

(November 1983)  
(formerly 9-3316)

SUBMIT IN TRIPLICATE\*

(Other instructions on  
reverse side)30-015-27591  
Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
Artesia, NM 88210

## 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 ☐

## 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

1650' FWL and 330' FNL

At proposed prod. zone

Same

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

6 miles from Loco Hills, New Mexico

## 10. DISTANCE FROM PROPOSED\*

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

330

## 16. NO. OF ACRES IN LEASE

320

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

7500'

## 20. ROTARY OR CABLE TOOLS

Rotary

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

3525' GR

## 22. APPROX. DATE WORK WILL START\*

ASAP

## 23.

## PROPOSED CASING AND CEMENTING PROGRAM

Secretary's Petition

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	580'	550 SXS
12 1/4"	8 5/8"	32#	3900'	1850 SXS
7 7/8"	5 1/2"	15.5# & 17#	TD	650 SXS

Yates Petroleum Corporation proposes to drill and test the Bone Spring and intermediate formations. Approximately 580' of surface casing will be set and cement circulated. An intermediate string of casing will be set at approximately 3900' and cement circulated. If commercial, production casing will be set and cemented with adequate cover, will perforate and stimulate as needed for production.

MUD PROGRAM: FW GEL/LCM to 580'; Brine to 3900'; Cut brine to 6600'; and SW GEL/Starch to TD.

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing and tested operationally daily.

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

10-1  
7-30-93  
NL\*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 Clifton R. May TITLE Permit Agent DATE 5/21/93

(This space for Federal or State office use)

## PERMIT NO.

## APPROVAL DATE

## APPROVED BY

## TITLE

## DATE

CONDITIONS OF APPROVAL, IF ANY:

\*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**

**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

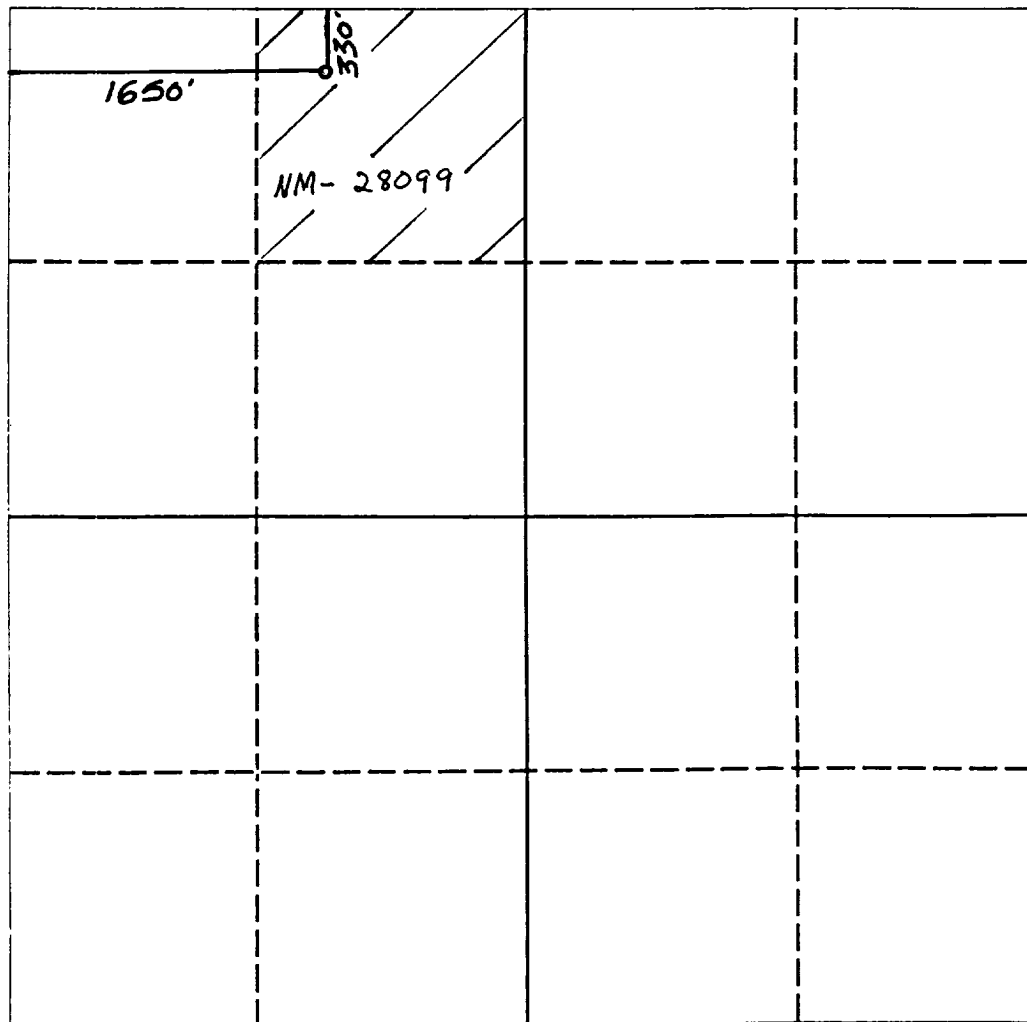
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>PENNZOIL MZ FEDERAL</b>		Well No. <b>2</b>
Unit Letter <b>C</b>	Section <b>11</b>	Township <b>18 SOUTH</b>	Range <b>30 EAST</b>	County <b>EDDY COUNTY, NM</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>WEST</b> line and <b>330</b> feet from the <b>NORTH</b> line					
Ground level Elev. <b>3525.</b>	Producing Formation <b>BONE SPRING</b>		Pool <b>WALTERS LAKE BONE SPRING S</b>		Dedicated Acreage: <b>40</b> 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 \_\_\_\_\_  
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 Clifton R. May  
Printed Name Clifton R. May  
Position Permit Agent  
Company Yates Petroleum Corporation  
Date May 21, 1993

