

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P.O. Box 1933, Roswell, New Mexico 88202

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

At surface

1980' FN & EL

At proposed prod. zone

same

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

8 miles SE of Loco Hills

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drilg. unit line, if any)

660

18. DISTANCE FROM PROPOSED LOCATION*

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

1320

16. NO. OF ACRES IN LEASE

650.16

19. PROPOSED DEPTH

8550

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3730.0 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
17 1/2	13 3/8	54.5	350	Circ to surface
12 1/4	8 5/8	32	2100	Circ to surface
7 7/8	5 1/2	17	8550	600' above pay

Mud Program:

0 - 350 FW w/paper
350 - 2100 Brine Water
2100 - 8550 FW mud

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 NM Young NM Young TITLE Drilling Superintendent DATE 12/1/89
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 12 13 89
CONDITIONS OF APPROVAL, IF ANY:

*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.

OIL CONSERVATION DIVISION

P.O. Box 2038

Santa Fe, New Mexico 87504-2038

DISTRICT I
P.O. Box 1000, Hobbs, NM 88240

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator			Lease		Well No.	
Harvey E. Yates Company			Canken 4 Federal		2	
Unit Letter	Section	Township	Range	County		
G	4	18 South	31 East	NM		
Actual Footage Location of Well:						
1980 feet from the North line and		1980 feet from the East line				
Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:			
3730.0	Bone Springs	North Sugar	40 Acres			
<p>1. Outline the acreage dedicated to the subject well by colored pencil or hardware marks on the plat below.</p> <p>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).</p> <p>3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No If answer is "yes" type of consolidation _____</p> <p>If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____</p> <p>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 interest, has been approved by the Division.</p>						
				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p>Signature: <i>W. M. Young</i></p> <p>Printed Name: <i>W. M. Young</i></p> <p>Position: <i>Drilling Superintendent</i></p> <p>Company: <i>Harvey E. Yates Company</i></p> <p>Date: <i>12/1/89</i></p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>Date Surveyed: <i>November 11, 1989</i></p> <p>Signature & Seal of Professional Surveyor: <i>John W. West</i></p> <p>Certificate No. <i>676</i></p> <p>Professional Surveyor: <i>John W. West</i></p>		

Application
HARVEY E. YATES COMPANY
Can-Ken 4 Federal #2
Sec. 4, T18S, R31E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 4, Township 18 South, Range 31 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

1. The geologic surface formation is quaternary alluvium and bolson deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follow:

Rustler	665'	Delaware	4230'
Yates	2020'	Bone Springs	4715'
Seven Rivers	2435'	1st B. Sp.	7175'
Bowers	2885'	"B" Zone	7410'
Queen	3125'	2nd B. Sp.	7735'
Penrose	3330'	"C" Zone	8490'
Grayburg	3605'	TD	8550'
San Andres	3860'		
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Spring	4715'
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4. Proposed casing program: See Form 3160-3. HEYCO will be running some used casing when applicable.
5. Pressure control equipment: See Exhibit C. Although the rig equipment is 3M rated, this well will be a 2M PSI rating.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer
8. Testing, logging and coring programs: We plan to core and DST the Bone Springs around 7735 ft. The planned logs are CND w/GR and caliper; DLL-MSFL.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Can-Ken 4 Federal #2
Sec. 4, T18S, R31E
Eddy County, New Mexico

1. EXISTING ROADS:

Exhibit A is a portion of a New Mexico Map showing the location of existing roads and wells. The location is approximately 35 miles east of Artesia, New Mexico, or about 8 miles southeast of Loco Hills, New Mexico. Leave Artesia on U.S. Highway 82 and travel east to the junction of New Mexico Highway 222. Turn south on Highway 222 and travel 3 miles. Cross over the cattleguard and turn east on to lease road. Travel east approximately 1/3 mile. Turn north and go 1/3 mile. Turn east and go 1/4 mile to new location.

2. PLANNED ACCESS ROADS:

No road will be needed on this location.

3. LOCATION OF EXISTING WELLS:

Exhibit B is a plat showing existing wells and their locations.

4. LOCATIONS OF TANK BATTERIES, ETC.:

In the event we drill a producing well, all production equipment will be located at Unit H, Sec. 4, T18S, R31E.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be from commercial sources, either hauled or pipelined.

6. SOURCE OF CONSTRUCTION MATERIAL:

We will use caliche from the reserve pit area to build the road and location.

