Form 9-331 C
(May 1963)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Copy to SF

Form approved.
Budget Bureau No. 42-R1425.

30-015-22059

UNITED STATES DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 207 South Fourth Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 660' FNL & 660' FEL of Section 10-19S-27E
At proposed prod. zone

RECEIVED
FEB 24 1977
O. C. C.
ARTESIA, OFFICE

5. LEASE DESIGNATION AND SERIAL NO.: NM 1530

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT AGREEMENT NAME:

8. FARM OR LEASE NAME: Federal "HF"

9. WELL NO.: 1

10. FIELD AND POOL, OR WILDCAT: Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Sec. 10-19S-27E Unit A, NMPM

12. COUNTY OR PARISH: Eddy — 13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 9 miles NE of Lakewood

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 660'

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.: 660'

19. PROPOSED DEPTH: 3000'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3475' GR

22. APPROX. DATE WORK WILL START*: Soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12¼"	8-5/8"	24#	Approx. 350'	Circulate
7-7/8"	5½"	14#	" 3000'	150 sacks

Propose to drill a San Andres Test. Approximately 350' of surface casing will be set & cemented to surface. Will drill, log, run 5½" casing and cement w/600' of cement cover. Will perforate and stimulate as needed for production.

MUD PROGRAM: F.W. Gel & LCM; MW 8.6-9.0 ppg in 55-35 sec.

BOP PROGRAM: BOP's will be installed on 8-5/8" casing & tested daily.

RECEIVED
JAN 14 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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 Engineer DATE 1-14-77

(This space for Federal or State office use)

PERMIT NO. ____ APPROVAL DATE ____

APPROVED BY ____ TITLE ____ DATE ____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED
FEB 24 1977
[signature]
ACTING DISTRICT ENGINEER

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS. EXPIRES MAY 24 1977

DECLARED WATER BASIN
CEMENT BEHIND THE 8-5/8" CASING MUST BE CIRCULATED

NOTIFY USGS IN SUFFICIENT TIME TO WITNESS CEMENTING THE 8-5/8" CASING.

*See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION

WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Operator	Lease	Well No.
YATES PETROLEUM CORP.	FEDERAL H.F.	1

Unit Letter	Section	Township	Range	County
A	10	19S	27E	EDDY

Actual Footage Location of Well:
660 feet from the North line and 660 feet from the East line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3475	San Andres	Wildcat	40 Acres

