

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, N.M. 88202

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

At surface

1980' FSL & 1980' FEL

At proposed prod. zone

same

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

9 miles southeast of Loco Hills, New Mexico

10. DISTANCE FROM PROPOSED\*

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

660'

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

240

18. DISTANCE FROM PROPOSED LOCATION\*

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

1320'

19. PROPOSED DEPTH

8650'

20. ROTARY OR CABLE TOOLS

rotary

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

3675.2'

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 J55 8rd	350'	circ to surface
12 1/4"	8 5/8"	32 J55 8rd	2100'	circ to surface
7 7/8"	5 1/2"	17 J55 8rd	8650'	600' above pay

MUD PROGRAM:

0 - 350 FW w/paper; MW 9, Vis 31  
350 - 2100 Brine wtr; MW 10, Vis 30  
2100 - 8650 FW mud; MW 8.6, Vis 29

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 Vickie Teel Vickie Teel

TITLE Drlg/Prod Analyst

DATE 8/26/92

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_

APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_

TITLE \_\_\_\_\_

AREA \_\_\_\_\_

CARLSBAD DISTRICT

DATE 9-16-92

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO

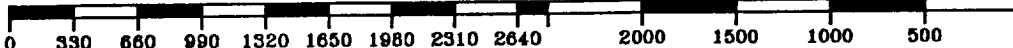
GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED

\*See Instructions On Reverse Side

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.



Application  
HARVEY E. YATES COMPANY  
Arco 8 Federal #2  
Sec. 8, T18S, R31E  
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 8, Township 18 South, Range 31 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following twelve 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	530'	Grayburg	3530'
Yates	2000'	San Andres	4140'
Seven Rivers	2350'	Delaware Sd	4425'
Bowers	2820'	Bone Spring	5265'
Queen	3080'	TD	8650'
Penrose	3270'		
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Spring, Queen, Penrose, Delaware
4. Proposed casing program: See Form 3160-3. HEYCO will be using 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: No DST or coring is anticipated. The planned logs are are DLL-Micro w/GR & Caliper and CN-Den w/GR & Caliper.
9. No abnormal pressures, temperatures or hydrogen sulfide are anticipated during drilling or production phases of operation.
10. Anticipated bottom hole pressure: Approximately 3200#.
11. Anticipated starting date: As soon as possible.
12. Anticipated duration: Approximately 45 days.

## SURFACE USE PLAN

HARVEY E. YATES COMPANY  
Arco 8 Federal #2  
Sec. 8, T18S, R31E  
Eddy County, New Mexico

### 1. EXISTING ROADS:

Exhibit A is a portion of a New Mexico Map showing the location of the proposed well. The location is approximately 30 miles east of Artesia, New Mexico. Leave Artesia going east on U.S. Highway 82 and travel east to State Highway 222. Turn south on 222 and travel 3 miles. Turn west and travel 1/4 mile. Turn south and travel 1/2 mile across the PMS 8 #4 location & then left at Y 1/4 mile to new location.

### 2. PLANNED ACCESS ROADS:

We plan to use the existing roads as far as possible. We propose to build approximately 1/4 mile of new road to reach the proposed location. The running surface will be 14' wide, with 6" compacted caliche

### 3. LOCATION OF EXISTING WELLS:

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

### 4. LOCATIONS OF TANK BATTERIES, ELECTRICAL LINE, ETC.:

In the event we drill a producing well all production equipment will be located at Unit K, Sec. 8, T18S, R31E. In the event power is needed at the location, we will use a 14.4/25 KV voltage unit & run a line as shown in Exhibit B. Also, we are showing the right-of-way for a flowline and/or a temporary gas line on Exhibit "B".

### 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 handled in an approved manner. 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:

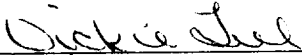
Micky Young  
Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88201  
Office: 505/623-6601  
Mobil: 505/624-1818 #840

Curtis Tolle  
Harvey E. Yates Company  
P. O. Box 1933  
Roswell, New Mexico 88201  
Office: 505/748-2435  
Mobil: 505/624-1818 #837

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.

August 26, 1992

  
\_\_\_\_\_  
Vickie Teel  
Drlg/Prod Analyst

# EXHIBIT "A"

Harvey E. Yates Company  
Arco 8 Federal #2  
1980' FSL & 1980' FEL  
Sec. 8, T18S, R31E  
Eddy Co., New Mexico

Map showing the location of the Harvey E. Yates Company ARCO 8 Federal Well No. 2  
T18S, R31E, Section 8, Eddy County, New Mexico [BLM, Roswell District, Carlsbad  
Resource Area, New Mexico]. Squares show locations of well pads; solid line shows location of  
access road R/W. U.S.G.S. 7.5 minute series, LOCO HILLS, NEW MEXICO, 1985. ASC Project 92-54.



