M.O.C.D. COPY

SUBMIT IN "LICATE*

(Other instr. ons on reverse side)

Form approved. Budget Bureau No. 42-R1425.

UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

_	30-05-2	3	2/	2
j	5. LEASE DESIGNATION A	ND	SERIAL	NO.
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APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK								6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
1a. TYPE OF WORK					١					
DRILL DEEPEN b. Type of well			☐ PLUG BACK ☐			7. UNIT AGREEMENT NAME				
our 🔯 . o		SINCLE ['	MULTIP	LE []						
2. NAME OF OPERATOR		ZONE ZONE				S. FARM OR LEASE NAME				
Vates Petr	oleum Corporatio	on ./					Mobil CI Federal			
3. ADDRESS OF OPERATOR		J11 V				9. WELL NO.				
207 South	4th Street, Arte	M woM cisc	lovi o	8876	-		4			
4. LOCATION OF WELL (F	Report location clearly and	l in accordance wi	vith any State requirements.			10. FIELD AND POOL, OR WILDCAT				
At surface	_					Penasco Draw S.AYeso				
	1650' FSL & 2310	O' FWL		- FEB	1 5 199	20	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA			
At proposed prod. zo:	ne						Soc 6 m	100.DJ	er r	
14. DISTANCE IN MILES	AND DIRECTION FROM NEA	REST TOWN OR POS	T OFFIC	U.S. GEULU ARTESIA. A	tital o	1375.4	Sec. 6,T			
	west of Dayton,			ARTESIA, I	VEW MEY	MACK	12. COUNTY OF			
15. DISTANCE FROM PROP	OSED*	1/11/1	16. N	O. OF ACRES IN	TRASE INLA		Edd	- 1	NM	
PROPERTY OR LEASE !	LINE, FT.	1650 '	16. NO. OF ACRES IN LEASE			17. NO. OF ACRES ASSIGNED TO THIS WELL				
(Also to nearest dri 18. DISTANCE FROM PROP		1020.		403.69			40			
TO NEAREST WELL, DOR APPLIED FOR, ON TH	RILLING, COMPLETED,		19. P	ROPOSED DEPTH	20. RO		TARY OR CABLE TOOLS			
21. ELEVATIONS (Show wh			<u> </u>	3100		Rc	otary			
_	cemer Dr. 111, dis, ecc.)					÷ .	•	DATE WOR	K WILL START*	
3629.5 GL							ASAP			
	. P	ROPOSED CASIN	G AN	D CEMENTING	PROGRA	M				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FO	or	SETTING D	ЕРТН		QUANTITY	OF CEMENT	· · · · · · · · · · · · · · · · · · ·	
15"	10 3/4" 32.3 J-		5 approx. 360'		360	250 sx circulate				
91311	7"	20# J-5	5	approx.	970'	550	sx circu	late		
6¾"			5				sx circulate			
7	,) " " " " " "		appron.	100	Joo	CII CU	Lauc	:	
We propose	to drill and te	est the Yes	o and	d San Andı	res for	mation	s. Appro	oximato	elv 310!	
of surface	casing will be	set to shu	t of	f gravel a	and cay	ning.	Intermed	late c	er, jro asino wil	
be set at 1	least 100' below	the Artes	ian 1	Water Zone	∍. 4]	L/2 pro	duction o	asing	will be	
run, perfor	rated and possib	ole sand fr	ac'd	for produ	action	, 1				
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MUD PROGRAM	1: Fresh water	gel to 970	', fi	resh water	r to II).		• • •	a• 1	
						= :	4		-	
BOP PROGRAN	<u>I</u> : BOP's will b	e installe	d on	7" casing	g and t	ested.				
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one. If proposal is to	PROPOSED PROGRAM: If p	roposal is to deep lv. give pertinent	en or p data o	lug back, give d	lata on pre	sent produ	ctive zone and	proposed	new productive	
preventer program, it any	y			a bussarrace roc	acions and	, measureu	and true verric	ar depriis.	Give blowout	
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							DATE			
(This space for Feder	ral or State office use)	_								
PERMIT NO.				APPROVAL DATE	3-	5-8	0			
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APPROVED BY DATE								1	• 1.	
CONDITIONS OF APPROVA			······································		DATE					

