Form 3160-3 (November 1983) (formerly 9-331C)	DEPARTMEN BUREAU OF	TED STATES T OF THE I	NIERIO	(Other , ru	RIPLICATE octions on side)	Budget Bureau I Expires August 5. LEASE DESIGNATION	No. 1004-0136 31, 1985		
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Ia. TYPE OF WORK DR D. TYPE OF WELL OIL WELL		DEEPEN [			СК 🗌	7. UNIT AGREEMENT N. West Loco Hi 8. Farm or lease nam	lls Unit		
2. NAME OF OPERATOR Yates Pet	roleum Corporat	ion V		JUNNY	1992	Tract #1			
3. ADDBESS OF OPERATOR O. C. D. 105 South Fourth Street, Artesia, New Mexico 88210 OFFICE						9. WELL NO. 9 10. FIELD AND POOL, OB WILDCAT			
At proposed prod. zor	Salle	nd 40' FWL	Jd	e requirements.*)		XWEST LOCO Hi 11. SEC., T., R., M., OE B AND SURVEY OF AR Sec. 7-T18S-R	11s <b>K-6-94</b> LE. 30E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE. approximately 5 miles southwest of Loco Hills, New Mexico 19. DISTANCE FROM PROPURED.						12. COUNTY OB PARISH			
LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig, unit line, if any) 19		16. NO. 01	71.64 SED DEPTH	1CO   Eddy   NM 17. NO. OF ACRES ASSIGNED TO THIS WELL 40 20. ROTARY OB CABLE TOOLS					
OR APPLIED FOR. ON THIS LEASE, FT. 600' 2900' RO 21. ELEVATIONS (Show whether DF, RT, GR, etc.)						ary			
3529' GR						22. APPROX. DATE WOE ASAP	K WILL START <sup>®</sup>		
23.		PROPOSED CASH	NG AND CH	MENTING PROGRAM	M	·			
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FO							
<u>12 1/4"</u> 7 7/8"	8 5/8"	24# J or		385'	Cement to surface				
1 1/0	5 1/2"	15.5#J or K-55 2900' Cement			ent to surface				

Yates Petroleum Corporation proposes to drill a well for injection of CO<sub>2</sub> into the West Loco Hills Grayburg #4 sand formation. Approximately 385' of surface casing will be set and cement will be circulated to surface. Approximately 2900' of production casing will be run and perforated.

MUD Program: Fresh Water and Native mud to 385'. Brine to TD.

BOP Program: BOP will be installed at the offset and tested daily.

Port ID-1 2-3-91 Mew Loc Y API

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 CY Cowan	TITLE	hand Technician	DATE	6/10/92
(This space for rederal or State office use)				
PERMIT NO		APPROVAL DATE		
APPROVED BY Manad by Richard L Menus	TITLE	AMBA MANAULE. Carlesad reginned and	DATE	6.2592
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GENERAL REQUIREME <b>NTS <u>AND</u></b>				
SPECIAL STIPULATIONS -				

#### \*See Instructions On Reverse Side

TiATTACHED 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

DISTRICT 1 P.O. Box 1980, Hobbe, NM 88240

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

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

# State of New Mexico Energy, Minerals and Natural Resources De, ment

2

# **OIL CONSERVATION DIVISION**

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

All Distances must be from the outer boundaries of the section

E       18 SOUTH       30 EAST       Note:       EDDY         1980       feet from the NORTH       lice and       40       feet from the WEST       lice and average:         33229       Incurd well Bar.       Producing Formation       Pool       Dedicated average:       How average:         3329       Incurd well Bar.       Incurd well by control to be subject well by colored pecili to takium matrix on the plat below.       Incurd well bar.       How average is idedicated to the well, ottline set had idedity the overarhip thereof (both as to working interest and royality).         3.1 If more than one lease of different overarhip is dedicated to the well, have the internet of all overare been occurdidated by communitation, unitation, there are also of the overarity of the too the overarity of the overarity ov	Operator					Loase					Vell No.	
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#### YATES PETROLEUM CORPORATION

