NM OIL CONS. COMMISSION
Drawer DD
Artesia, NM 88210

Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

CASE

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

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

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

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 207 S. 4th Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 760' FNL and 1980' FEL
At proposed prod. zone: same

RECEIVED
APR 15 1982
O. C. D.
ARTESIA, OFFICE

5. LEASE DESIGNATION AND SERIAL NO.: NM 18292
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT AGREEMENT NAME:
8. FARM OR LEASE NAME: Rio Pecos "RS" Federal
9. WELL NO.: 1
10. FIELD AND POOL, OR WILDCAT: ~~Wildcat~~
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: ut-B Sec. 21-T18S-R27E
12. COUNTY OR PARISH: Eddy
13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 11 miles SE of Artesia, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 560'
16. NO. OF ACRES IN LEASE: 120
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: 9844'
20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3369.3 GL
22. APPROX. DATE WORK WILL START*: ASAP

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	250'	200 sx circulated
12¼"	8 5/8"	24# J-55	1700'	1200 sx circulated
7 7/8"	5½" or 4½"	17#-15.5# K&N	TD	200-250 sx
		11.6#-10.5# K&N		

Posted ID-1 APD in NL Book 4-16-82

We propose to drill and test the Morrow and intermediate formations. Approximately 250' of surface casing will be set to shut off gravel and cavings, cement circulated. Intermediate casing will be set at approximately 1700' and cemented to the surface. If commercial pay is encountered, will run 5½" or 4½" casing, cemented with a minimum of 600' cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM 1700', water to 6400' (2% KCL at 4000'); starch-drispak KCL to 8500'; flosal, drispak, KCL to TD.

BOP PROGRAM: BOP's & hydril on 8 5/8" casing tested, pipe rams daily, blinds on trips, with yellowjacket prior to drilling the Wolfcamp formation (6400').

GAS 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: Susan Stevens — TITLE: Regulatory Manager — DATE: 2/2/82

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

(Orig. Sgd.) GEORGE H. STEWART
APR 13 1982
FOR
DENNIS A. CHUMARA
DISTRICT SUPERVISOR

W MEXICO OIL CONSERVATION COMMI[illegible]N

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	Rio Pecos RS Federal	1

Unit Letter	Section	Township	Range	County
B	21	18 South	27 East	Eddy

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

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3369.3	Morrow	Undesignated Morrow	320 Acres

