

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 INJECTION

SINGLE
ZONE ☒

RECEIVED
MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation ✓

JUN 27 1992

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, New Mexico 88210 O.C.D. OFFICE

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

At surface

1980' FNL and 40' FWL

At proposed prod. zone same

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

approximately 5 miles southwest 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)

40'

16. NO. OF ACRES IN LEASE

271.64

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.

600'

19. PROPOSED DEPTH

2900'

20. ROTARY OR CABLE TOOLS

Rotary

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

3529' GR

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
12 1/4"	8 5/8"	24# J or K-55	385'	Cement to surface
7 7/8"	5 1/2"	15.5#J or K-55	2900'	Cement to surface

Yates Petroleum Corporation proposes to drill a well for injection of CO₂ 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.

Part ID-1
7-3-92

New Loc & 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 Land Technician DATE 6/10/92

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY _____

By: Signed by Richard L. Menus

TITLE _____

AREA MANAGER

CARLETON K. BROWN, JR.

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

*See Instructions On Reverse Side

ATTACHED 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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 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 YATES PETROLEUM CORPORATION			Lease WEST LOCO HILLS UNIT TRACT #1		Well No. 9
Unit Letter E	Section 7	Township 18 SOUTH	Range 30 EAST	County NMPM EDDY	
Actual Footage Location of Well: 1980 feet from the NORTH line and 40 feet from the WEST line					
Ground level Elev. 3529	Producing Formation Grayburg #4 SAND		Pool West loco Hills	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☒ Yes ☐ No If answer is "yes" type of consolidation unitization
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 interest, has been approved by the Division.

OPERATOR CERTIFICATION

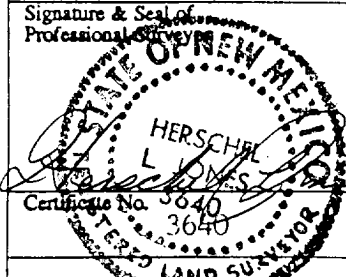
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

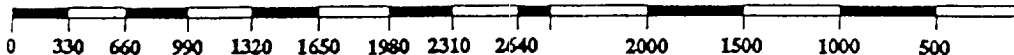
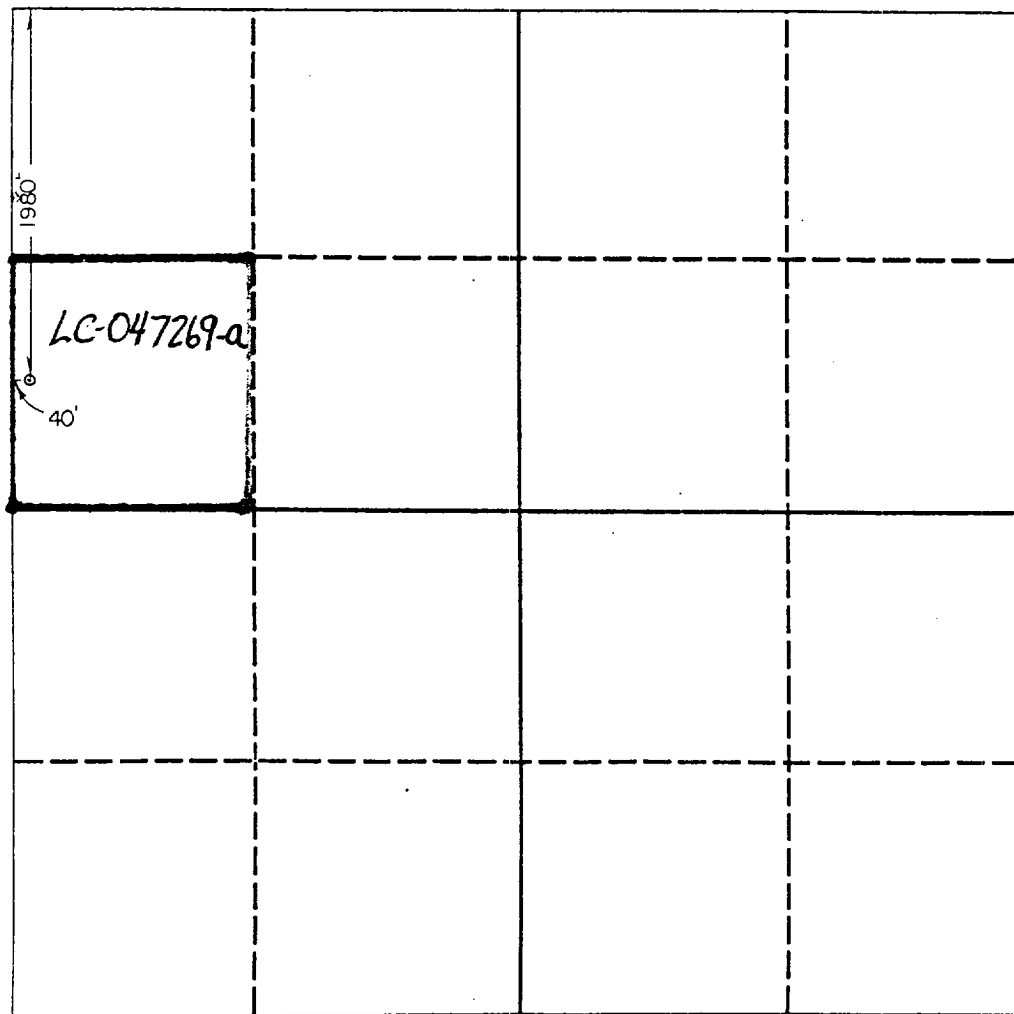
Signature Cy Cowan
Printed Name Cy Cowan
Position LAND TECHNICIAN
Company Yates Petroleum Corp
Date 5/29/92