7. METHODS OF HANDLING WASTE DISPOSAL:

Waste will be buried in reserve pits at a depth of 36". The wellsite will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

None required.

9. WELLSITE LAYOUT:

- A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits and major rig components.
- B. The land is relatively flat with sandy soil and sand dunes.
- C. The pad and pit area have been staked.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After finishing drilling and/or other completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite as pleasant in appearance as possible.
- B. If the proposed well is nonproductive, all restoration and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as quickly as possible. All pits will be filled and levelled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. The surface and minerals are Federal land.

- B. The topography consists of sandy soil with native grasses, catcall, etc. No wildlife was observed, but the usual inhabitants of this region are jackrabbits, reptiles, coyotes, etc.
- C. There are no ponds, lakes, streams or rivers in this area.
- D. An Archaeological Survey has been made and copy has been sent to your Carlsbad office. There is no evidence of any significant archaeological, historical or cultural sites in the area. Also, there are no occupied dwellings or windmills.

12. OPERATOR'S REPRESENTATIVES:

The field representatives responsible for assuring compliance with the approved surface use and operations plan are:

Micky Young
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/623-6601
Mobil: 505/624-1818 #840

Bob Williams
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/396-3235
Mobil: 505/624-1818 #867

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

December 1, 1989

N M Young by V.T.
N.M. Young
Drilling Superintendent

EXHIBIT C

Harvey E. Yates Company
Can-Ken 4 Federal #2
1980' FN & EL
Sec. 4, T10S, R31E

900 Series

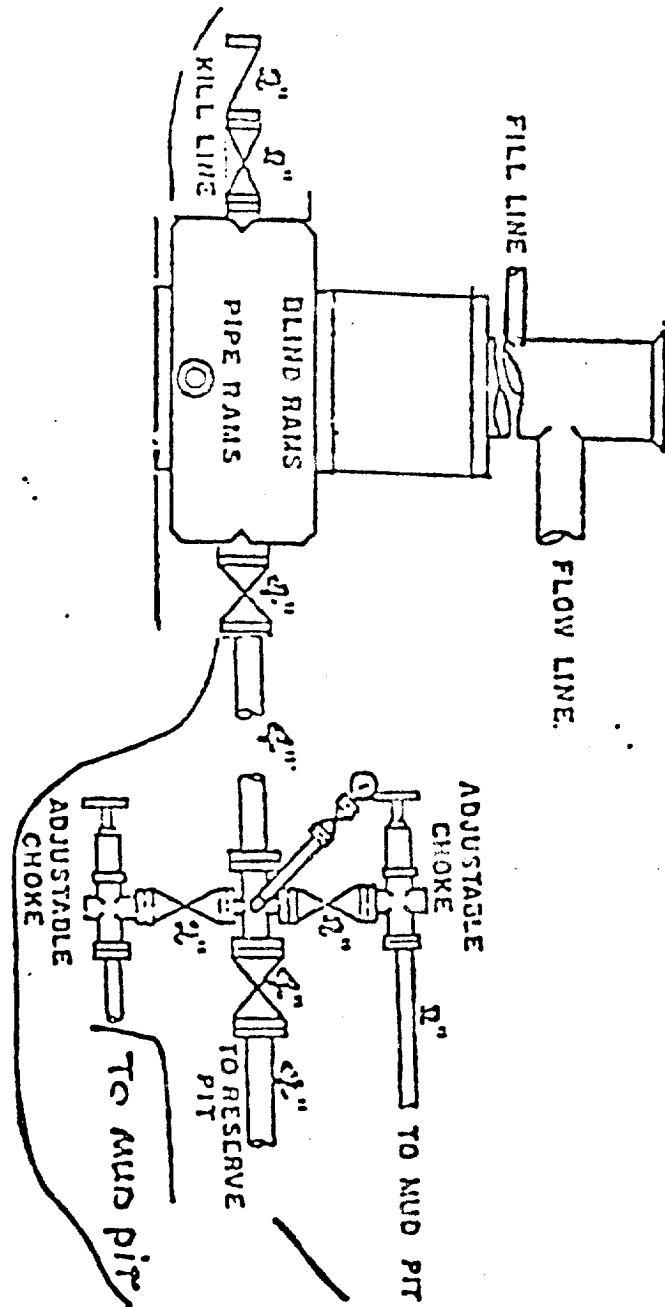


EXHIBIT D

Harvey E. Yates Company
Can-Ken 4 Federal #2
1980' FN & EL
Sec. 4, T18S, R31E