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

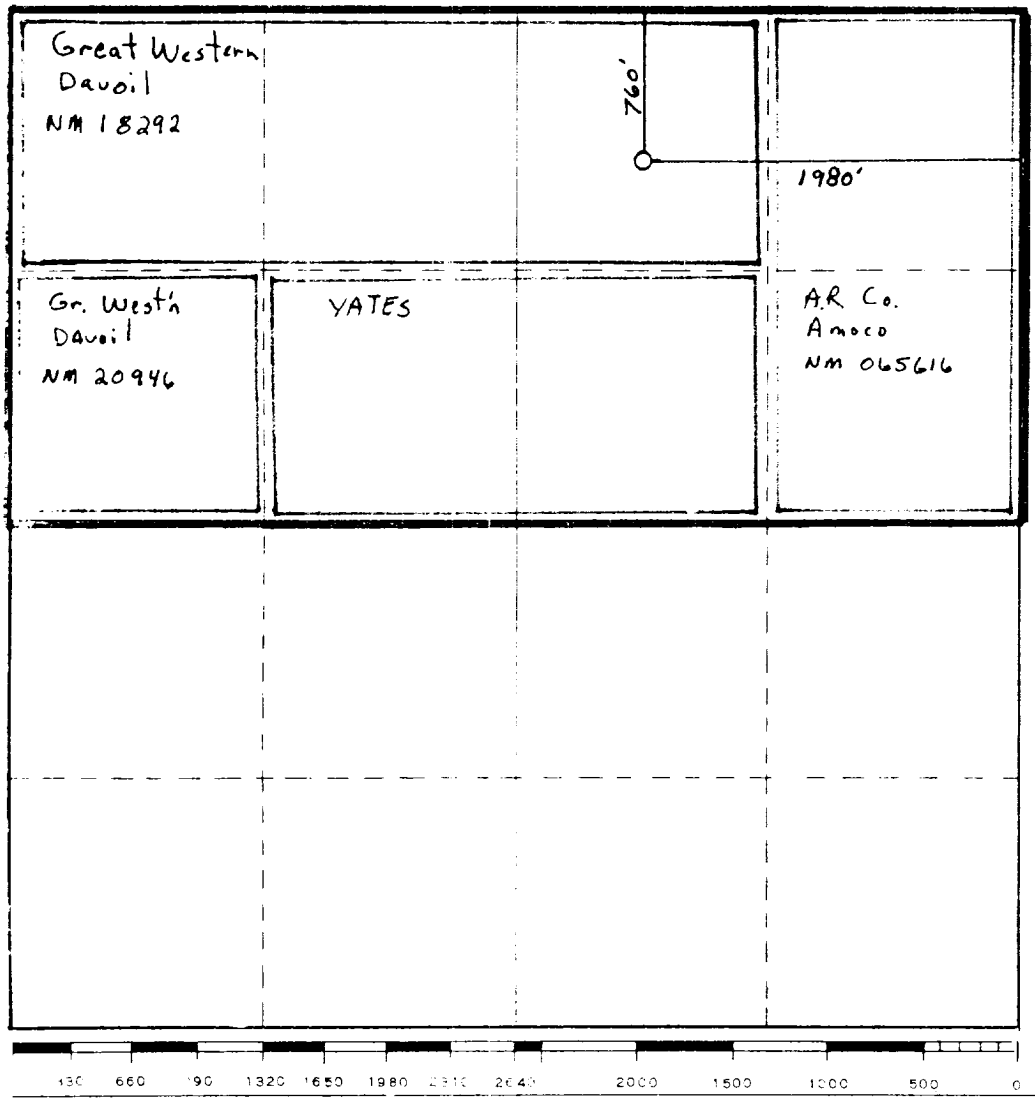
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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?

[X] Yes [ ] No If answer is "yes," type of consolidation 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
Gliserio Rodriguez

Position
Regulatory Manager

Company
Yates Petroleum Corporation

Date
2/2/82

DAN R. REDDY
NEW MEXICO
5412
REGISTERED LAND SURVEYOR
PROFESSIONAL ENGINEER

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

Registered Professional Engineer and/or Land Surveyor

Certificate No.
NM PE&LS #5412

ıtes Petroleum Corporation
Rio Pecos Federal "RS" #1
760' FNL and 1980' FEL
Section 21-T18S-R27E
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 Seven Rivers.

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

Seven Rivers	surface	Canyon LS	8026'
Queen	903'	Strawn	8532'
San Andres	1636'	Atoka	9113'
Glorieta	3254'	Morrow	9462'
Bone Springs LS	3984'	Chester Shale	9762'
3rd Bone Sprips SS	6330'	Chester LS	9794'
Wolfcamp	6450'	TD	9844'
Cisco	7656'		

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

   Water: 3254' - 3500' (Glorieta Upper Yeso)
   6230' - 6330' (Basal Bone Springs)
   6600' - 7400' (Wolfcamp Dolomites)

   Gas: 7650' - 8026' (Cisco Upper Canyon)
   8830' - 8850' (Strawn Sandstone)
   9430' - 9794' (Morrow)

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: Kelly cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.

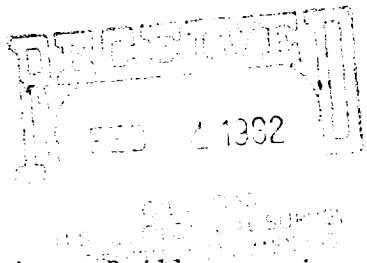
8. Testing and Logging Program:

   DST's: As warranted.
   Logging: 1700' to TD out from under intermediate.
   *Expect hole deviation problems through Bone Springs - level out by Wolfcamp.

