geographer

DATE

1/27/80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

7-8-80

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES N.M.O.C.D. COPY  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
SUBMIT IN TRIPLICATE\*  
(Other instruction reverse side)Form approved.  
Budget Bureau No. 42-R1424.  
5. LEASE DESIGNATION AND SERIAL NO.

NM 28099

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Pennzoil "MX" Fed.

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Grayburg SA, Loco Hills, Que

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

Sec. 11-T18S-R30E

14. PERMIT NO.

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

3531 GR

12. COUNTY OR PARISH

Eddy

13. STATE

NM

## 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

## NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other) Change Lease Name

PULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON\*

CHANGE PLANS

X

## SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

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

REPAIRING WELL

ALTERING CASING

ABANDONMENT\*

17. 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.)\*

We intend to change the lease name from the Pennzoil "MX" Federal #1 to the Pennzoil "MZ" Federal #1. This change is necessary as the "MX" had been assigned to a different lease through all the legal paperwork.

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

SIGNED

TITLE Geographer

DATE 2/19/80

(This space for Federal or State office use)

(Eng. Sgd.) GEORGE H. STEWART

TITLE ACTING DISTRICT ENGINEER

DATE FEB 20 1980

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

\*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 <b>Yates Petroleum Corporation</b>			Lease <b>Pennzoil Federal</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>11</b>	Township <b>18 South</b>	Range <b>30 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well:					
<b>330</b> feet from the <b>North</b>		Line and <b>330</b>		feet from the <b>West</b>	
Ground Level Elev. <b>3531</b>	Producing Formation <b>SAN ANDRES</b>	Pool <b>GRAYBURG - SAN ANDRES</b> <b>LAO HILLS - QUEEN</b>		Dedicated Acreage: <b>40</b> Acres	

- Outline the acreage dedicated to the subject well by ~~contour~~ pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

	<p>RECEIVED FEB 21 1980 O.C.D. ARTESIA, OFFICE</p>

CERTIFICATION

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

*Gliserio Rodriguez*  
Name  
**GLISERIO RODRIGUEZ**

Position  
**GEOGRAPHER**

Company  
**YATES PETROLEUM CORP**

Date  
**1-25-80**

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  
**1/16/80**

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*  
Certificate No.

**NMPE&LS #5412**

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



# United States Department of the Interior

RECEIVED

GEOLOGICAL SURVEY  
P. O. Box 26124  
Albuquerque, New Mexico 87125

FEB 21 1980

O. C. D.  
ARTESIA, OFFICE

FEB 03 1980

Yates Petroleum Corporation  
207 South Fourth Street  
Artesia, New Mexico 88210

YATES PETROLEUM CORPORATION  
Pennzoil "A" Fed No. 1  
330 FNL 330 FWL Sec. 11 T.18S R.30E  
Eddy County Lease No. NM 28099

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well in the Secretary's Oil-Potash Area to a depth of 3,880 feet to test the San Andres is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
5. Notify the Survey in sufficient time to witness the cementing of the 8-5/8" and 5-1/2" casing.
6. Cement behind the 8-5/8" and 5-1/2" casing must be circulated.



7. It is required that a Gamma-Ray-Neutron Log be run in open hole from the base of Salado to the surface at a speed not to exceed 30 feet per minute.
8. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(SIGNED) JAMES H. SWINERLAND

Area Oil and Gas Supervisor

Enclosure

cc:

Regional Manager, Denver

Mining Branch (2)

BLM, Roswell (w/cy Notice)

NMOCD, Artesia (2) (w/2 cys Notice)

Artesia

Roswell (w/cy Notice)

Area (potash)

Area (chrono)

District (potash)

District (chrono)

Yates Petroleum Corporation  
Pennzoil "MX" Federal #1  
330' FNL and 330' FWL  
Section 11-T18S-R30E  
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 sandy dunes.
2. The estimate tops of geological markers are as follows:

Yates	1630'	Loco Hills	3170'	Lovington	3830'
Queen	2636'	San Andres	3630'	TD	3880'
Grayburg	3075'				
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 300' - 500'
Oil or Gas:	1650' on
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: None required.
8. Testing, Logging and Coring Program:

DST's:	As Warranted
Logging:	CNL-FDC
Coring:	None
9. No abnormal pressures or temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

Pennzoil "MX" Federal #1

330' FNL and 330' FWL

Section 11-T18S-R30E

JAN 30 1970

U.S. PETROLEUM CORP.  
ARTESIA, NEW MEXICO

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 of the proposed well, the proposed construction activities and operations plan, the magnitude of 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 operation.

1. EXISTING ROADS.

Exhibit "A" is a portion of a USGS topographic map showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 4 miles SE of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed south from Loco Hills on the state highway for a distance of approximately 1 1/2 miles.
2. Turn SE onto a pipeline road for approximately 3 miles. New road starts here.
3. Turn east along power line and go for approximately 1 1/4 mile. Then turn south for 400' to the location.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1720' in length from point of origin to the edge of the drilling pad. The road will lie in an east-to-west direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed and calched. The surface will be crowned, with drainage on one side.

