

NM OIL CONS. COMMISSION
DRAWER DD
ARTESIA, NM 88210

30-015-27521 C/SF

Form 3160-3
 (November 1983)
 (formerly 9-331C)

Form approved.
 Budget Bureau No. 1004-0136
 Expires August 31, 1985

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
 Yates Petroleum Corporation

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 660' FSL and 2310' FEL
 At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approx. 9 miles SE of Artesia, New Mexico

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

16. NO. OF ACRES IN LEASE

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.

19. PROPOSED DEPTH 3900'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3423 GR

22. APPROX. DATE WORK WILL START*
 ASAP

5. LEASE DESIGNATION AND SERIAL NO.
 NM-71762

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Choque AMX Fed

9. WELL NO.
 #1

10. FIELD AND POOL, OR WILDCAT
 Yeso Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 0 Sec. 5-T18S-R27E

12. COUNTY OR PARISH Eddy

13. STATE NM

PROPOSED CASING AND CEMENTING **ROSWELL CONTROLLED WATER BASIN**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	8 5/8	24#	1340	600 sx circulated
7 7/8	5 1/2 or 4 1/2	15.5 or 10.5	TD	400 sx (See Stipulations)

Yates Petroleum Corporation proposes to drill and test the Yeso intermediate formation. Approximately 1340' 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: 0-1340 - FW and 1340 to TD, Cut Brine

BOP PROGRAM: Bop will be installed on 8 5/8" casing and tested daily

No H₂S is expected

Moved loc. to 660' from 330' per Perm on site check RB

JO-1
 7-9-93
 NLGAP

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 [Signature] TITLE Landman DATE 5/7/93

(This space for Federal or State office use)

PERMIT NO. 2 APPROVAL DATE JUL 1 - 1993
 APPROVED BY Ron Dunton TITLE AREA MANAGER
 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

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

P.O. Box 2088

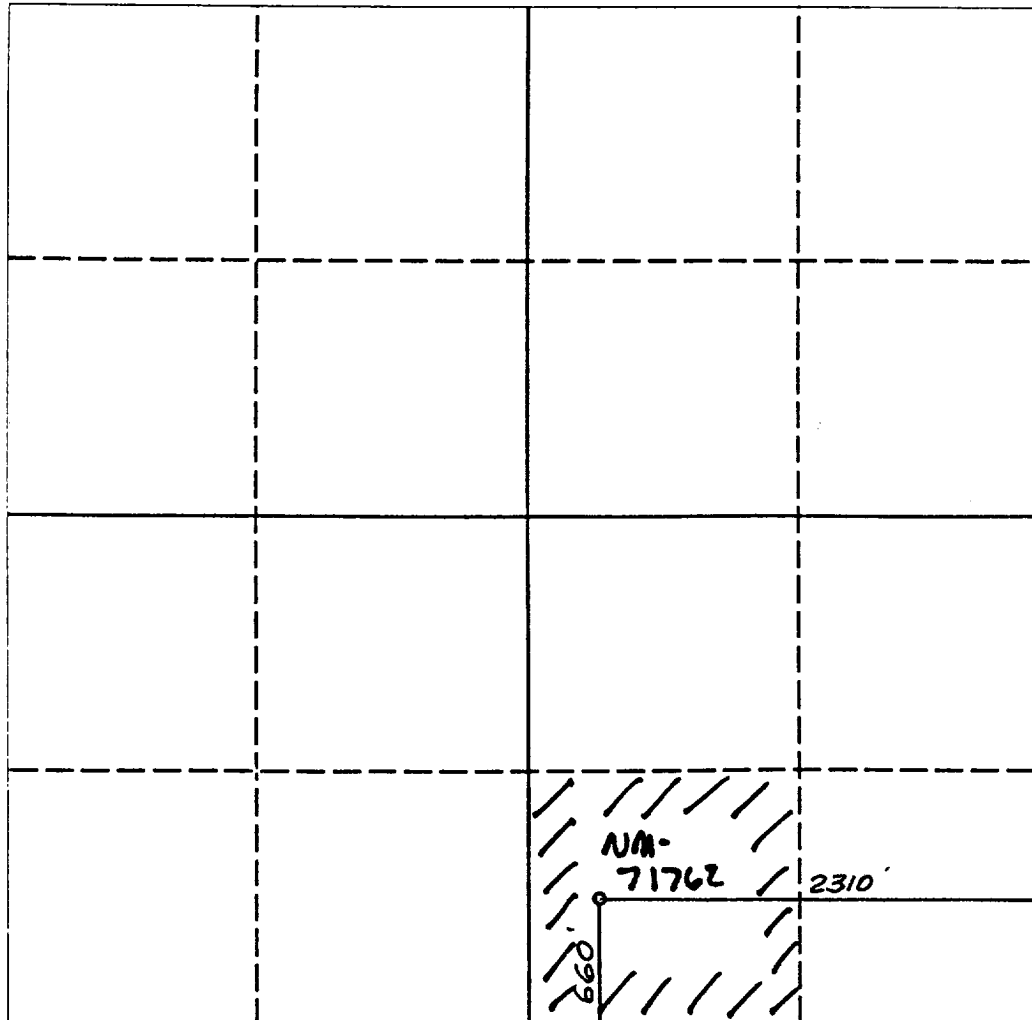
Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease CHOQUE AMX FEDERAL		Well No. 1
Unit Letter 0	Section 5	Township 18 SOUTH	Range 27 EAST	County EDDY COUNTY, NM	
Actual Footage Location of Well: 660 feet from the SOUTH line and 2310 feet from the EAST line					
Ground level Elev. 3423.	Producing Formation Yeso		Pool Yeso Wildcat		Dedicated Acreage: 40 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 is true and complete to the best of my knowledge and belief.