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

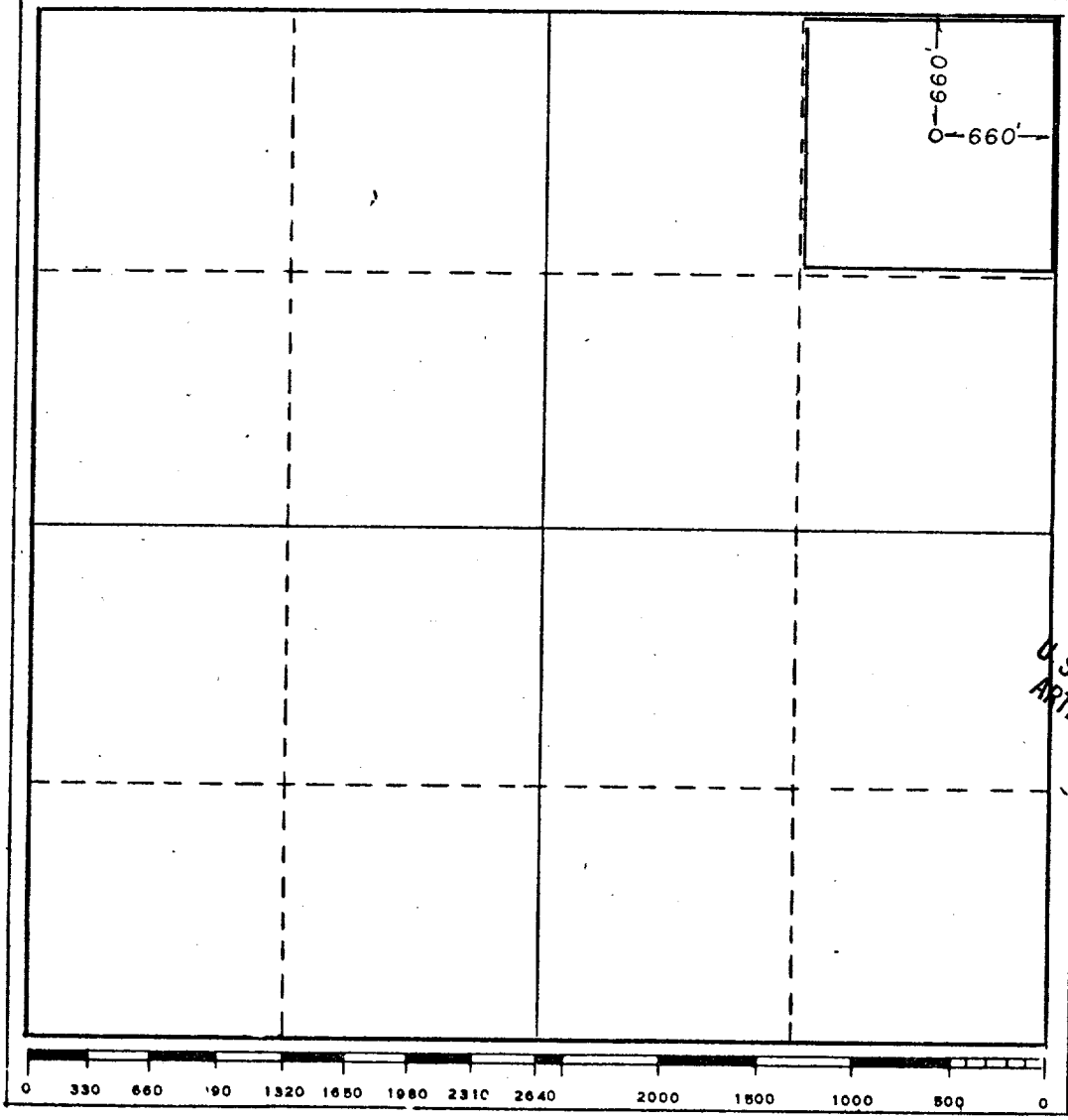
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Eddie M. Guilford

Name

Position
Engineer

Company
Yates Petroleum Corp.

Date
1-12-77

RECEIVED
JAN 14 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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
1/6/77

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones

Certificate No. 3640

YPC - Federal "HF" No. 1 660/N 660/E Sec 10 - 19S - 27E Eddy Co.

Other information to accompany form 9-331C:

1. Surface Formation: Quaternary
2. Geologic Markers Anticipated: Yates @ 403
   Bowers Sd @ 952
   Queen @ 1191
   Grayburg @ 1639
   San Andres @ 1911
3. Surface Water expected at about 200'; Sulf. Wtr pass @ 1191 & 2200'.
   Possible Oil & Gas Pays @ Yates, S.R. @ 700' approx.
   Grayburg @ 1840'
   San Andres @ 2270'+
4. Casing Program: See Form 9-331-C
5. Pressure Control: See Form 9-331-C and Exhibit D
6. Mud Program: See Form 9-331-C
7. Auxiliary Equipt: Sub w/ full-opening valve on floor, DP conn.
8. Drill Stem Testing: None Mud-logger: None Coring: None
   Samples of cuttings: 10' samples from Csg. pt to T.D.
9. Exploratory well: Shallow well; regional pressure and temperature data believed adequate; low permeabilities anticipated from nearby cable tool holes. Hydrogen sulfide & other toxic gases are minimal, and mud is inhibited for corrosion control and good overbalance.
10. Anticipated Starting Date: Soon as approved.