9. No abornmal pressures or temperatures are indicated.

10. Anticipated starting date: As soon as possible after approval.

MULTI-P' NT SURFACE USE AND OPERATIONS P' N



Yates Petroleum Corporation
Rio Pecos "RS" Federal #1
Section 21-T18S-R27E
760' FNL and 1980' FEL
(Exploratory Well)

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 operations.

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 11 miles SE of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed east from Artesia on Highway 82 for a distance of approximately 4 ½ miles.

2. Turn south on Eddy County road 201 for approximately 4.5 miles, then turn east on Eddy County road 227 for 1/2 mile. After crossing cattleguard, turn south on next road, for approximately 3 miles to new access road.

2. PLANNED ACCESS ROAD.

A. The existing road will run east and west for approximately 1600' to the southwest corner of the location.

B. The new road will be 12 feet in width (driving surface) adjacent to the wellsite.

C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on one side.

D. The new road has been flagged and the route of the road is clearly visible.

3. LOCATION OF EXISTING WELLS.

A. Drilling activity within a one-mile radius of the wellsite is shown on Exhibit A.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

A. There are 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 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 system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed road shown in Ehxibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

   A. Any caliche required for construction of the drilling pad and the new access road will be obtained from the nearest existing pit.

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 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. 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 to 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 slopes slightly from north to south. Minor cuts or fills will be needed in the pad area.

   C. The reserve pits will be plastic lined.

   D. The pad 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 the USGS will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. OTHER INFORMATION.

A. Topography: The land surface in the vicinity of the wellsite is sloping. The immediate area of the wellsite is discussed above in paragraph 9B.

B. Flora and Fauna: The vegetation cover consists of prairie grass, greasewood and miscellaneous desert growth. No wildlife was observed, but the wildlife in the 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. Grazee is Bill Gissler.

