

**NM OIL CONS. COMMISSION**  
**DRAW DD**  
**ARTESIA, NM 88210**  
**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**BUREAU OF LAND MANAGEMENT**

SUBMIT IN \_\_\_\_\_ LICATION\*  
(Other instructions on  
reverse side)

FORM APPROVED  
OMB NO. 1004-0136  
Expires: February 28, 1995

*c/gf*

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

<b>1a. TYPE OF WORK</b> DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		<b>5. LEASE DESIGNATION AND SERIAL NO.</b> LC-028990 (B) <i>528</i>	
<b>b. TYPE OF WELL</b> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</b> 	
<b>2. NAME OF OPERATOR</b> YATES PETROLEUM CORPORATION ✓		<b>7. UNIT AGREEMENT NAME</b> 	
<b>3. ADDRESS AND TELEPHONE NO.</b> 105 South Fourth Street, Artesia, New Mexico 88210		<b>8. FARM OR LEASE NAME, WELL NO.</b> Creek "AL" Federal #12	
<b>4. LOCATION OF WELL</b> (Report location clearly and in accordance with any State requirements) At surface: 1405' FNL & 330' FWL; Unit Letter E At proposed prod. zone: Same		<b>9. API WELL NO.</b> 30-015-27775	
<b>14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*</b> Approximately 16 miles Southeast of Loco Hills, New Mexico		<b>10. FIELD AND POOL, OR WILDCAT</b> Shugart Grayburg	
<b>15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)</b> 330'		<b>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA</b> Sec. 25-T18S-R30E	
<b>16. NO. OF ACRES IN LEASE</b> 560		<b>12. COUNTY OR PARISH</b> Eddy	
<b>17. NO. OF ACRES ASSIGNED TO THIS WELL</b> 40		<b>13. STATE</b> New Mexico	
<b>18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.</b> 3,600'		<b>20. ROTARY OR CABLE TOOLS</b> Rotary	
<b>21. ELEVATIONS (Show whether DF, RT, GR, etc.)</b> 3,474'		<b>22. APPROX. DATE WORK WILL START*</b> ASAP	

23. PROPOSED CASING AND CEMENTING PROGRAM				Secretary's Potash
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24# K-55	500'	175 sx <u>circulated</u>
7 7/8"	5 1/2"	<del>15#</del> K-55	3,600'	250 sx <b>CIRCULATE</b>
		14# <i>529</i>		

Yates Petroleum Corporation proposes to drill and test the Grayburg and intermediate formations. Approximately 500' of surface casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW/Spud Mud 500'; Brine, Salt Water + Starch, to TD.

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

Unorthodox Location...

**... SUBJECT TO  
LIKE APPROVAL  
BY STATE**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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 9/27/93  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_ APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Sigbert Lucero TITLE Acting State Director DATE 11-23-93

\* PERMITS USE APPROVAL

\*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 YATES PETROLEUM CORPORATION			Lease CREEK "AL" FEDERAL		Well No. 12
Unit Letter E	Section 25	Township 18 SOUTH	Range 30 EAST	NMPM	County EDDY
Actual Footage Location of Well: 1405 feet from the NORTH line and 330 feet from the WEST line					
Ground level Elev. 3474	Producing Formation GRAYBURG		Pool SHUGART GRAYBURG	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 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

