Corm 31603 (November 1983) (formerly 9-331C) APPLICATIO	UNIT DEPARTMENT BUREAU OF N FOR PERMIT	LAND MANAGE	TERIOR.	SUBMIT IN (Other inst. reverse b CC 80000 R PLUG E	lde)	Budget Bureau Expires Augus 5. LEASE DESIGNATIO NM-2538	IN AND BEHIAL NO.
	ILL	DEEPEN	]	PLUG BA		7. UNIT AGREEMENT	NAME
b. TYPE OF WELL OIL	A8 -		SINGLE [			· · ·	
	VELL OTHER		ZONE	RECEIVE		8. FARM OR LEASE N	
VATES ENERCY	CORPORATION V					Thornbush 9. WELL NO.	Federal
3. ADDRESS OF OPERATOR	CONTORATION			DEC 4 o h	00	1	
P. 0. Box 23	23, Roswell, NM Report location clearly and	88202-2323		DEC 12'		10. FIELD AND POOL,	OR WILDCAT
ALOUITACE			any State requ	irements.*) C. C. C	·	IN Tamano Bon	e Spring
	' FSL & 1930' F	NL A	. N	ARTESIA, OF		11. SEC., T., R., M., OI AND SUBVEY OR	ABLA.
At proposed prod. zor	1e	u				0	100.017
14. DISTANCE IN MILES	AND DIRECTION FROM NEAR	EST TOWN OR POST	OFFICE*			Section 1- 12. COUNTY OF PARIS	185-31E BE 13. BTATE
10 miles S.E	. of Loco Hills					Eddy	N.M.
15. DISTANCE FROM PROP LOCATION TO NEARES	USED <sup>®</sup> T		16. NO. OF ACE	S IN LEASE		F ACRES ASSIGNED	
PROPERTY OR LEASE 1 (Also to nearest dri	g. unit line, if any) 3.	30'	600.1	8		•0	
18. DISTANCE FROM PROI TO NEAREST WELL, D	RILLING, COMPLETED.		19. PROPOSED D	EPTH	20. ROTAL	BY OR CABLE TOOLS	
OR APPLIED FOR, ON TH		0'	8800		F	lotary	
21. ELEVATIONS (Show wh 3779.0 GL	ether DF, RT, GR, etc.)						FORK WILL START*
23.				···		2-20-90	
		PROPOSED CASING	GAND CEMEN	TING PROGRAM	M		
SIZE OF HOLE	BIZE OF CABING	WEIGHT PER FOO		TING DEPTH		QUANTITY OF CEM	ENT
17 1/2"	13 3/8"	48#		50'		5 sx. <u>Circu</u>	
<u>    12  1/4''                                 </u>	<u> </u>	24#		00'		0 sx. <u>Circu</u>	late
/ //0	5 1/2	15.0-17.0;			60	0 sx.	
intermediate casing will will run 5½"	BOP and Hydri	oproximately nted to the ent with a m duction. t for detail ll on 8 5/8"	350' of surface. inimum of s casing,	surface c If comme 600' of	asing a rcial p cover,	and 2400' of : bay is encount perforate and Per Ja Nur	intermediate tered,
	and blind rams	s tested on	trips.				
GAS NOT DEDI	CATED						
zone. If proposal is to preventer program, if any	PROFOSED PROGRAM : If p drill or deepen directional y.	roposal is to deepen ly, give pertinent d	or plug back, ata on subsurf:	give data on pr ace locations an	esent produ d measured	ctive sone and propos and true vertical dep	ed new productive ths. Give blowout
24.	O .	nn					
signer har	our. Hami	LOUL TITLE	Landn	an		DATE11-2	1-89
(This space for Feder	ral or State office use)						
PERMIT NO	······································		APPBOVAL	÷ •			
APPROVED BY Orig. Si	ened by factor due to		CARLSBAD	RESOURCE ARE!		DATE _12-1	11- 84

APPROVED BY Orig. Signed by factor if and	
CONDITIONS OF APPROVAL LE ONY :	
A AND	
and the second sec	*