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

NM PE&LS #5412

All distances must be from the outer boundaries of the Section. Operator Well No. YATES PETROLEUM CORPORATION Mobil CI Federal Unit' Letter Section Township County 19 South 25 East Eddy Actual Footage Location of Well: South feet from the 2310 West line and Ground Level Elev. Producing Formation Dedicated Acreage: 40 PENASCO DORUS (YESO-SA YES0 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). MAR 6 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? ARTESIA, OFFICE 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 Commis-CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. FEB 1 5 1930. GLISERIO RUDRIGUEZ U.S. GEULUGICAL SURVEY Position ARTESIAL NEW MEXICO GEUGRAPHEN PETROLEUM CORP 2-13-80 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 2310 is true and correct to the best of my knowledge and belief. Date Surveyed PROFESSION Feb. 12, 1980 Registered Professional Engineer

1320 1650

1980 2310

2000

1500

1000

500



United States Department of the Interior

RECEIVED

MAR S 1980

O. C. D. ARTESIA, OFFICE

GEOLOGICAL SURVEY P. O. Drawer U

Artesia, New Mexico 88210

March 5, 1980

Yates Petroleum Corporation 207 South Fourth Street Artesia, New Mexico 88210

Gentlemen:

YATES PETROLEUM CORPORATION Mobil CI Fed No. 4 1650 FSL 2310 FWL Sec. 6 T.19S R.25E Lease No. NM 0352858-B Eddy County

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 3,100 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

- Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
- 2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
- 3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
- 4. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
- All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
- 6. Notify the Survey by telephone 24 hours prior to spudding well.
- Cement behind the 10-3/4" and 7" casing must be circulated. 7.
- Notify Survey in sufficient time to witness the cementing of the 10-3/4" and 7" casing.

9. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(Orig. Seds posters on terrant

George H. Stewart Acting District Engineer Yates Petroleum Corporation Mobil "CI" Federal #4 Section 6 - T19S - R25E 1650' FSL & 2310' FWL Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements:

- 1. The geologic surface formation is quaternery alluvium.
- 2. The estimate tops of geologic markers are as follows:

San Andres 569' Glorieta 1934' TD approx. 3100'

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

Water: Approximately 365'

Oil: Yeso - San Andres 550-600' 1890-2100'

- 4. Proposed Casing Program: See Form 9-331C.
- 5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
- 6. Mud Program: See Form 9-331C.
- 7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
- 8. Testing, Logging and Coring Program:

Samples: 10' samples from under surface

DST's: None

Logging: GR/Neutron

Coring: None

- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS

Yates Petroleum Corporation Mobil "CI" Federal #4 Section 6 - T19S - R25E 1650' FSL & 2310' FWL (Developmental Well) FEB 1 5 1000
U.S. G. SHALEY
ARTESIA, KEW MEXICO

This plan is submitted with Form 9-331C, 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 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 operation.

1. EXISTING ROADS.

Exhibit A is a portion of a USGS showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 22 miles SW of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- 1. Proceed south from Artesia on Highway 285 for a distance of approximately 9 miles.
- 2. Turn west, go past the Transwestern Plant about 3/4 mile and veer south for approximately a mile, then follow the road going west for a mile.
- 3. Take the road along the south side of the fence for almost three miles.
- 4. The new road will start here going south.

2. PLANNED ACCESS ROAD.

- A. The proposed new access road will be 1400'. The road will lie in a north-to-south direction.
- B. The new road will be 12 feet in width (driving surface), except at the point of origin adjacent to the existing road, at which point enough additional width will be provided to allow the trucks and equipment to turn.
- C. The new road will be covered with the necessary depth of caliche. The surface will be bladed. No turnouts will be built.
- D. The new road has been flagged and the route of the road is visible.
- E. This road will connect 5 wells.

3. LOCATION OF EXISTING WELL.

A. There are existing wells within a one-mile radius of the wellsite. See Exhibit A.

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.