**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 M. R. REDDY  
Professional Seal of NEW MEXICO  
Professional Engineer  
No. 5412  
Certification No. 5412  
NM PEARS 5412

**YATES PETROLEUM CORPORATION**  
**PENNZOIL "MZ" FEDERAL #2**  
**1650' FWL AND 330' FNL**  
**Sec. 11-T18S-R30E**  
**EDDY COUNTY, NEW MEXICO**

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

Rustler	452'	Premier Sand	3553'
Salt	613'	San Andres	3593'
Base of Salt	1469'	Lovington Sand	3773'
Yates	1628'	Bone Spring Lime	4984'
Seven Rivers	2024'	1st Bone Spring Sand	6995'
Bowers Sand	2446'	2nd Bone Spring Carbonate	7356'
Queen Sand	2660'	TD	7500'
Penrose Sand	2840'		
Grayburg	3060'		
Loco Hills Sand	3194'		

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

Water: 300' to 450'  
Oil or Gas: 6995' - Oil

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3M 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 Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8	54.5#	J55	8R	ST&C	0	580'
12 1/4"	8 5/8"	32#	J55	8R	ST&C	0	3900'
7 7/8"	5 1/2"	17#	J55	8R	LT&C	0	720'
7 7/8"	5 1/2"	15.5#	J55	8R	LT&C	720'	7320'
7 7/8"	5 1/2"	17#	J55	8R	LT&C	7320'	7500

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

**B. CEMENTING PROGRAM:**

Surface casing: 300 sx. Pacesetter Lite "C" w/ 1/2# Cellocel, 5# Gilsonite & 3% CaCl<sub>2</sub> 2 (Yield 1.84 wt. 12.7) Tailed in with 250 sx "C" with 2% CaCl<sub>2</sub> (Yield 1.32 wt. 14.8).

Intermediate Casing: 1600 sx Pacesetter Lite "C" with 1/4# Cellocel, 5# salt per sack (Yield 1.92 wt. 12.7) Tailed in with 250 sx "C" with 2% CaCl<sub>2</sub> (Yield 1.32 wt. 14.8).

Production Casing: 475 sx Pacesetter Lite "C" + 0.4% CF-14 + 5#sx Gilsonite + 5#/sx Salt + 1/4#/sx Cello-seal (Yield 2.05 wt. 12.3) Tailed in with 174 sx "H" + 8#/sx CSE + 0.55% Thriftylite + 0.5% CF14 (Yield 1.67 wt. 13.8).

**5. Mud Program and Auxiliary Equipment:**

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-580'	FWGEL/LCM	8.4-9.0	32-36	N/C
580'-3900'	Brine	10.0	28	N/C
3900'-6600'	Cut Brine	8.8-9.3	28	N/C
6600'-TD	SW Gel Starch	8.8-9.3	32-36	< 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: 1st run: CNL-LDT from about 3680'-csg w/GR-CNL on up to surface; DLL w/Rxo from about 3680'-csg. 2nd run: CNL-LDT from TD-csg; DLL w/Rxo from TD-csg.

Coring: None.

DST's: As warranted.

Mud logging: One man unit out from under surface csg at approx. 570' to TD.