660' FNL & 660' FEL, Section 10 19S 27E, Eddy County, New Mexico

Surface Use Plan to accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) From Artesia, go east 9 miles, then approximately 4 miles southeast to Illinois Camp Road, then approximately 7.3 miles south (just past red house), then 1.2 miles west, then approximately 1 mile northwest behind ranchhouse & trap to cross-road, then 0.2 mile on right-hand fork. Good useable oil field road, maintained w/blade as needed.

2. PLANNED ACCESS ROADS: See Plat (Exhibit A & B) Approximately 350' of new road, 16' wide, north to SE corner of pad. To be bladed & watered. No turnouts, gates or cattlegaurds needed, no fences to cut. Road & location is flagged.

3. LOCATION OF EXISTING WELLS: See Plat (Exhibit B) Several dry holes in area, producing oil & gas fields 2 or 3 miles north and south of location. Two windmills at ranchhouses in Sections 13 and 14.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) First well on this lease. If a producer, will locate tank battery on east side of pad near access road with fence. If a pumper, guard rails will be installed on skid unit; Power Source will be gas engine. San Andres wells are watered weekly and recovered (treating) water will be accumulated with BS in lined pit behind tanks, then disposed of in approved disposal facility or dump.

5. LOCATION AND TYPE OF WATER SUPPLY: Will truck water from any commercial source.

6. SOURCE OF CONSTRUCTION MATERIAL: If needed, there is an open caliche pit on state land in Section 14-19S-27E. (See Exhibit B).

7. METHODS FOR HANDLING WASTE DISPOSAL: (a) Drill cuttings will be disposed of in the drilling pits. (b) Drilling fluids will be allowed to evaporate in the drilling pits until the pits are dry. (c) No formation test anticipated. (d) Human waste will be disposed of as regulated by OSHA. (e) Trash, paper, mud sacks, garbage and junk will be buried in trash pit w/24 inch cover. Garbage to be contained in trash barrel until disposed of. (f) Location will be cleaned, trash and debris buried or removed within 30 days after completion of operations.

8. ANCILLARY FACILITIES: None required.

9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) Only minor levelling of the wellsite will be required; no cut or fill. This is a shallow well (brief drilling) and pits need not be lined. Pad and pit area is staked.

10. PLANS FOR RESTORATION OF SURFACE: (a) After completion, pits will be filled or fenced until dry, location cleaned of all trash and junk and surplus material removed from wellsite. (b) After abandonment, pits will be filled & leveled, location cleaned and all disturbed surface restored to near original. Revegetation will be natural or wind-blown.

11. OTHER INFORMATION: (a) Land surface is gently rolling and slopes towards the southeast at about 100' per mile. Location is on north side of a shallow swale. (b) Soil is broken rock interspersed w/ wind-blown sand and clay. (c) Vegetative cover is sparse and consists of prairie grass & mesquite or greasewood. Wildlife is probably rabbits, rodents, reptiles and dove. (d) There are no rivers, streams, lakes or ponds in area. (e) Nearest occupied dwelling is ranchhouse 1.6 miles southeast of the wellsite, also the nearest windmill. (f) The land could be used for grazing. (g) The surface is believed to be BLM.

12. COMPANY REPRESENTATIVES ARE: Eddie Mahfood, office phone 746-3558, home phone 746-4415 and Leon Bergstrom, office phone 746-3558, home phone 748-1072.