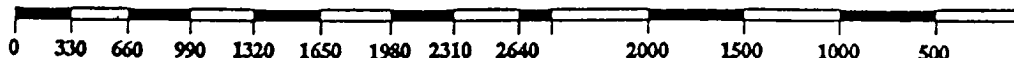
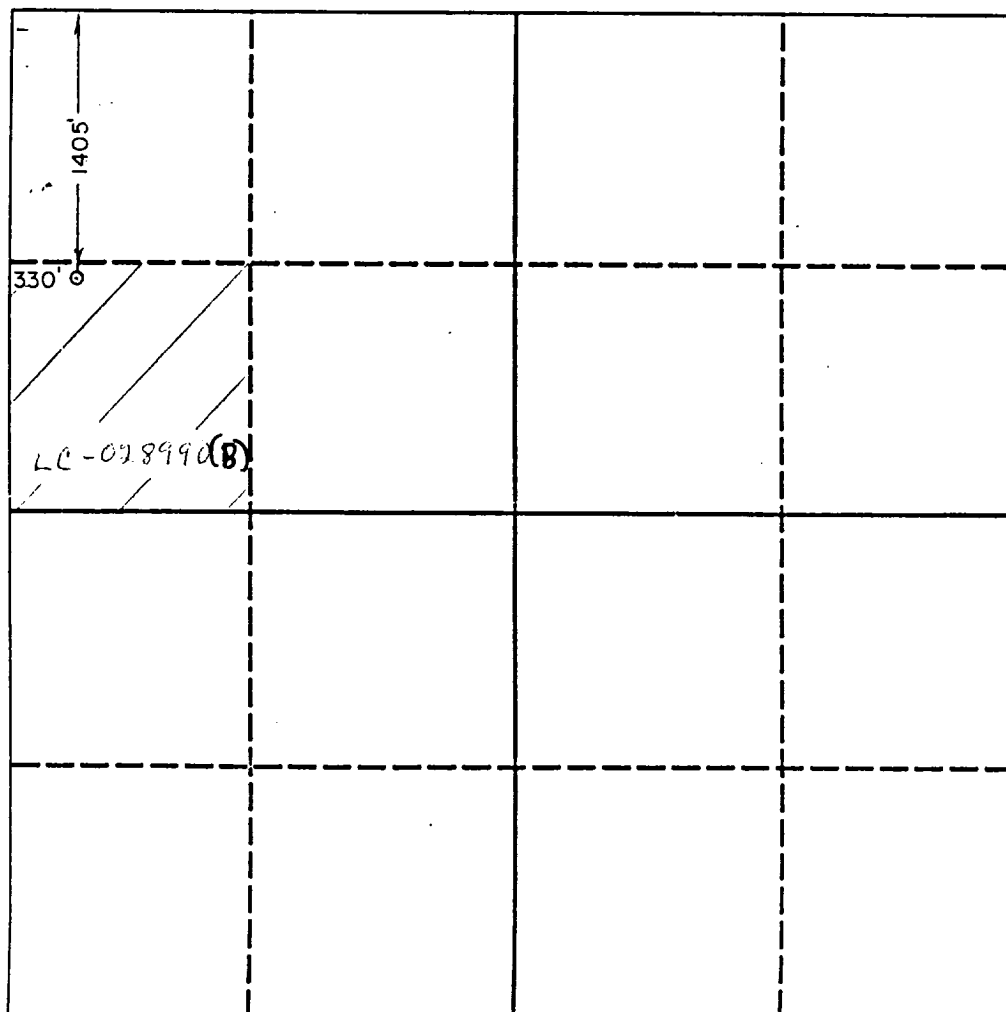
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*Clifton R. May*  
Printed Name  
Clifton R. May  
Position  
Permit Agent  
Company  
Yates Petroleum Corporation  
Date  
9/27/93

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  
9/15/93  
Signature & Seal of  
Professional Surveyor  
*[Signature]*  
Certificate No. 6403640



**YATES PETROLEUM CORPORATION**

Creek "AL" Federal #12  
1405' FNL & 330' FWL  
Sec. 25-T18S-R30E  
Eddy County, New Mexico

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

Salado	695'
Base of Salt	1632'
Yates	1873'
Queen	2936'
Penrose	3150'
Grayburg	3340'
TD	3600'

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

Water: 0-400'  
Oil or Gas: 3150' and 3210'

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 Size</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#	K55	8R	ST&C	0-500'	500'
7 7/8"	5 1/2"	14#	K55	8R	ST&C	0-3600'	3600'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Joint Strength 1.8

RECEIVED  
OCT 1 11 45 AM '93  
SMA

**YATES PETROLEUM CORPORATION**  
**Creek "AL" Federal #12**  
**1405' FNL and 330' FWL**  
**Section 25-T18S-R30E**  
**Eddy County, New Mexico**

**H2S Drilling Operations Plan**

Personnel employed at the rig site shall receive training in H2S detection, safe drilling procedures and contingency plans. H2S safety equipment shall be installed and functional 3 days or 500 feet prior to encountering known or probable H2S zone at 3150' feet.