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

Anticipated BHP:

From: 0	TO: 580	Anticipated Max. BHP: 225	PSI
From: 580	TO: 3900	Anticipated Max. BHP: 1400	PSI
From: 3900	TO: 7500	Anticipated Max. BHP: 3000	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H<sub>2</sub>S Zones Anticipated: None

Maximum Bottom Hole Temperature: 140 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 20 days.

## **MULTI-POINT SURFACE USE AND OPERATIONS PLAN**

**Yates Petroleum Corporation  
PENNZOIL "MZ" FEDERAL #2  
1650' FWL AND 330' FNL  
Sec. 11-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 the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 6 miles South of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

Go east out of Artesia to Loco Hills. Turn right on Eddy Co. 217. Go .3 of a mile and turn left on caliche road. Follow this main caliche road 5 miles to Newborne Oil Co., Loco Hills St. #4 location. New access will start here and go to the southwest corner of pad.

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

- A. The proposed new access will be approximately 1600' in length from the point of origin to the southeast corner of the drilling pad. The road will lie in a(n) southerly 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 both sides. One 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 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:

Federal pit NWNE of Section 35-T17S-R30E.

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:

Clifton R. May, Permit Agent  
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

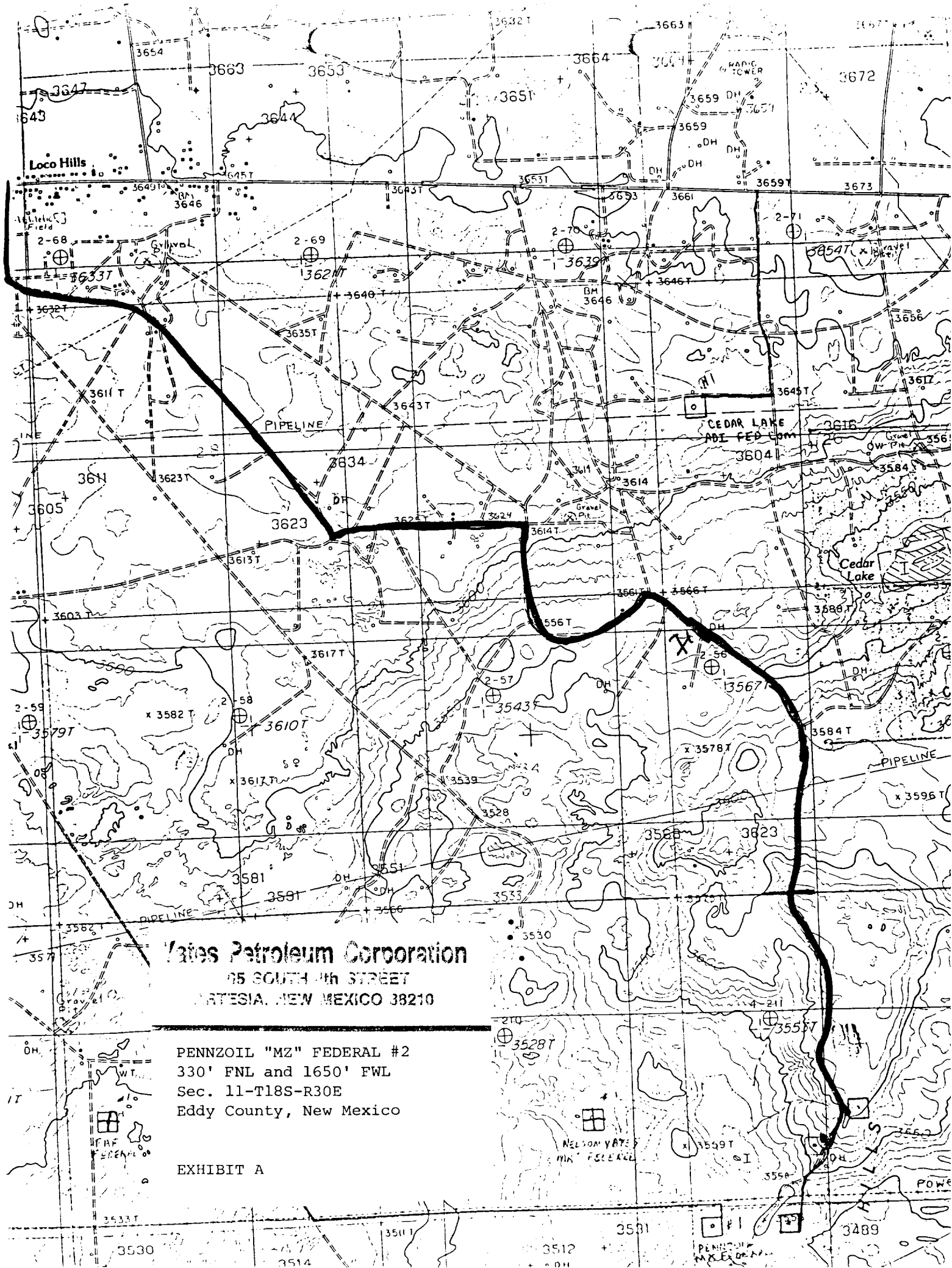
14. CERTIFICATION:

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.