Signature *Ken Beardsley*
Printed Name **Ken Beardsley**
Position **Landman**
Company **Yates Pet. Corp.**
Date **5-10-93**

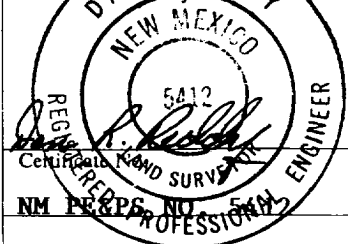
SURVEYOR CERTIFICATION

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

MAY 8, 1993

Signature & Seal of Professional Surveyor



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

YATES PETROLEUM CORPORATION

Choque "AMX" Fed #1
660' FSL and 2310' FEL
Sec. 5-T18S-R27E
County Eddy, State New Mexico

1. The estimated tops of geologic markers are as follows:

Bowers Sand	383-420
Queen Sand	568-594
Penrose Sand	749-760
Grayburg FM	954
Premier Sans	1236
San Andres	1250
Lovington Sand	1291-1300
Glorieta Sandy Zone	2595
Yeso	2718
TD	3900

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

Water: Approx. 300
Oil or Gas: San Andres, Yeso

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8 casing and rated for 2000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Si00</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8'	24#	J-55	8R	ST&C	0-1340	1340
7 7/8"	5 1/2'	15.5#	J-55	8R	LT&C	0-3900	3900
	or 4 1/2'	10.5#	J-55	8R	LT&C	0-3900	3900

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80

B. CEMENTING PROGRAM:

Surface casing: 500 sx PSL "C" + 2% CaCl₂ + 5#/sx Gilsonite + 1/4#/sx Celloseal.
Tail with 100sx "C" 3% CaCl₂.

Production Casing: 400 sx Siligate poz Blend, 8% Halad 322, 1/2sx flocele, 3% Chrs, 5#/sx Gilsonite.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1340	FW Spud	8.4 8.8	32-40	N/C
1340-TD	Cut Brine	8.7-9.2	30-32	<15cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples from surface to TD

Logging: CNL-LTD TD to casing with GR-CNL on up to surface, DLL with RXO to TD casing

Coring: None

DST's: As warranted

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From:	TO:	Anticipated Max. BHP:	PSI
From:	TO:	Anticipated Max. BHP:	PSI
From:	TO:	Anticipated Max. BHP:	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H2S Zones Anticipated: None

Maximum Bottom Hole Temperature: 1600 psi

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately days to drill the well with completion taking another days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation

CHOQUE "AMX" FED. #1

660' FSL AND 2310' FEL

Sec. 5-T18S-R27E

County Eddy, State 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 the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 9 miles Southeast of Artesia New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Go east of Artesia on Highway 82 for approximately 5.3 miles.
2. Turn south on Chalk Bluff Road (201) for approximately 4 miles.
3. New road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately .3 miles in length from the point of origin to the northeast corner of the drilling pad. The road will lie in a(n) east to west direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Some traffic turnout will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is 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 no 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:

Will use closest pit and dirt contractor, will obtain permits and pay for what is used.

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: None.

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 leveled.
- 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 after they have evaporated and dried.