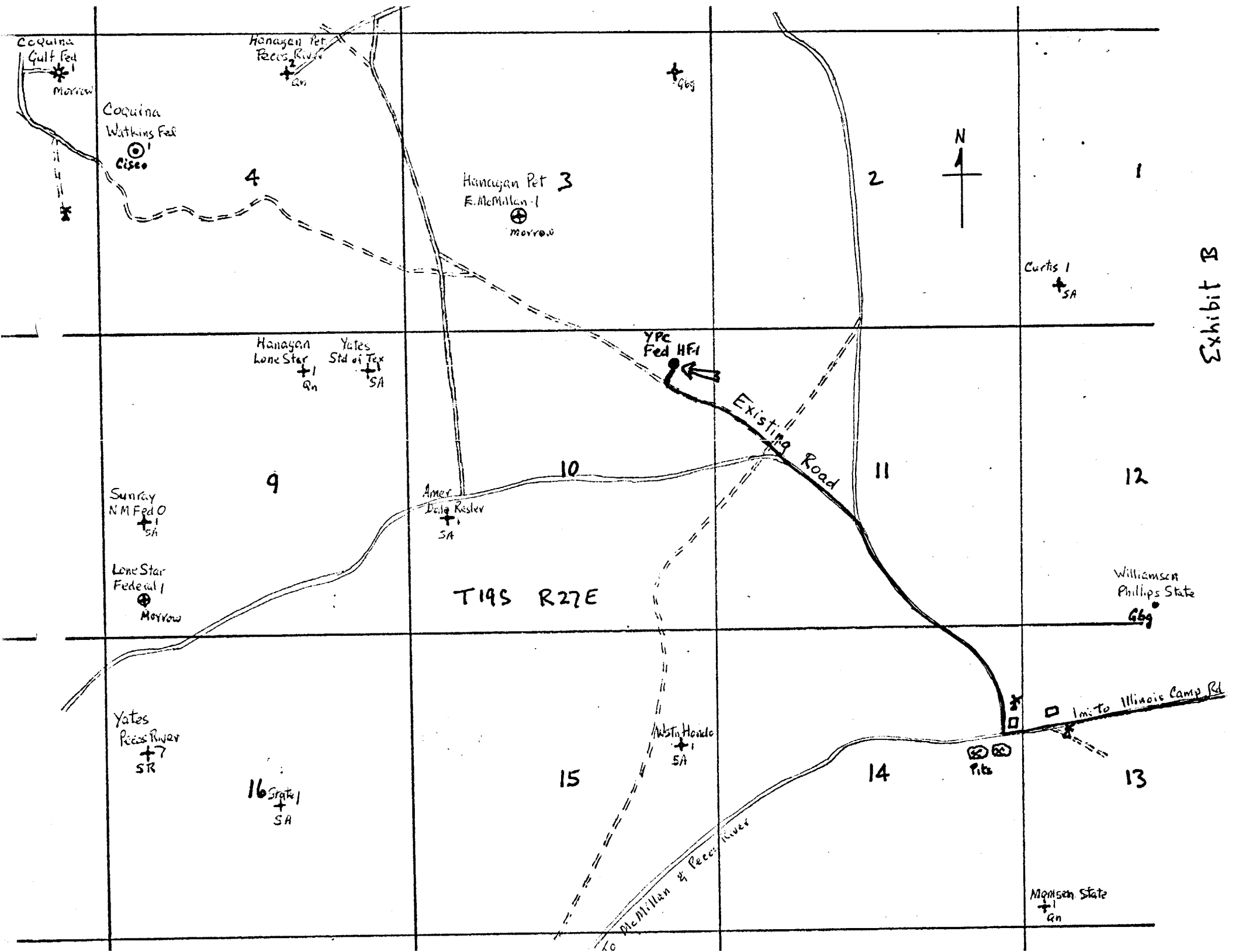
13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite 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 Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