5/21/93 Date

  
Permit Agent

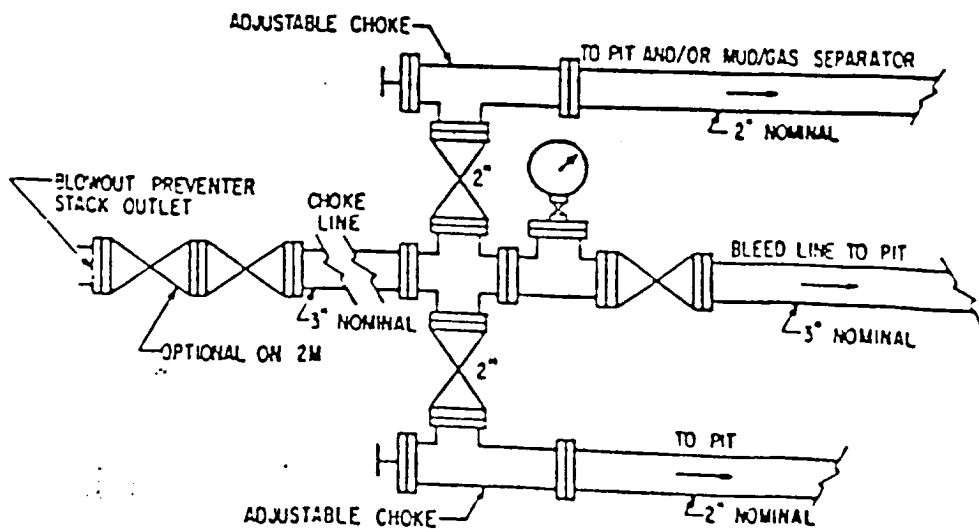
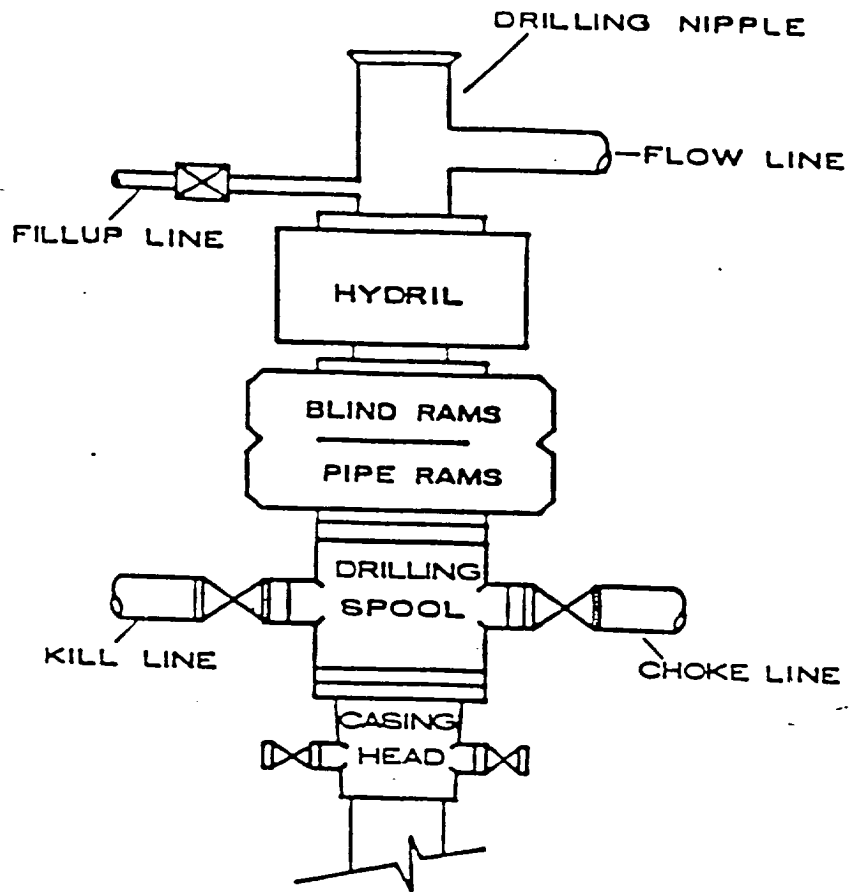




