

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  
ZONES ☐

2. NAME OF OPERATOR

Yates Drilling Company ✓

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, New Mexico 88210

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

At surface

1310' FSL and 130' FEL

At proposed prod. zone

Same

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

Seven miles southwest of Loco Hills, NM

15. DISTANCE FROM PROPOSED\*

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

18. DISTANCE FROM PROPOSED LOCATION\*  
TO NEAREST WELL, DRILLING, COMPLETED,  
OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH

2500'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3532'

22. APPROX. DATE WORK WILL START\*

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"	24.00	350	250 sx - Circulate
7 7/8"	5 1/2"	17.00	2500	500 sx - Circulate

Yates Drilling Company proposes to drill and test the Loco Hills and intermediate formations. Approximately 350' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW/gel/LCM to 350'; Brine to 2,250'; SW Gel to TD.

BOP PROGRAM: BOP's will be installed on the 8 5/8" casing and tested daily.

H<sub>2</sub>S: Not expected in this area.

Part ID-1  
7-24-92  
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 K. B. Burchfield TITLE Landman DATE 6-5-92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

\*See Instructions On Reverse Side

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

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

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

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

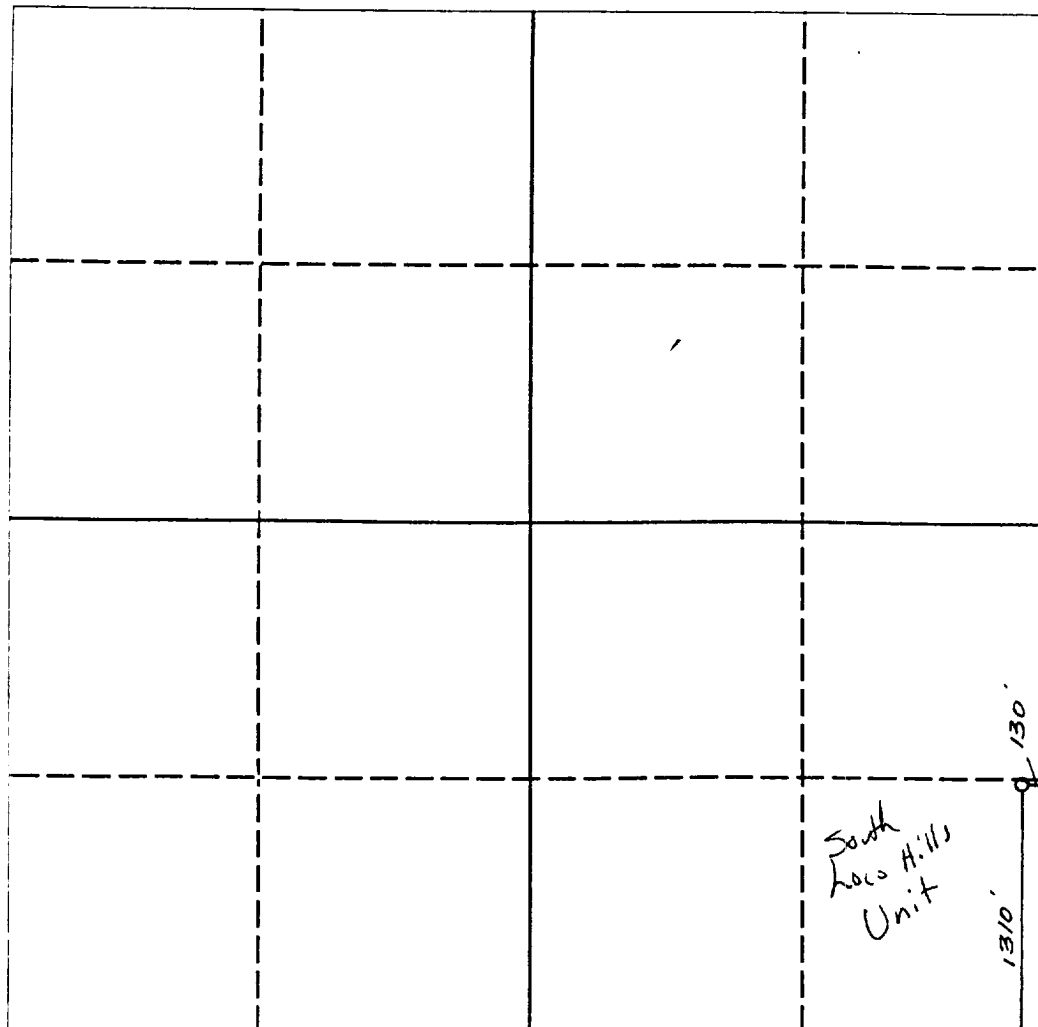
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator <b>YATES DRILLING COMPANY</b>			Lease <b>SOUTH LOCO HILLS UNIT</b>		Well No. <b>29</b>
Unit Letter <b>P</b>	Section <b>19</b>	Township <b>18 SOUTH</b>	Range <b>29 EAST</b>	County <b>EDDY COUNTY, NM</b>	
Actual Footage Location of Well: <b>130</b> feet from the <b>EAST</b> line and <b>1310</b> feet from the <b>SOUTH</b> line					
Ground level Elev. <b>3532.</b>	Producing Formation <b>Loco Hills</b>		Pool <b>Loco Hills G-G-SA</b>	Dedicated Acreage: <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?  
☐ Yes ☐ No If answer is "yes" type of consolidation \_\_\_\_\_  
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 in true and complete to the best of my knowledge and belief.