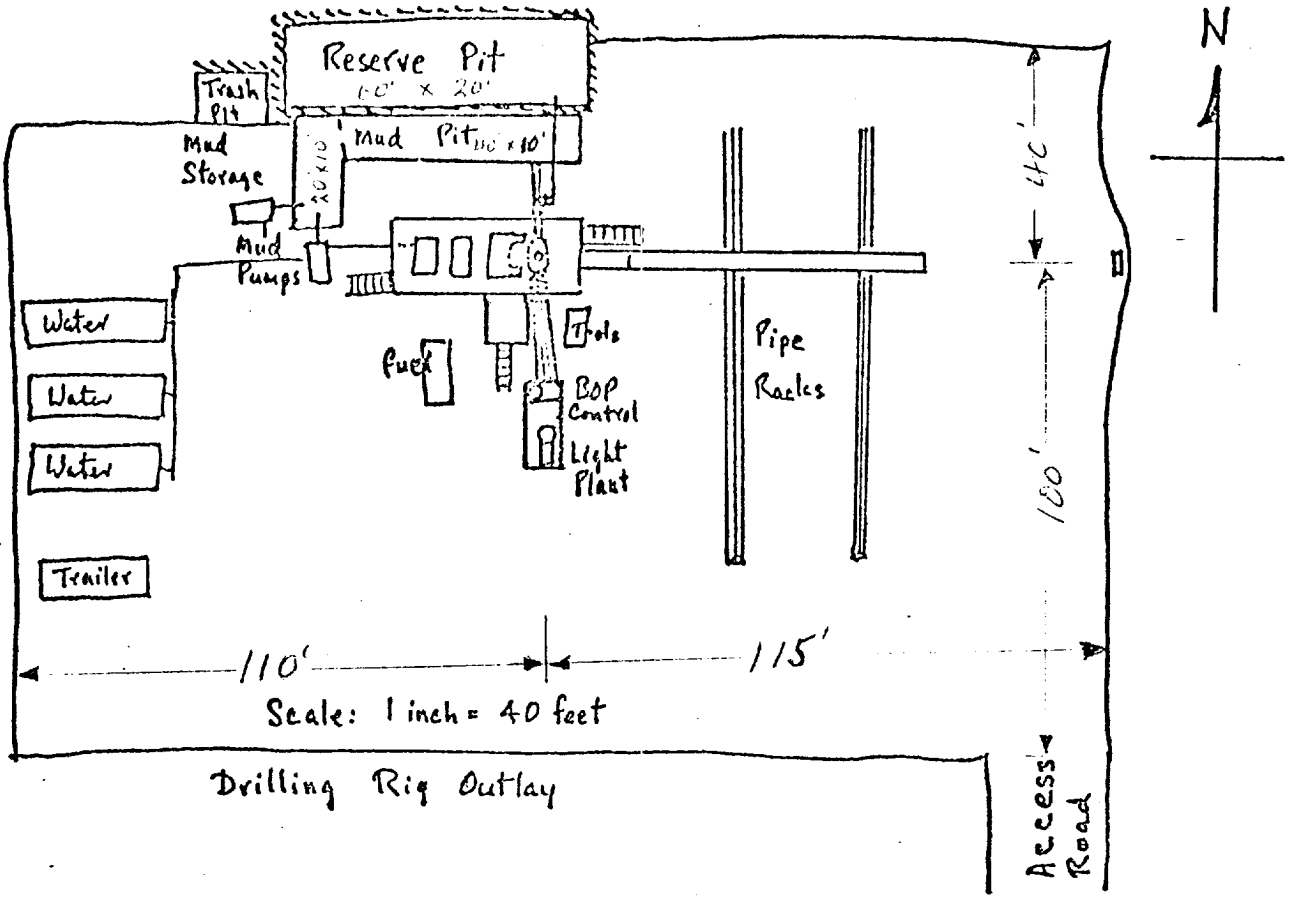
January 12, 1977
Date

Eddie M. Mahfood, Engr.
Name and Title

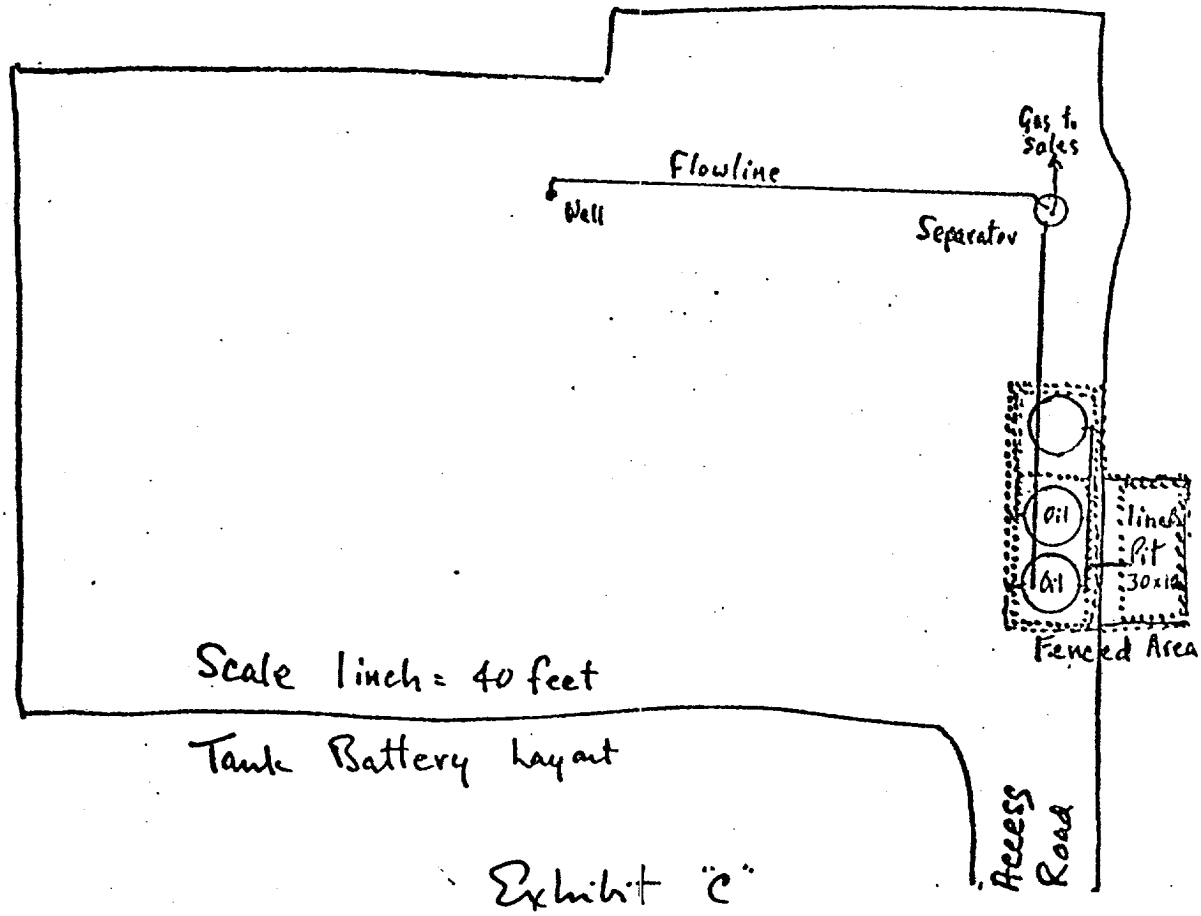

R.25 E.
R.26 E.
R.27 E.
R.28 E.
ARTESIA
POP. 10,315
Atoka
Lakewood
Seven Rivers
Eagle
Spring Lake
Brainard Lake
Kaiser Lake
Henderson Lake
Red Lake
McMILLAN RESERVOIR
CHALK BLUFFS
WILLIAMS HOLLOW
CROW FLATS
Roaring Spring
Bubbling Spring
Major Johnson Spring
Exhibit "A"


Coquina Gulf Fed 1 Morrow
Hanagan Pet Pecos River 2 Qn
Gbg
Coquina Watkins Fed 1 Cisco
4
Hanagan Pet 3
E. McMillan-1
Morrow
2
1
N
Curtis 1
SA
Hanagan Lone Star 1 Qn
Yates Std of Tex 1 SA
YPC Fed HF-1
Existing Road
9
10
11
12
Sunray NM Fed O 1 SA
Amer Dale Resler 1 SA
Lone Star Federal 1
Morrow
T19S R27E
Williamson Phillips State
Gbg
Yates Pecos River 7 SR
Austin Hondo 1 SA
1 mi. To Illinois Camp Rd
Pits
16 State 1 SA
15
14
13
McMillan & Pecos River
Monsen State 1 Qn
Exhibit B

YPC - Federal "HF" No. 1, NE NE Sec 10 T 5 R 27-E, Eddy Co.