3. LOCATION OF EXISTING WELLS.

- A. There is drilling activity within a one-mile radius of the wellsite. Our Nelson-Yates "MR" Federal #1 is 1/2 mile NW.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no production facilities on this lease at the present time.
- 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, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water and brine system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads in shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche required for construction of the drilling pad and the new access road will be obtained from the pit already cleared by Dr. Haskell in Section 4-T18S-R30E on 11/8/79.

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 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. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, etc.
- B. The location surface is in sand dunes. There are pipelines N-S on the west side 1/2 mile from the pad area. Any pipeline that we cross will be ramp 18" - 24".
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' area has been staked and flagged.



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 pits, if any, containing fluids will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM and USGS will be complied with and will be accomplished as expeditiously as possible. All pits will be leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is sand dune undulations. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of mesquite, saltbush, sand sage, shimmery oak and other miscellaneous desert growth. The wildlife in area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.
- 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: The wellsite is on federal surface.
- F. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

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

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

13. CERTIFICATION.

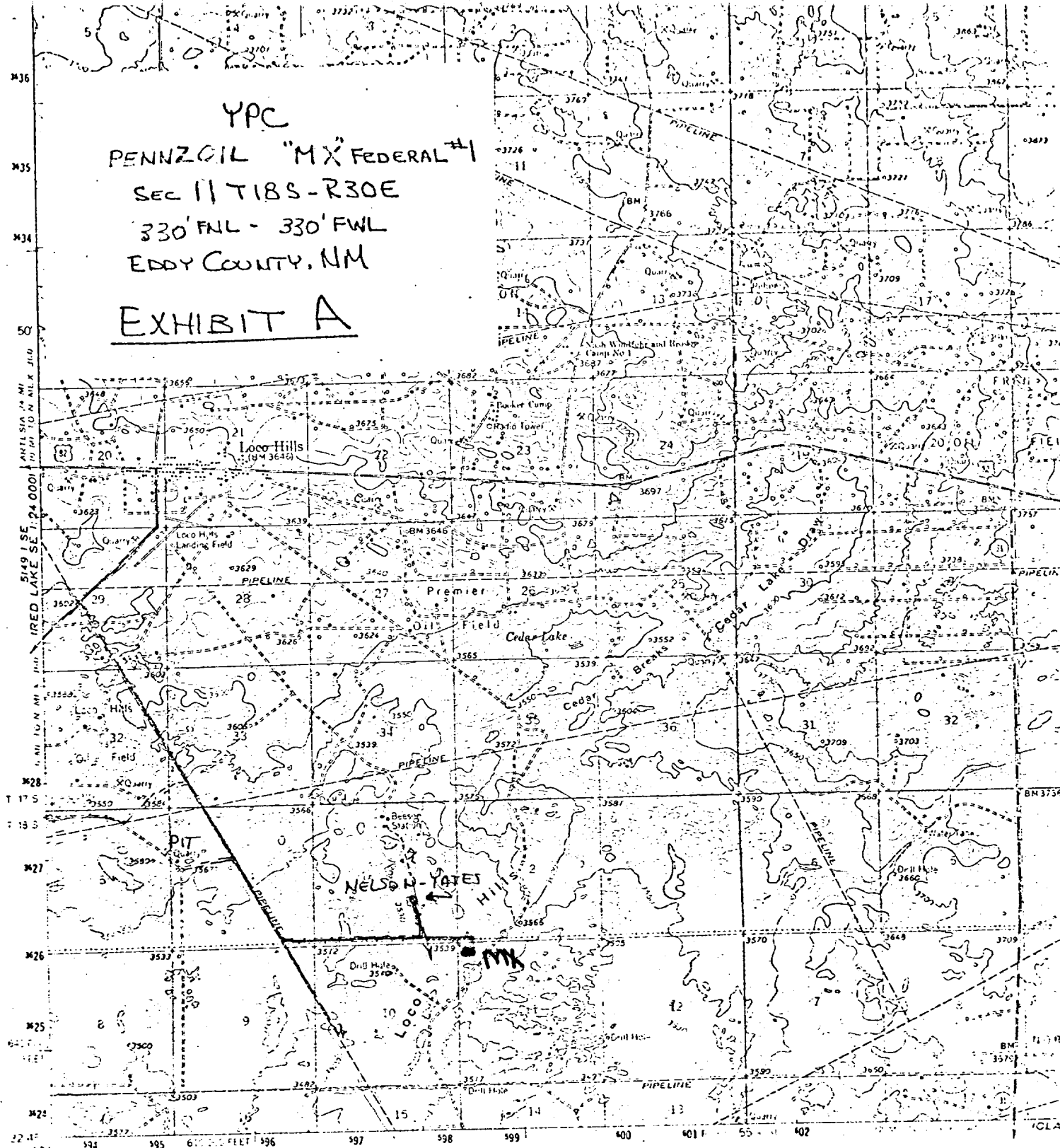
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in the plan are to the best of my knowledge true and correct; and, that the work associated with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