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.

A. Any caliche required for construction of the drilling pad and the new access road will be obtained from the location itself.

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 to the USGS for appropriate approval.
- D. Oil produced during operation will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches dirt. All waste material will be contained of prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, etc.
- B. The location surface is mainly covered with desert weeds, shrubs and grasses.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- 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 leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM and the USGS will be complied with and will be accomplished as expeditiously as possible. All pits will be filled leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is fairly flat, no cut and fill will be needed. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of some greasewood, mesquite, and miscellaneous desert growth. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.
- C. There are no inhabited dwellings in the vicinity of the proposed well.
- D. Surface Ownership: The wellsite is on federal surface and minerals.
- E. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

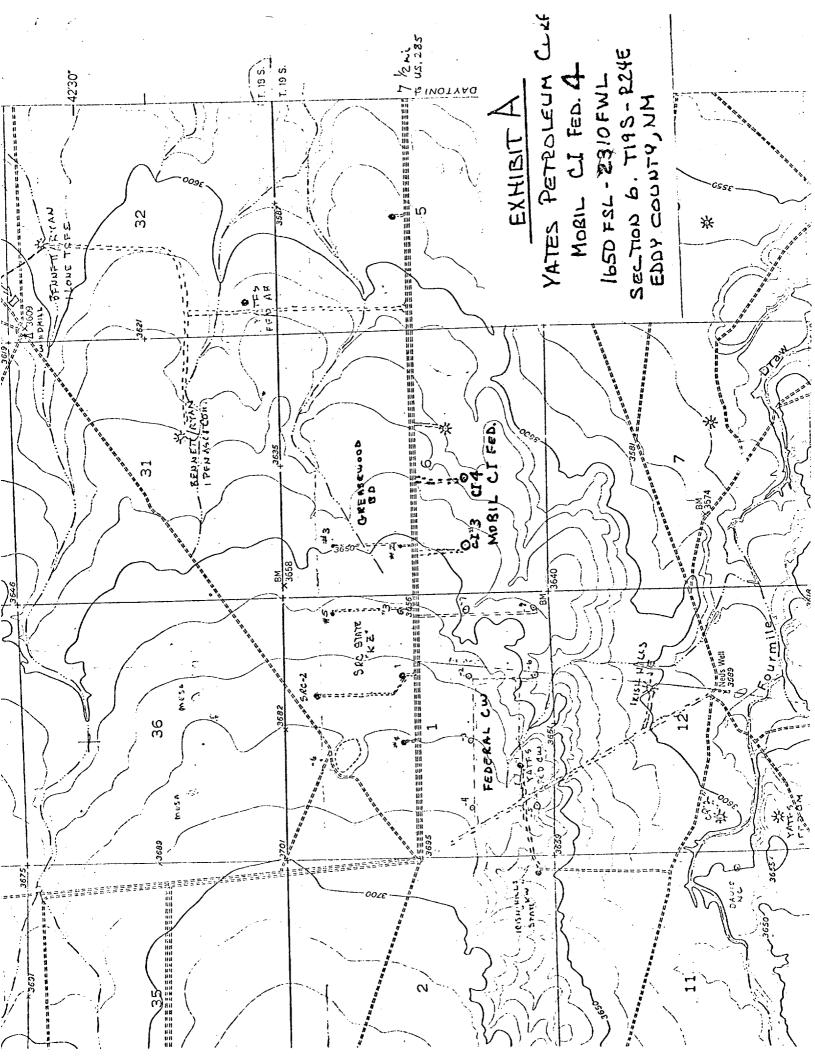
A. The field representative responsible for assuring compliance with the approved surface use plan is:

Gliserio "Rod" Rodriguez
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

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 Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