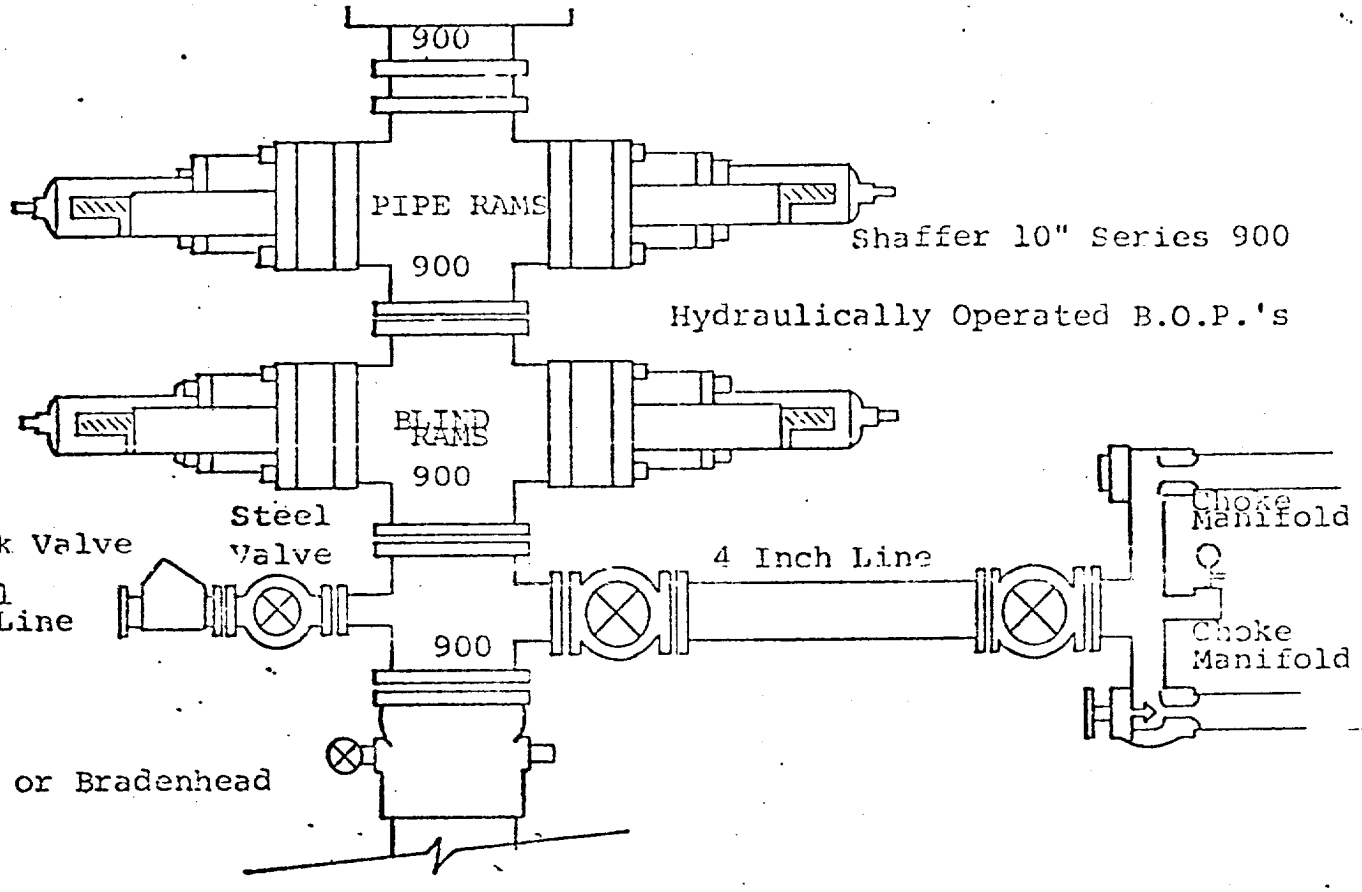


Drilling Rig Outlay



Tank Battery Layout

Exhibit "C"



HE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel. hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.

Exhibit D