**Yates Petroleum Corporation**  
65 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 38210

PENNZOIL "MZ" FEDERAL #2  
330' FNL and 1650' FWL  
Sec. 11-T18S-R30E  
Eddy County, New Mexico

EXHIBIT A

BOP STACK

# YATES PETROLEUM CORPORATION

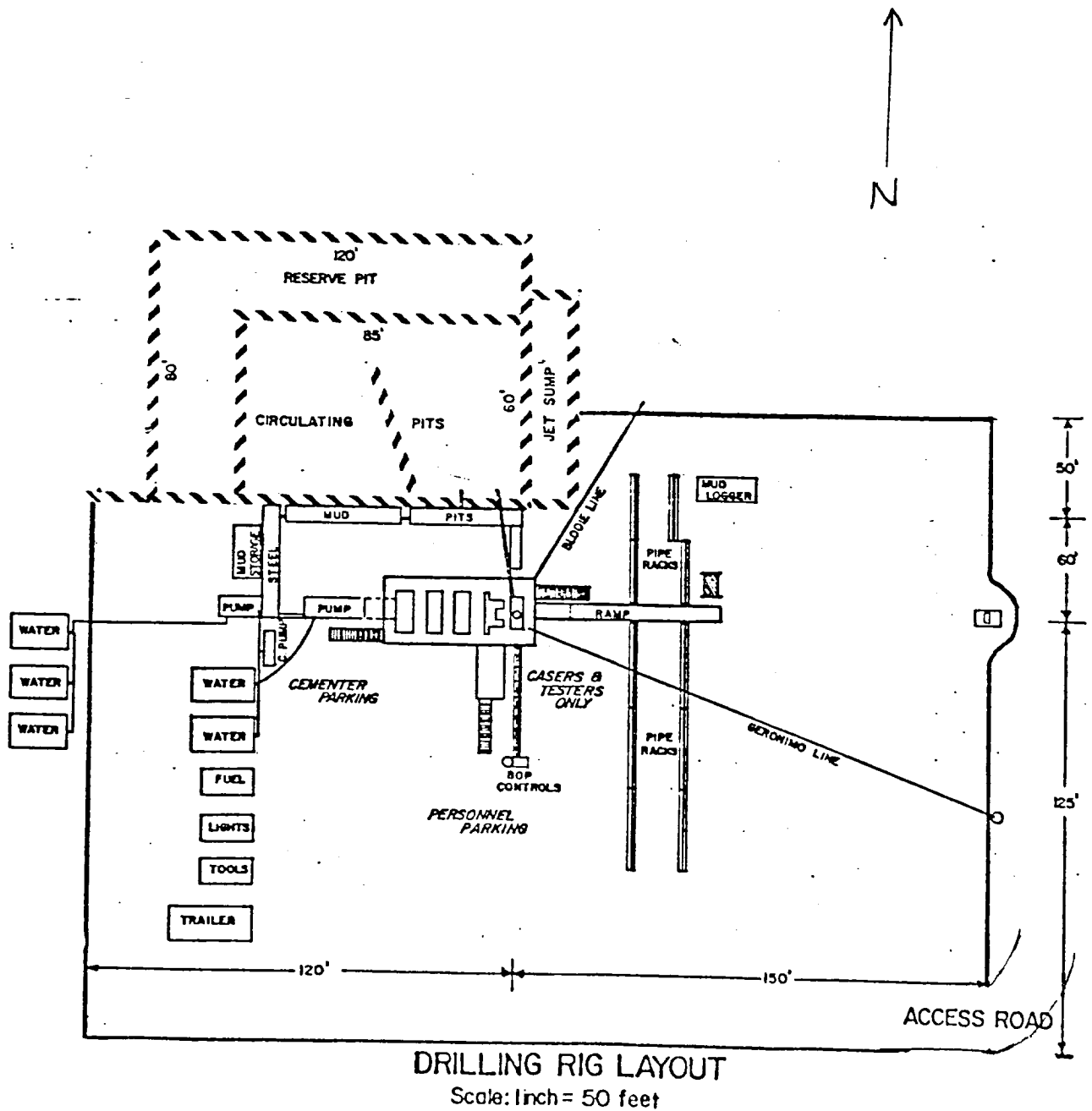


EXHIBIT C

**ARTESIA, NEW MEXICO 88210**

PENNZOIL "MZ" FEDERAL #2  
330' FNL and 1650' FWL  
Sec. 11-T18S-R30E  
Eddy County, New Mexico

## EXHIBIT D