SURVEYOR CERTIFICATION

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 5/25/92

Signature & Seal of Professional Surveyor

Certificate No. 3640



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 approved 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.

6. SOURCE OF CONSTRUCTION MATERIALS:

Construction 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.

8. ANCILLARY FACILITIES:

- A. None required.

→ No trash is to be disposed of on location.

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.

13. OPERATOR'S REPRESENTATIVE

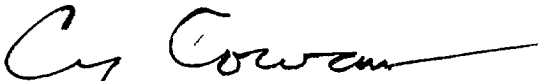
- | | |
|--|--|
| A. Through A.P.D. Approval: | B. Through Drilling Operations,
Completions and Production: |
| Cy Cowan, Land Technician
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 | Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 |

14. CERTIFICATION:

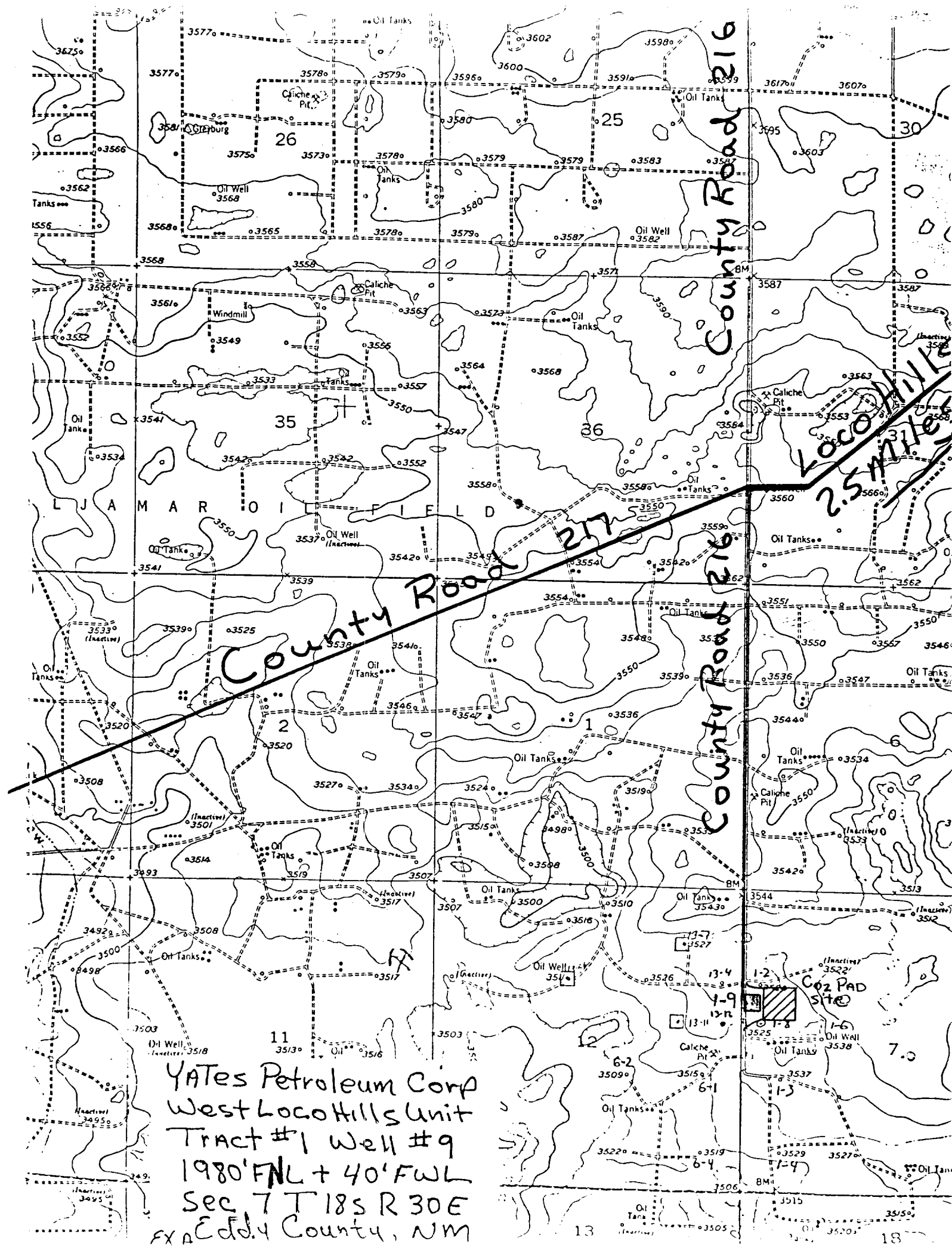
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated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