F. There is no evidence of any archaeological, 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 are:

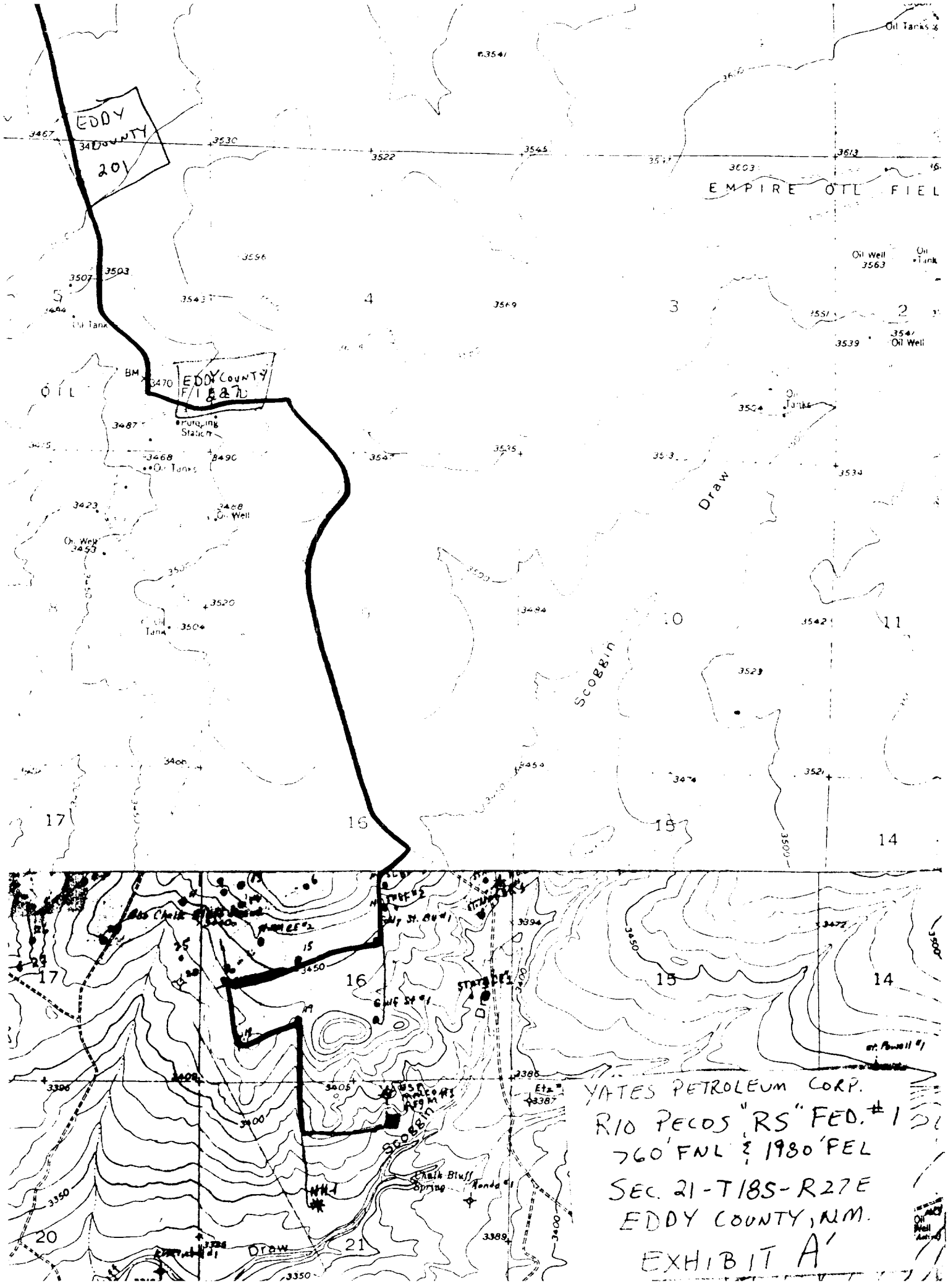
Gliserio "Rod" Rodriguez, Cy Cowan or Ken Beardemphl
Yates Petroleum Corporation
207 S. 4th Street
Artesia, New Mexico 88210
(505) 746-3558

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 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 Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

2/2/82
Date

Gliserio Rodriguez, Regulatory Manager


EDDY COUNTY
EDDY COUNTY
F/1 & 2
EMPIRE OIL FIEL
Draw
SCOBBIN
Chalk Bluff Spring
Draw
YATES PETROLEUM CORP.
RIO PECOS "RS" FED. #1
760' FNL & 1980' FEL
SEC. 21-T18S-R27E
EDDY COUNTY, NM.
EXHIBIT A'