11. SURFACE OWNERSHIP: Bureau of Land Management - 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 Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

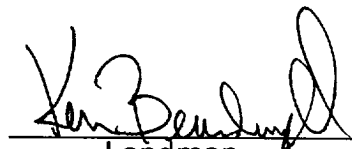
B. Through Drilling Operations,
Completions and Production:

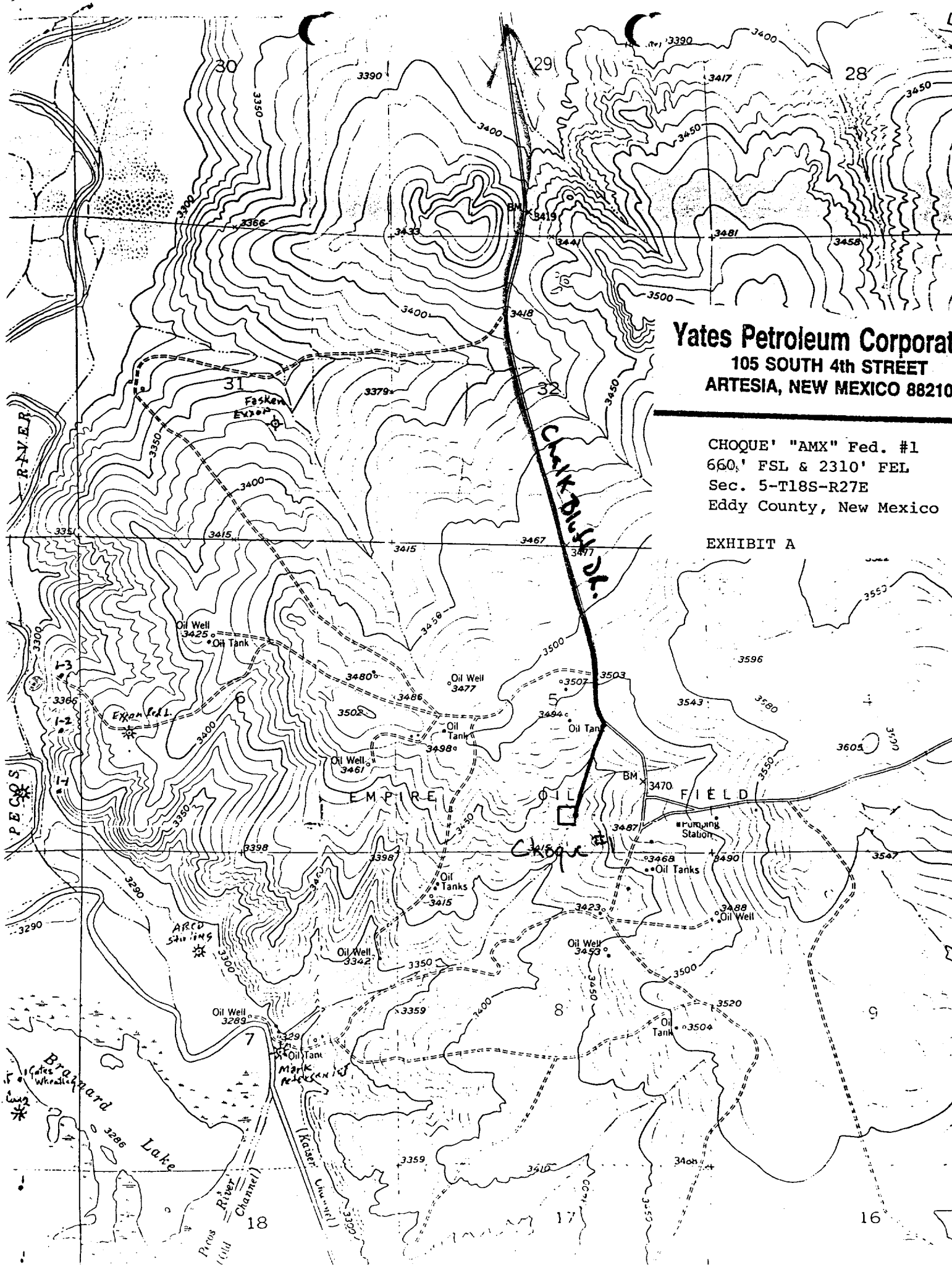
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site 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.