# EXHIBIT B

Harvey E. Yates Co.  
Arco 8 Federal #2  
Sec. 8 T-18S R-31E

Existing Wells •

Existing Roads ———

Proposed Well ◡

Proposed Road - - - - -

Proposed electric line ΔΔΔ

Proposed flow line ××××

6

Union of  
Texas

HEYCO's  
Parker 5 #1 #2

5  
Union of  
Texas

HEYCO's Hondo 4 Federal  
ARCO's Wilmar Federal

4

Union of  
Texas

ARCO's Balsh Federal

9

HEYCO's  
#3 #2 #1 #4  
PMS  
Area  
#1 #2

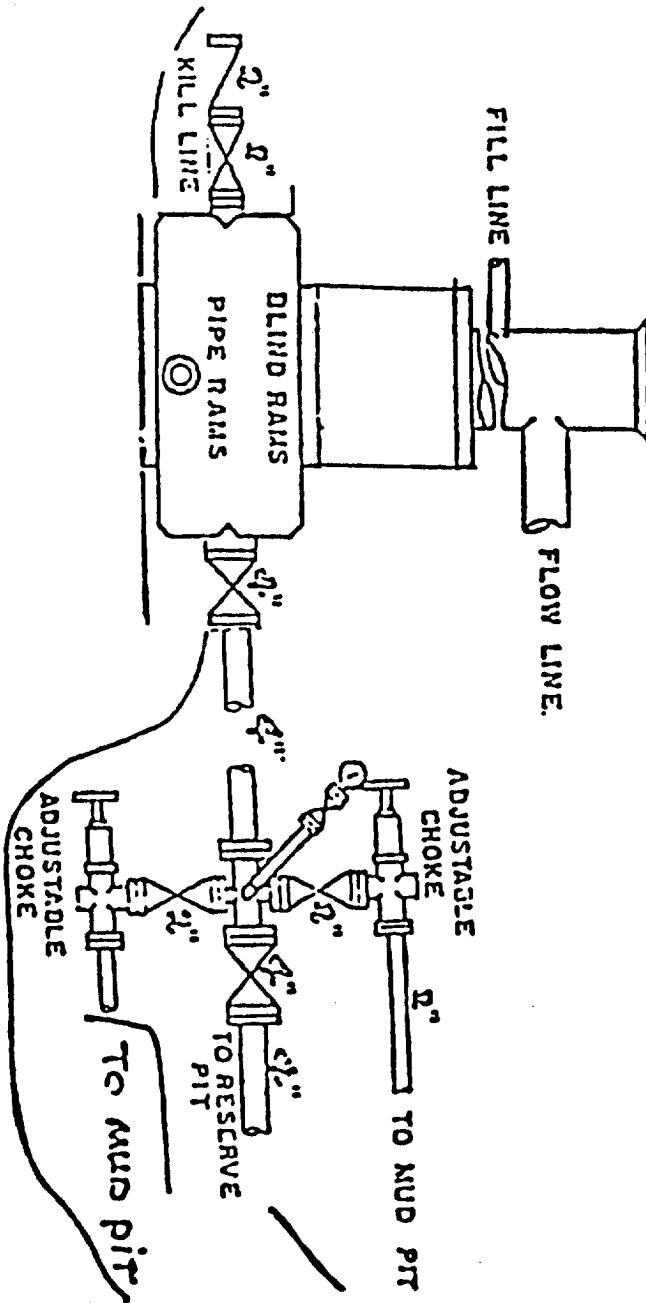
Arco 8 Federal Area

SECTION 4, 5, 6, 8, & 9 TOWNSHIP 18 S RANGE 31 E  
COUNTY Eddy STATE New Mexico



EXHIBIT "C"

Harvey E. Yates Company  
Arco 8 Federal #2  
1980' FSL & 1980' FEL  
Sec. 8, T18S, R31E  
Eddy Co., N.M.



900 Series

EXHIBIT "D"

Harvey E. Yates Company  
Arco 8 Federal #2  
1980' FSL & 1980' FEL  
Sec. 8, T18S, R31E  
Eddy Co., N.M.