Signature *Ken Beaudenph*  
Printed Name **Ken Beaudenph**  
Position **Landman**  
Company **Yates Drilling Co.**  
Date **6-4-92**

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  
**JUNE 3, 1992**  
Signature *Ken Beaudenph*  
Professional Surveyor  
NEW MEXICO  
5412  
RECEIVED  
EDDY  
COUNTY  
SURVEYOR  
NM PROFESSIONAL ENGINEER

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

YATES DRILLING COMPANY  
South Loco Hill Unit #29  
1310' FSL and 130' FEL  
Section 19-T18S-R29E  
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 BLM requirements.

1. The geological surface formation is Quarter <sup>n</sup> Mary.
2. The estimated tops of geologic markers are as follows:

Anhydrite	316'
Top Salt	380'
Base Salt	779'
Yates	956'
Seven Rivers	1,295'
Queen	1,919'
Penrose	2,067'
Grayburg	2,259'
Dolite	2,299'
Loco Hills	2,354'
TD	2,500'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	From surface to 240'
Oil or Gas:	Possible Seven Rivers, Queens, Grayburg, or San Adres. <sup>n</sup>
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:	Every 10' from spud to TD.
DST's:	Possibly one (1).
Logging:	Litho Density Neutron - Surface to TD, DII - surface casing shoe to TD or minimum.
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 Drilling Company  
South Loco Hill Unit #29  
1310' FSL and 130' FEL  
Section 19-T18S-R29E  
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 7 miles southwest of Loco Hills, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

Go south of Loco Hills on Hagerman cut off, Eddy County Road 217, for approximately 9.3 miles. Turn south on lease road at sign that says Yates Drilling Company South Loco Hills Waterflood. Follow road to well approximately .9 of a mile.

### **2. PLANNED ACCESS ROAD**

A. None.

### **3. LOCATION OF EXISTING WELL**

- A. There is no drilling activity within a 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. 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 roads shown in Exhibit A.

### **6. SOURCE OF CONSTRUCTION MATERIALS:**

Closest BLM or private pit our dirt contractor can find.