# \*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate District Office State Lease - 4 copies Fee Lease - 3 copies

125630

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Aztoc, NM 87410

#### State of New Mexico Energy, Minerals and Natural Resources Department

# OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

# WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	·····		Lease	•	Weil No.
Vata	s Energ	v Corp	Thornbush Fe	deral	1
Unit Letter	Section	Township	Range	County	
N	1	18 South	31 East	NMPM Ede	dy
Actual Footage L	ocation of W	eil:			· · · · · · · · · · · · · · · · · · ·
330	feet from	south .	line and 1930	feet from the West	line
Ground level Ele		Producing Formation	Pool	······································	Dedicated Acreage:
3779.0		Bone Springs	Tamano Bone S	pring	40 Acres
2. If <b>n</b>	nore than one	lease is dedicated to the well, outline	shored pencil or hachure marks on the plat each and identify the ownership thereof (	both as to working interest and	
unit If answ this fo No all	ization, force Yes wer is "no" lis rm if neccess ownble will b	pooling, etc.? No If answer in t the owners and tract descriptions w try. e assigned to the well until all interest	ted to the well, have the interest of all ow "yes" type of consolidation hich have actually been consolidated. (Us ts have been consolidated (by communitiz	s reverse side of	
or unti	il a <u>non-stand</u>	rd unit, eliminating such interest, ha	s been approved by the Division.	I hereby contained here	OR CERTIFICATION certify that the information in in true and complete to the vedge and belief.
	·			Signature Avarrow Printed Name Sharon Position	R. Hamilton
				Landman Company Yates E Date 11-21-8	nergy Corporation
				I hereby certij	OR CERTIFICATION by that the well location shown was plotted from field notes of
			PROFESSION LAND SURVEY FURT	actual surveys supervison, an	n made by me or under my ad that the same is true and a best of my knowledge and
		NM-2538	NO. STA	Nov. Signature & Se Professional Se	ember 6, 1989 sal of arveyor
	930'			Certificate No.	JOHN W. WEST, 676 RONALD J. EIDSON, 3239
0 330 669	990 13:	20 1650 1980 2310 2640	<b>2000 1500 1000</b> 5	00 0	

# YATES ENERGY CORPORATION Thornbush Federal #1 330' FSL & 1930' FWL Section 1, T18S, R31E Eddy County, New Mexico

In conjunction with Form 9-331-C, Application for Permit to Drill the well captioned above, Yates Energy Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

- 1. The geologic surface formation is the Quaternary.
- 2. The estimated tops of geologic markers are as follows:

Seven Rivers	2730'	Bone Springs "A" Zone	י7370
Queen	3430'	First BS Sand	7550'
Penrose	3660'	First BS Carbonate	7870'
Grayburg	3950'	BS Mesquite Dolomite	7900'
Delaware	4770'	BS Young Dolomite	8050
Bone Springs	7370'	Second BS Sand	8150'

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

Water: Fresh water at approximately 350' Oil or Gas: Bone Springs 6100', 7370', 7900', 8050'

- 4. Proposed Casing Program: See Form 9-331-C
- 5. Pressure Control Equipment: See Form 9-331-C and Exhibit.

6.	Mud Program:	0 - 350' 350' - 2400' 2400' - 7300' 7300' - TD	FW Spud, 8.9-9.0#/gal. Cut brine, 10#/gal. Cut brine, 8.9-9.5#/gal. SW gel, drispac & starch, 8.9-9.5#/gal., Vis. 35-40, WL 10cc or less, oil if required.
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- 7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; full-opening safety valve on floor with drill pipe and collar connections.
- 8. Testing, Logging and Coring Program:

DST's:	If Warranted
Coring:	None planned
Logging:	Intermediate casing to TD
	CNL-FDC to casing with GR-CNL on to surface and DLL from
	TD to casing with selected RxO.