2-13-80 Date Gliserio Rodriguez, Geographer



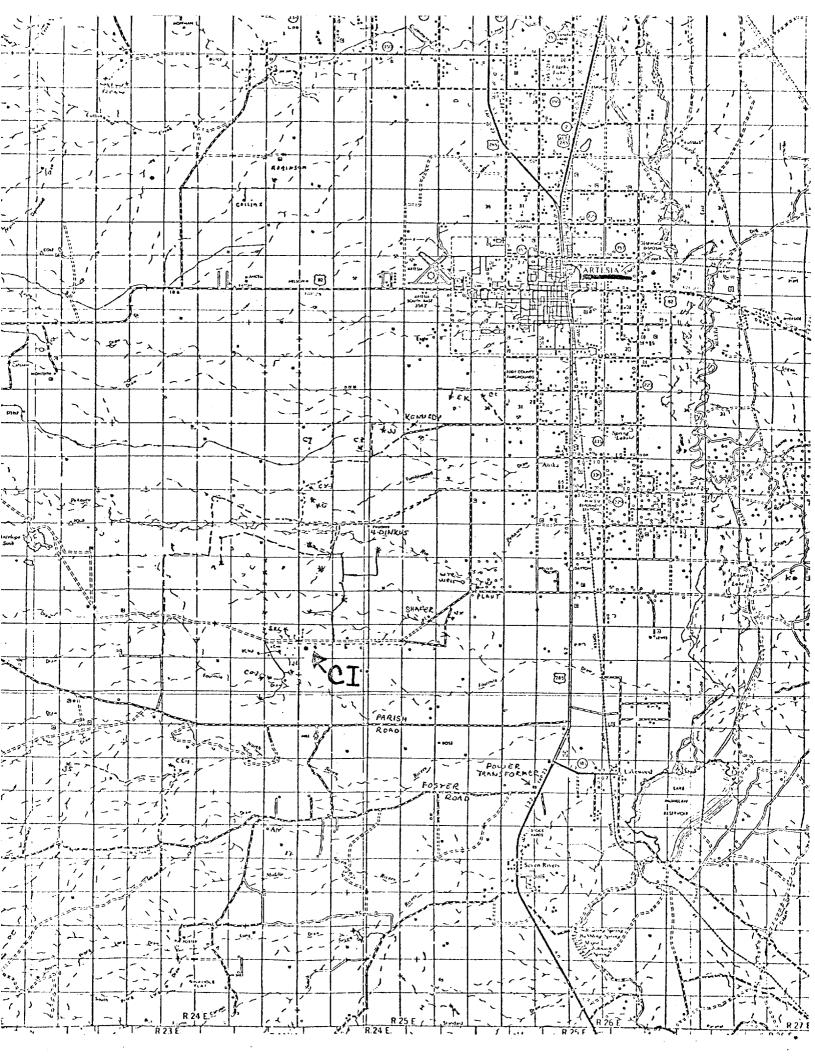
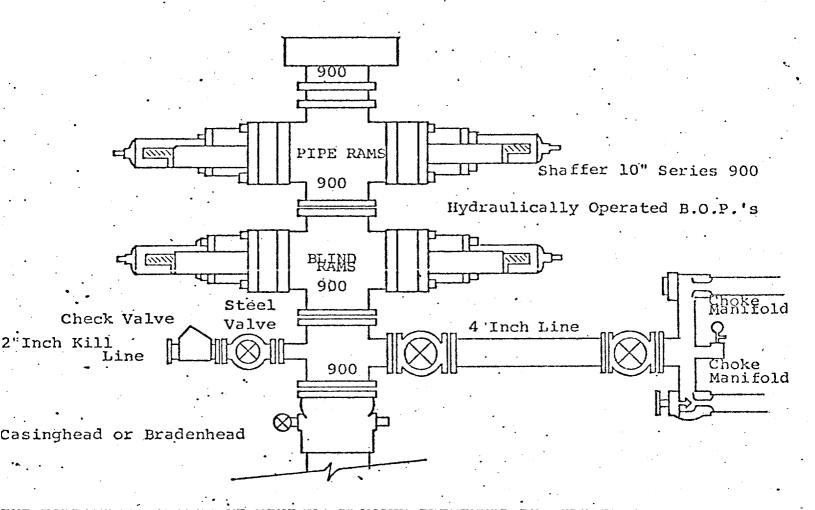


EXHIBIT B



THE 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.
- 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.

VATES PETROLEUM CORPORATION