5/7/93 Date

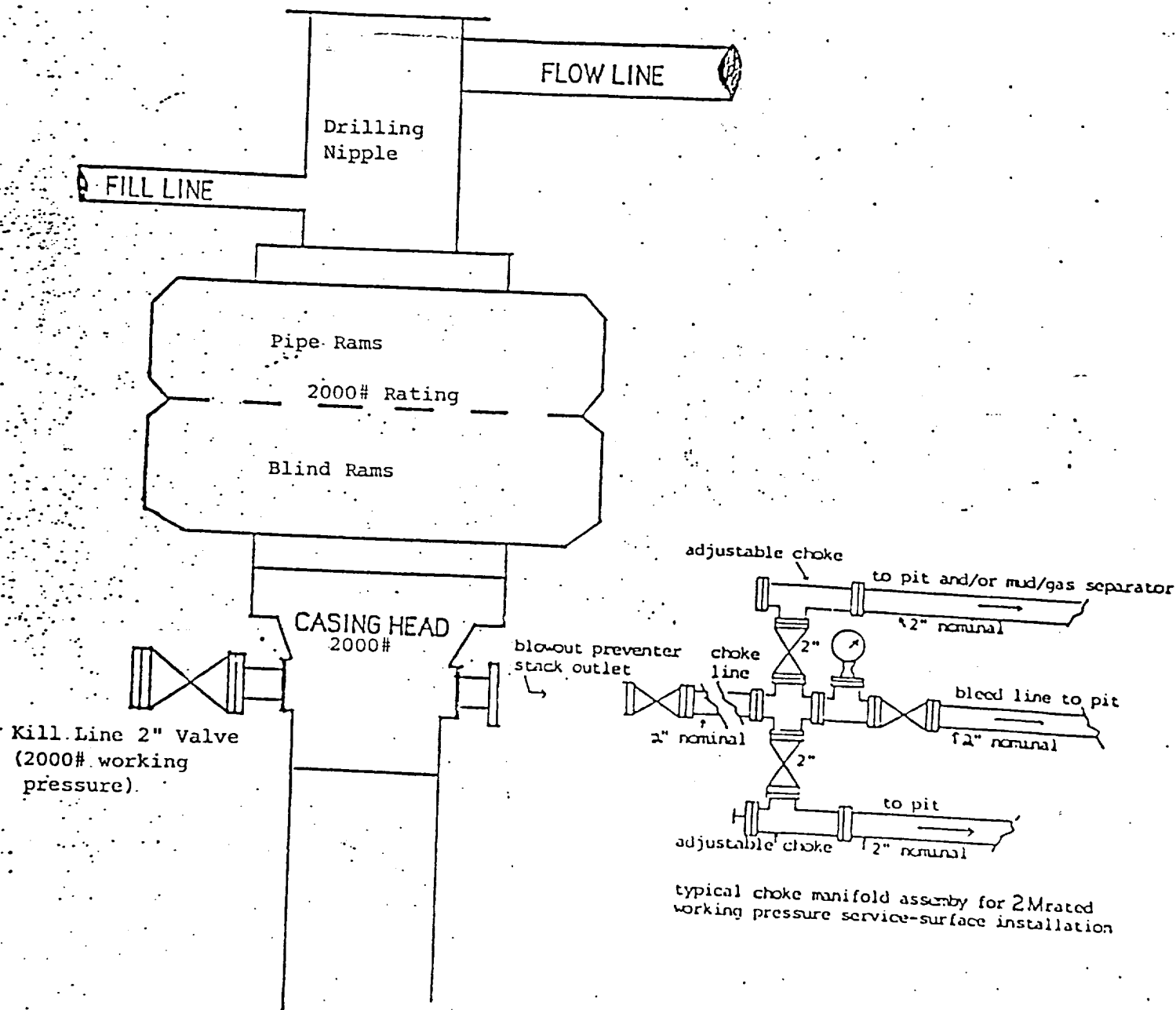

Landman



Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

CHOQUE' "AMX" Fed. #1
660' FSL & 2310' FEL
Sec. 5-T18S-R27E
Eddy County, New Mexico

EXHIBIT A



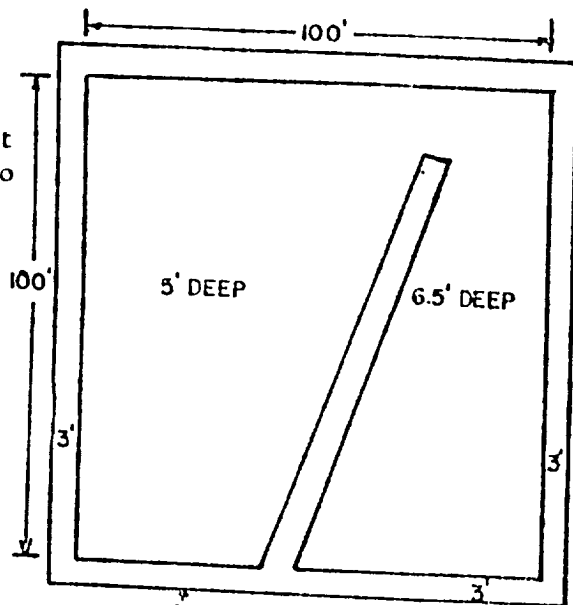
BLOWOUT PREVENTER
2M SYSTEM

EXHIBIT B

YATES PETROLEUM CORP.

Exhibit C

Reserve Pit
bottom to be at
ground level to
1 ft.



NOTE:

Inside walls must be as
high and wide as outer
walls of pit.