- 9. No abnormal pressures or temperatures are anticipated. In the event they are encountered, the proposed mud program will be modified to increase the mud weight.
- 10. Anticipated starting date: Around February 20, 1990. Drilling time will be approximately 21 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Energy Corporation Thornbush Federal #1 330' FSL & 1930' FWL Section 1, T18S, R31E Eddy County, New Mexico

This plan is submitted with Form 9-331-C, 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 BLM topographic map showing the roads in the vicinity of the proposed location. The proposed well site is approximately 10 miles southeast of Loco Hills. The access route is indicated in red. The BLM right-of-way is indicated in blue.

Directions:

- Travel east from Loco Hills on US 85 for 7 miles to County Road 222.
- Turn south on County Road 222 and go approx. 4 miles to County Road 249.
- 3. Turn southeast on County Road 249 and go approx. 1.1 miles.
- Turn northeast at gravel pit onto field road, go approx. 2.2 miles.
- 5. Turn north at second gravel pit and go approx. 1 mile to location.
- 2. PLANNED ACCESS ROAD
  - A. Approximately 3300' of existing road will be bladed with drainage on one side and surfaced where needed, no new road will be built.

## 3. LOCATION OF EXISTING WELLS

- A. There are none in the near vicinity.
- 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES
  - A. There are no production facilities on this lease at this time.
  - B. If the well proves to be commercial, the necessary production facilities will be installed on the drilling pad.

- 5. LOCATION AND TYPE OF WATER SUPPLY
  - A. It is planned to drill this well with fresh and/or brine water. The water will be obtained from commercial sources and trucked to the location via the proposed route.
- 6. SOURCES OF CONSTRUCTION MATERIALS
  - A. Caliche, if possible, for surfacing the road and the well pad will be taken from the pad area.
- 7. METHODS OF HANDLING WASTE DISPOSAL
  - A. Drill cuttings will be disposed in the reserve pits.
  - B. Drilling fluids will be allowed to evaporate in the reserve pits until dry.
  - C. All pits will be fenced with normal fencing materials to prevent livestock from entering the area only if cattle are run in this pasture.
  - D. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or a separate disposal application will be submitted to BLM for approval.
  - E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
  - F. Oil produced during operations will be stored in tanks until sold.
  - G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.

# 8. ANCILLARY FACILITIES

- A. None required.
- 9. WELLSITE LAYOUT
  - A. The well pad exhibit shows the relative location and dimensions of the well pad and reserve pits, etc.
  - B. The location surface is loamy sand-and sandy loam- soils and relatively flat.
  - C. Caliche for the road and pad will be hauled from the nearest pit.
  - D. The reserve pits will be to the north and lined.
  - E. 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 work will be removed. The location will be cleaned of all trash and junk leaving the wellsite in as aesthetically pleasing a condition as possible.
- B. If the pits were fenced, they will remain so until they have dried and are leveled.
- C. If this well is non-productive, all rehabilitation and/or vegetation requirement of the Landowner/Operator agreement, if any, will be complied with and accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment or are no longer needed.

# 11. OTHER INFORMATION

- A. Topography: The location is relatively flat. The existing road is on flat surface to the location.
- B. Soil: The topsoil is a thin layer and may not be adequate to stockpile.
- C. Flora and Fauna: Vegetative cover consist of various grasses, mesquite, shinnery oak, and other miscellaneous growth. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land.
- D. Land use: Cattle grazing.
- E. There are no dwellings in the vicinity of the wellsite.
- F. Surface Ownership: The surface is owned by the State of New Mexico with federal minerals. New Mexico Grazing Lease GM-1551, Williams & Sons Cattle Company, P. O. Box 30, Maljamar, New Mexico 88264.

# 12. OPERATOR'S REPRESENTATIVE

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

Jim O'Briant O'Briant Engineering Midland, Texas Phone: 915-683-5511

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

<u>||-21-89</u> Date

Sharon R. Hamilton, Landman for Yates Energy Corporation



YATES ENERGY CORPORATION Thornbush Federal #1 330' FSL & 1930' FWL Section 1-18S-31E Eddy County, NM Unit Letter N



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Yales Energy Corporation



Thornbush Federal #1 330' FSL & 1930' FWL Section 1-18S-31E Eddy County, NM

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