# West Loco Hills Unit Tract #1 Well #9 1980' FNL and 40'FWL Section 7-T18S-R30E Eddy County, New Mexico

In conjunction with Form 3160-3, 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 geological surface formation is Sandy Alluvium:
- 2. The estimated tops of geologic markers are as follows:

Top of Salt	399'
Base of Salt	1,121'
Queen	2,292'
Grayburg #4 Sand	2,799'

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

Water: 320' - 350' Oil or Gas: 2800'

- 4: Proposed Casing Program: See Form 3160-3.
- 5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
- 6. Mud Program: See Form 3160-3.
- 7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connections.
- 8. Testing, Logging and Coring Program:

Samples: 10' samples from under surface casing to TD.

DST's: As warranted.

Coring: None anticipated.

Logging: GR-CNL, LDT TD to surface pipe. GR-CNL to surface. Cement bond log and casing collar log.

- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible after approval.

### MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Petroleum Corporation West Loco Hills Unit Tract #1 Well #9 1980' FNL and 40'FWL Section 7-T18S-R30E Eddy County, New Mexico

This plan is submitted with Form 3160-3, 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 the 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 BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 5 miles southwest of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

From Artesia, New Mexico, on Highway 82 travel east to Loco Hills, New Mexico. In Loco Hills turn south on County Road 217 for approximately 2.5 miles to intersection of County Roads 216 and 217. Turn south on County Road 216 for approximately 2 miles to cattle guard on road. Cross cattle guard, continue for approximately 500' to location.

# 2. PLANNED ACCESS ROAD

- A. The proposed new access will be the existing County Road 216. The road will enter the northwest corner of the location. A temporary re-route will be built to allow more room for men and equipment and to allow traffic to flow safely by the west side of the location. The plan has been prproved by the Eddy County road department.
- B. No new access road will be built.
- C. The temporary turnout will be constructed with caliche with drainage on the westside.
- D. The route of the road is visible.

# 3. LOCATION OF EXISTING WELL

- A. There is drilling activity within one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

#### 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. This is an injector well. No production of oil or gas is anticipated.

# 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 roads shown in Exhibit A.

#### West Loco Hills Unit Tract #1 Well #9 Page 2

6. SOURCE OF CONSTRUCTION MATERIALS:

Contruction materials will be obtained from drillsite's excavations or from a local source.

# 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.
- 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 of 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.

-> No trash is to be disposed of on location.

# 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, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.
- 10. PLANS FOR RESTORATION
  - 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 dried and been levelled.
  - C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.
- 11. SURFACE OWNERSHIP: Federal surface administered by the Bureau of Land Management.

# 12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

West Loco Hills Unit Tract #1 Well #9 Page 3

- 13. OPERATOR'S REPRESENTATIVE
  - A. Through A.P.D. Approval: B.

Through Drilling Operations, Completions and Production:

Cy Cowan, Land Technician Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

Mike Slater, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

#### 14. 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

<u>6-08-92</u> Date

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Cy Cowan Land Technician

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YATES PETROLEUM CORPORATION

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Eddy County Board of Commissioners

JULIUS DOUBRAVA FRED T. ALVAREZ JAY MOBLEY, Chairman NANCY BRANTLEY BILL ALSOP



Eddy County Manager

BOB STOCKWELL (505) 887-9511

Exhibit E

Fax (505) 887-1039 Post Office Box 1139 CARLSBAD, NEW MEXICO 88221-1139

February 5, 1992

Mr. Cy Cowan, Land Technician Yates Petroleum Corporation 105 S. 4th Street Artesia, New Mexico 88210

Dear Mr. Cowan:



In accordance with your request of February 4, 1962 to the Eddy County Board of Commissioners, your request to temporarily re-route CR-216 was approved, providing you put the road back like it originally was, and you obtain the appropriate permit from the U.S. Bureau of Land Management to make such a move.

Road Superintendent Tom Lee will be your county contact on this project. Mr. Lee's telephone number in Carlsbad is 885-4835.

Sincerely,

EDDY COUNTY BOARD OF COMMISSIONERS

Bob Stockwell, County Manager

BS/lp

CC: Tom Lee ECRD File