

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, N.M. 88202

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

At surface

660' FSL & 1980' FWL

At proposed prod. zone

same

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

9 miles southeast of Loco Hills, N.M.

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. 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

240

19. PROPOSED DEPTH

8750

17. NO. OF ACRES ASSIGNED

TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

rotary

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

3653.1 GL

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

Capitan Controlled Water Basin

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	8750	600' above pay - SEE SHIP

MUD PROGRAM:

0 - 350 FW w/paper; MW-9, Vis-31
350 - 2100 Brine wtr; MW-10, Vis-30
2100 - 8750 FW mud; MW-8.6, Vis-29

Post ID-1
11-B-92
New Loc + ART

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 V. Teel TITLE Drlg/Prod Analyst DATE 10/7/92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 11-2-92

CONDITIONS OF APPROVAL IF ANY:

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*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.

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

OCT 14 1992

Operator HARVEY E. YATES COMPANY			Lease ARCO 8 FEDERAL		Well No. 4
Unit Letter N	Section 8	Township 18 SOUTH	Range 31 EAST	County NMPM	EDDY
Actual Footage Location of Well: 660 feet from the SOUTH line and 1980 feet from the WEST line					
Ground Level Elev. 3653.1'	Producing Formation Bone Spring	Pool North Shugart			Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.

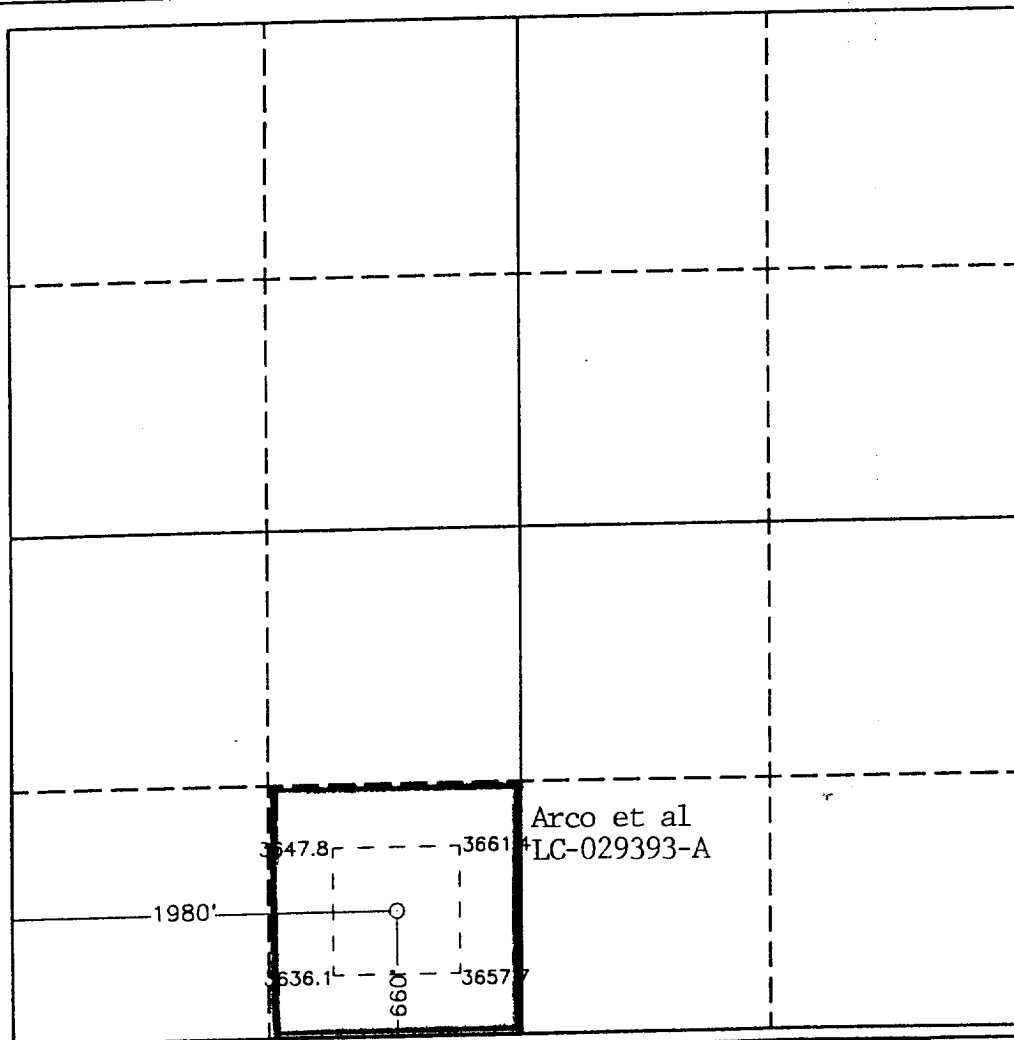
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 of owners and tract descriptions which have actually been consolidated. (Use reverse side of this form necessary. _____)

No allowable will be assigned to the well unit all interests have been consolidated (by communitization, unitization, forced-pooling, otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Vickie Teel

Printed Name

Vickie Teel

Position

Drlg/Prod Analyst

Company

Harvey E. Yates Company

Date

10/14/92

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

OCTOBER 6, 1992

Signature & Seal of
Professional Surveyor

GARY L. JONES
NEW MEXICO
797
Certificate No. JERRY W. WEST 876
RONALD J. EDSON 8280
GARY L. JONES 7977
92-11484-1474

Application
HARVEY E. YATES COMPANY
Arco 8 Federal #4
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	500'	Grayburg	3625'
Yates	1950'	San Andres	4100'
Seven Rivers	2340'	Delaware Sd	4760'
Bowers	2840'	Bone Spring	5350'
Queen	3080'	TD	8750'
Penrose	3320'		
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Spring, Queen, Loco Hills, Metex, 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 2900#.
11. Anticipated starting date: As soon as possible.
12. Anticipated duration: Approximately 45 days.