Submitted with the APD is a well site diagram showing:

- 1) Drilling rig orientation, location of flare pit.
- 2) Prevailing wind direction.
- 3) Location of access road.

Primary briefing area will be established 150' from wellbore and up wind of prevailing wind direction. Secondary briefing area will be established 180 degrees from primary briefing area.

A H2S warning sign will be posted at the entrance of the location. Depending on conditions, a green, yellow, or red flag will be displayed.

**Green - Normal conditions**

**Yellow - Potential danger**

**Red - Danger H2S present**

Wind indicators will be placed on location at strategic, highly visible areas. H2S monitors ( a minimum of three) will be positioned on location for best coverage and response. H2S concentrations of 10 ppm will trigger a flashing light and 20 ppm will trigger an audible siren.

H2S breathing equipment will consist of:

- 1) 30 minute "pressure demand" type working unit for each member of rig crew on location.
- 2) 5 minute escape packs for each crew member.
- 3) Trailer with a "cascade air system: to facilitate working in a H2S environment for time period greater than 30 minutes.

## Creek "AL" Federal #12

### Page 2

Breathing equipment will be stored in weather proof cases or facilities. They will be inspected and maintained weekly.

The mud system will be designed to minimize or eliminate the escape of H<sub>2</sub>S at the rig floor. This will be accomplished through the use of proper mud weight, proper pH control of the drilling fluid and the use of H<sub>2</sub>S scavengers in the drilling fluid. A mud gas separator will be utilized when H<sub>2</sub>S is present in the mud.

Drilling experience has shown that wells in developmental areas, (i.e. Dagger Draw, Livingston Ridge Delaware, and Lusk Delaware) are normally pressured and don't experience either H<sub>2</sub>S kicks or loss of returns. Due to these circumstances, we request exceptions to the rule requiring flare line with remote lighter and choke manifold with minimum of one remote choke. This equipment would be provided on exploratory wells or wells with the known potential for H<sub>2</sub>S kicks. Additionally, a SO<sub>2</sub> monitor would be positioned near the flare line, and a rotating head utilized.

The drill string, casing, tubing, wellhead, blowout preventers and associated lines and valves will be suitable for anticipated H<sub>2</sub>S encounters.

Radio and or mobile telephone communication will be available on site. Mobile telephone communication will be available in company vehicles.

Drill stem testing to be performed with a minimum number of essential people on location. They will be those necessary to safely conduct the test. If H<sub>2</sub>S is encountered during a drill stem test, essential personnel will mask up and determine H<sub>2</sub>S concentration. The recovery will then be reversed to flare pit. Pulling of test tools will be conducted in a safe manner.

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

**Yates Petroleum Corporation**

**Creek "AL" Federal #12**

**1405' FNL & 330' FWL**

**Sec. 25-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 16 miles Southeast of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

From Loco Hills go east on Highway 82 to Rt. 31. Turn South for 6.5 miles to Grubbs Rd. (CR 250). Turn West on Grubbs for 2.5 miles. Turn North on caliche road for approximately .5 miles to start of new road.

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

- A. The proposed new access will be approximately 500' in length from the point of origin to the southwest edge of the drilling pad. The road will lie in a west to east 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. No traffic turnouts 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:

If any material is needed, dirt contractor will get the material and pay for it from the closest source.

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

- 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.
- 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

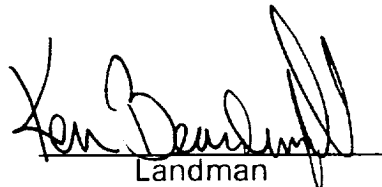
B. Through Drilling Operations,  
Completions and Production:

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.

7/23/93

  
Landman



CREEK "AL" FEDERAL #12  
1405' FNL & 330' FWL  
Section 25-T18S-R30E  
Eddy County, New Mexico