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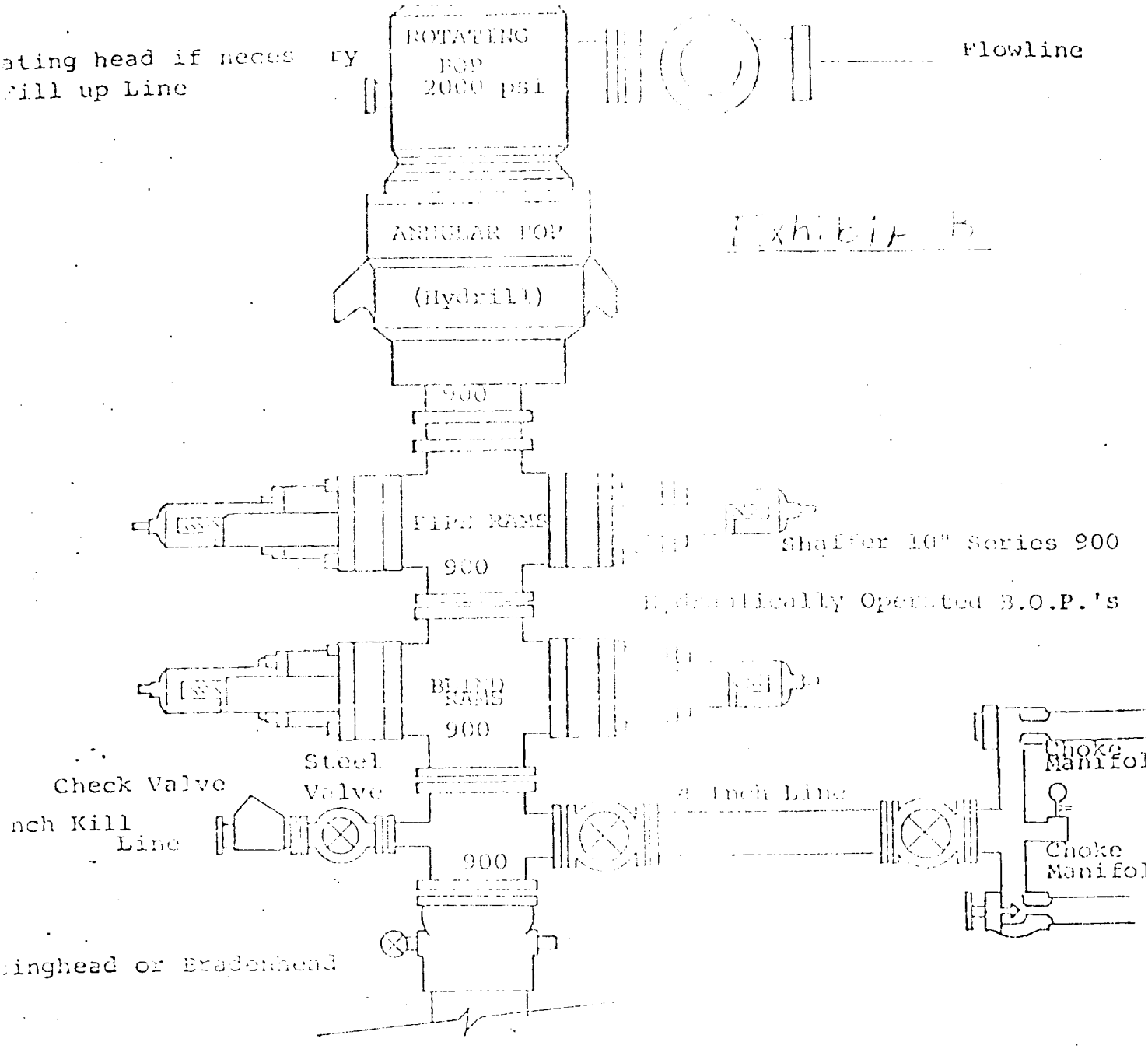

Exhibit B

Shaffer 10" Series 900

Hydraulically Operated B.O.P.'s

FOLLOWING CONSTITUTE MINIMUM BLOWOUT [illegible] REQUIREMENTS

All preventers to be hydraulically [illegible] with secondary manual contro
installed prior to drilling out from under [illegible].
Choke outlet to be a minimum of 4" di[illegible].
Kill line to be of all steel construct[illegible]" minimum diameter.
All connections from operating manifold to preventers to be all steel.
hole or tube a minimum of one inch in diameter.
The available closing pressure shall be at least 10% in excess of that
required with sufficient volume to operate [illegible] B.O.P.'s.
All connections to and from preventers to have a pressure rating equivale
to that of the B.O.P.'s.
Inside blowout preventer to be available on rig floor.
Operating controls located as to be [illegible] from the rig floor.
Hole must be kept filled on trips below [illegible] casing. Operator
not responsible for blowouts resulting from not keeping hole full.
D. P. float must be installed and used [illegible] of first gas intrusion