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Arco 8 Federal #4
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 right at Y, 1/4 mile across the Arco 8 #1 location, and then south 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.

October 12, 1992

Micky Young
Micky Young by C.T.
Drilling Superintendent

Exhibit "A"
 Harvey E. Yates Co.
 Arco 8 Federal #4
 Sec. 8, T18S, R31E
 660' FSL & 1980' FWL
 Eddy Co., N.M.


Map showing the location of the Harvey E. Yates Company ARCO 8 Federal Well No. 4 and Access Road R/W. T18S, R31E, Section 8, Eddy County, New Mexico [BLM, Roswell District, Carlshad 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 #4
Sec. 8 T-10S R-31E

Existing Wells •
Existing Roads ———

Proposed Well 
Proposed Road - - - - -
Proposed electric line ^^^
Proposed flow line x x x x

6

Union of
Texas

HEYCO's
Parker 5 #2
#1

5 Union of
Texas

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

Arco 8 Federal Area

HEYCO's Hondo 4 Federal
ARCO's Wilmar Federal

4

Union of
Texas ARCO's Balish Federal

9

SECTION 4, 5, 6, 8, & 9 TOWNSHIP 10 S RANGE 31 E
COUNTY Eddy STATE New Mexico

Exhibit "C"
 Harvey E. Yates Company
 Arco 8 Federal #4
 Sec. 8, T18S, R31E
 660' FSL & 1980' FWL
 Eddy Co., N.M.

900 Series

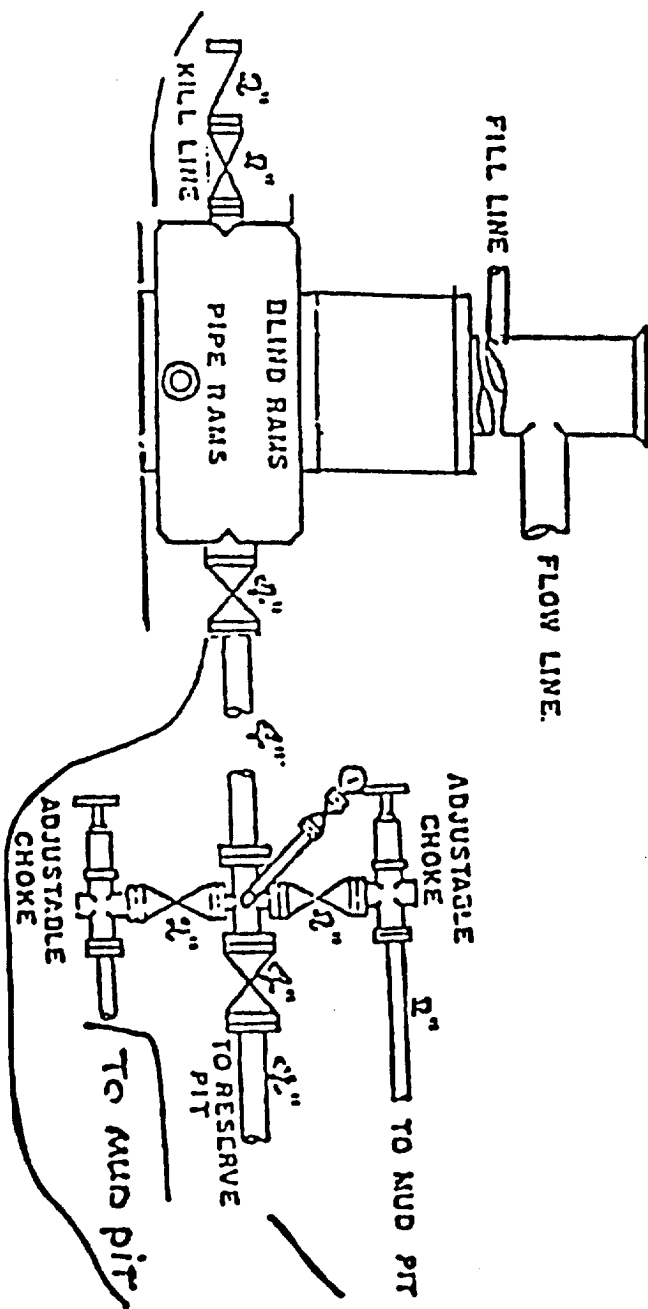


EXHIBIT "D"

Harvey E. Yates Company
Arco 8 Federal #4
660' FSL & 1980' FWL
Sec. 8, T18S, R31E
Eddy Co., N.M.