6-08-92

Date



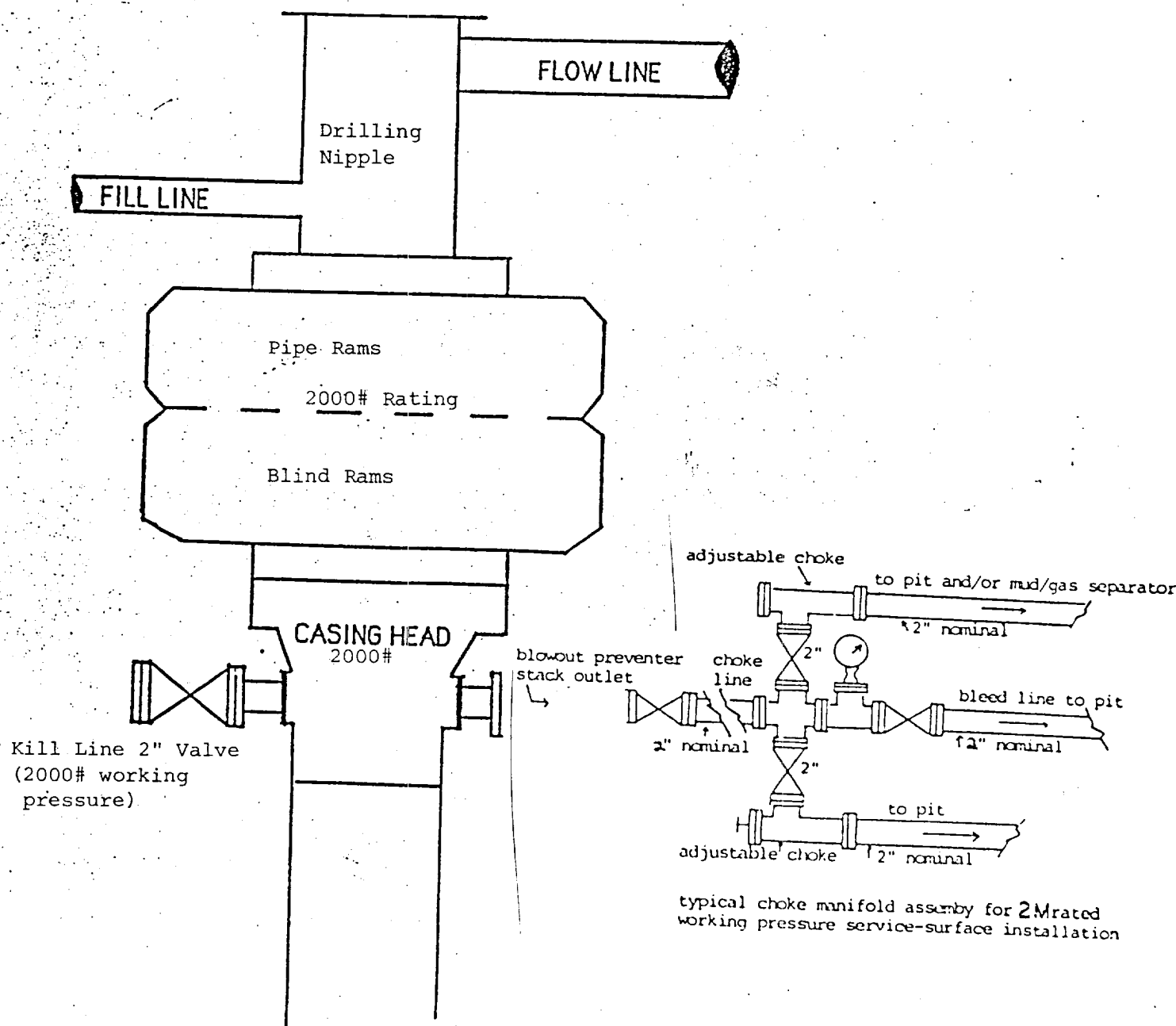
Cy Cowan
Land Technician



YATES Petroleum Corp
West Loco Hills Unit
Tract #1 Well #9
1980' FNL + 40' FWL
Sec 7 T18S R30E
EX A Cdd.4 County, NM

CO2 PAD
SITE

YATES PETROLEUM CORPORATION *Exhibit B*



**BLOWOUT PREVENTER
2M SYSTEM**

Yates Petroleum Corp
West Loco Hills Unit
Tract #1 Well #9
1980' FNL+ 40' FWL
Sec 7 T18s-R30E
Eddy Co NM
Exhibit D

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

Eddy County

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, 1992 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