1-28-80

Date

Gliserio Rodriguez  
Gliserio Rodriguez, Geographer

YPC  
 PENNZOIL "MX" FEDERAL #1  
 SEC 11 T18S-R30E  
 330' FNL - 330' FWL  
 EDDY COUNTY, NM  
EXHIBIT A



Mapped, edited, and published by the Geological Survey

Contract 1, USGS and USC&GS

Contouring by photogrammetric methods from aerial photographs

1957 Topography by plane-table surveys 1963

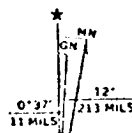
Horizontal projection 1927 North American datum

1:62,500 foot grid based on New Mexico coordinate system, east zone

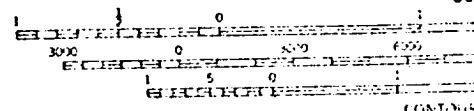
1:62,500 meter contour interval Transverse Mercator grid ticks

zone 13 shown in blue

101 CITY  
 51111



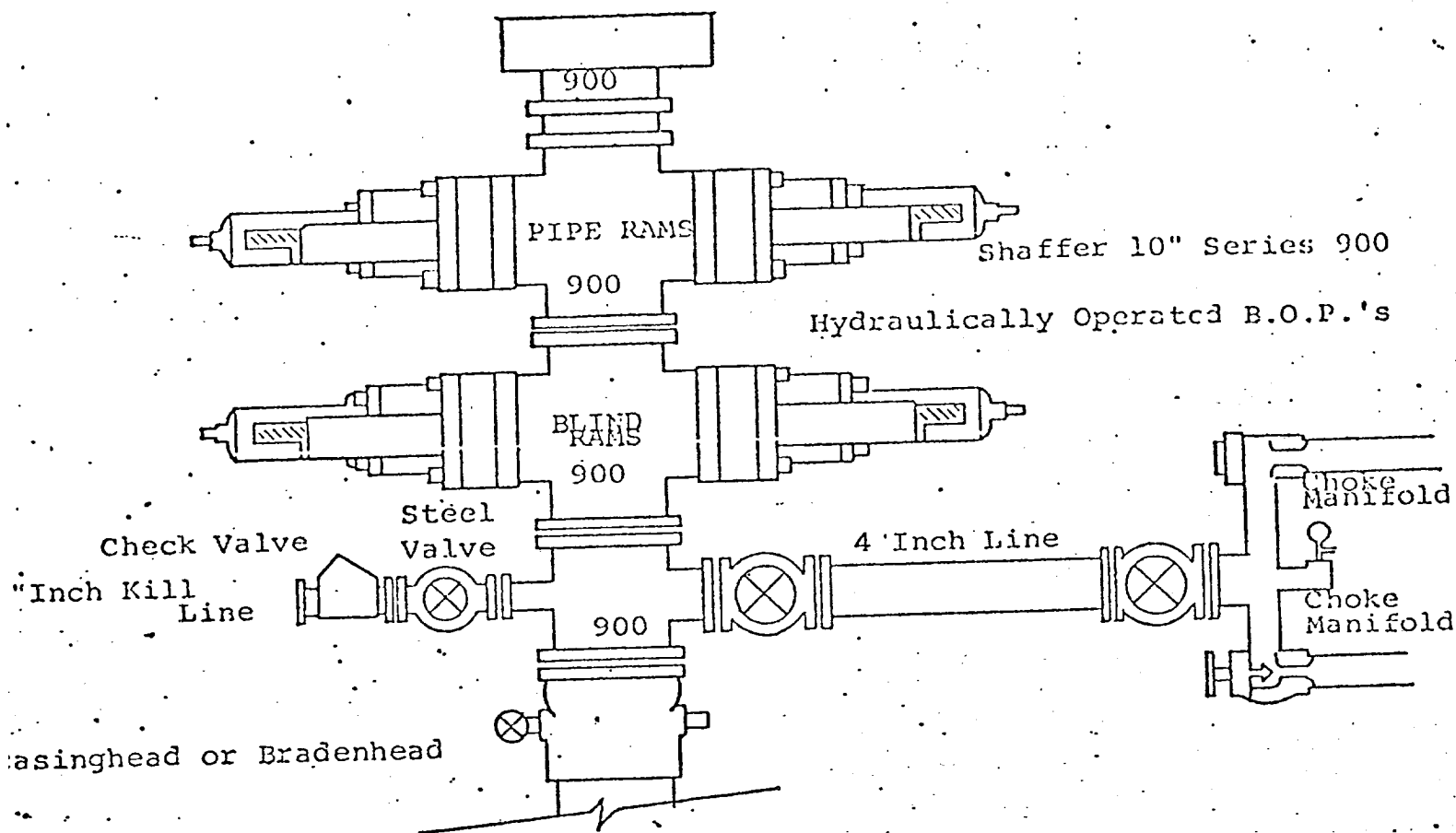
UTM GRID AND 1963 MAGNETIC NORTH  
 DECLINATION AT CENTER OF SHEET



CONTOUR  
 100'

THIS MAP COMPLIES WITH  
 FOR SALE BY U.S. GEOLOGICAL SURVEY,  
 A FOLDER DESCRIBING TOPOGRAPHY

# 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.

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