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. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

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. A cross section of a drill pad with approximate cuts, fills and pad orientation is shown on Exhibit E.
- 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 BLM 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: BLM (Carlsbad, New Mexico)

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:

Ken Beardemphl, Landman  
Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

B. Through Drilling Operations,  
Completions and Production:

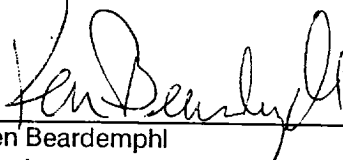
Toby Rhodes, Engineer  
Yates Drilling Company  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

14. CERTIFICATION:

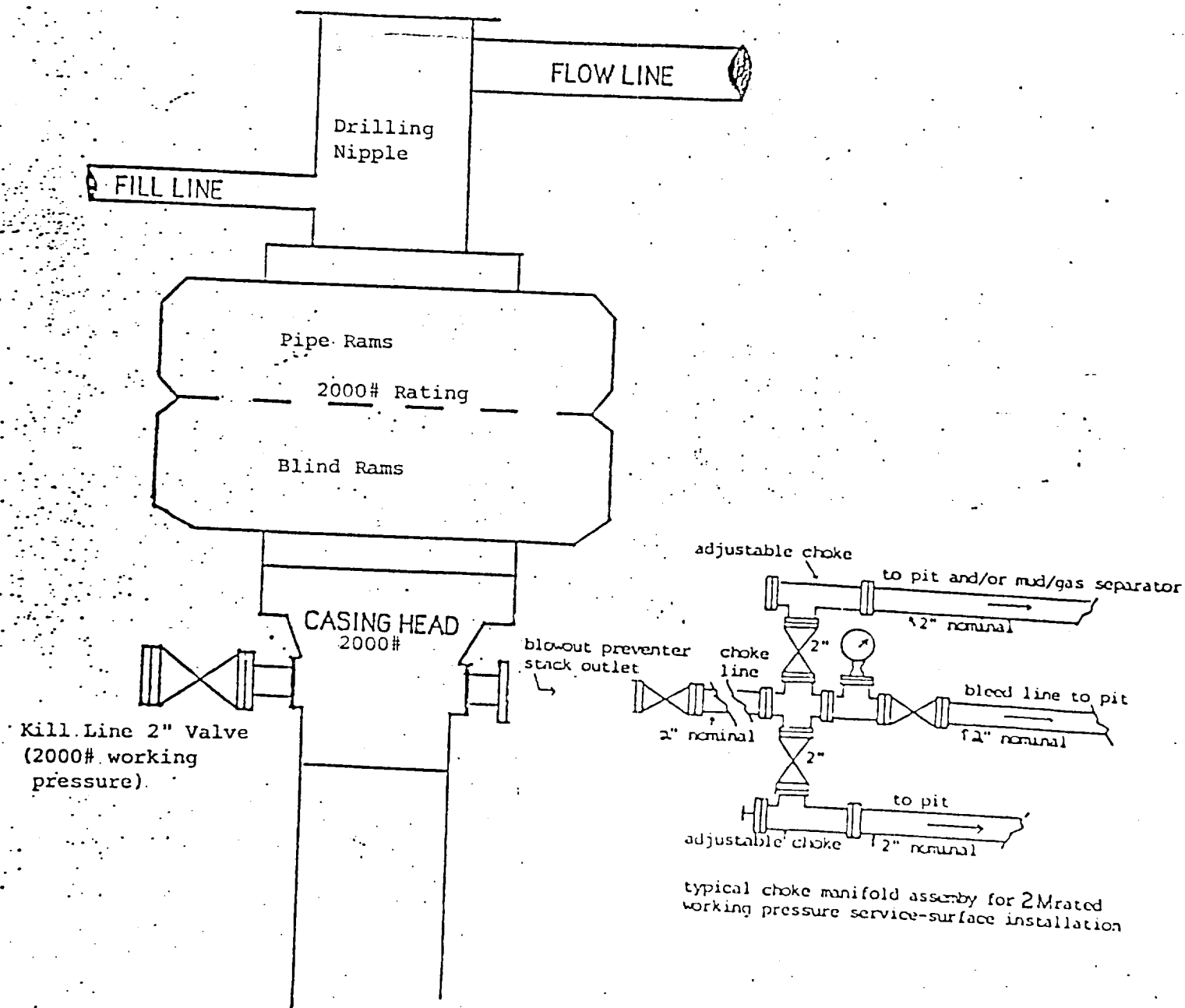
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated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

6-5-92

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Ken Beardemphl  
Landman





BLOWOUT PREVENTER  
2M SYSTEM

EXHIBIT B



# Exhibit C

