

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23335

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

207 South 4th Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations.)

At surface

2030' FSL & 990' FWL

At proposed prod. zone

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

9 miles east of Dayton, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

990

16. NO. OF ACRES IN LEASE

403.69

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

330

19. PROPOSED DEPTH

approx. 9340'

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

3648.1 GL

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½	13 3/8"	48#	approx. 400	400 sx circulate
12¾	8 5/8"	24#	approx. 970	570 sx circulate
7 7/8"	5½" or 4½"	15.5 - 17#	approx. 9340	400 sx
		10.5 - 11.6#		

We propose to drill and test the Morrow and intermediate horizons. Will set approximately 400' surface casing to shut off gravel and caving, and will set intermediate casing at least 100' below the Artesian water zone, both strings to be circulated. If commercial will run 5½ or 4½ and cement with at least 600 ft. of cover.

MUD PROGRAM: FW gel and LCM to 970', water to 5100', starch-driskpak-KCL to 8400' flosal-driskpak-KCL to TD

BOP PROGRAM: BOP's and hydril on 8 5/8" casing and tested, pipe rams tested daily blind rams on trips; Yellow Jacket, pit level control and flow sensor on at 5100'.

GAS NOT DEDICATED.

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

TITLE Geographer

DATE May 13, 1980

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

5-22-80

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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.

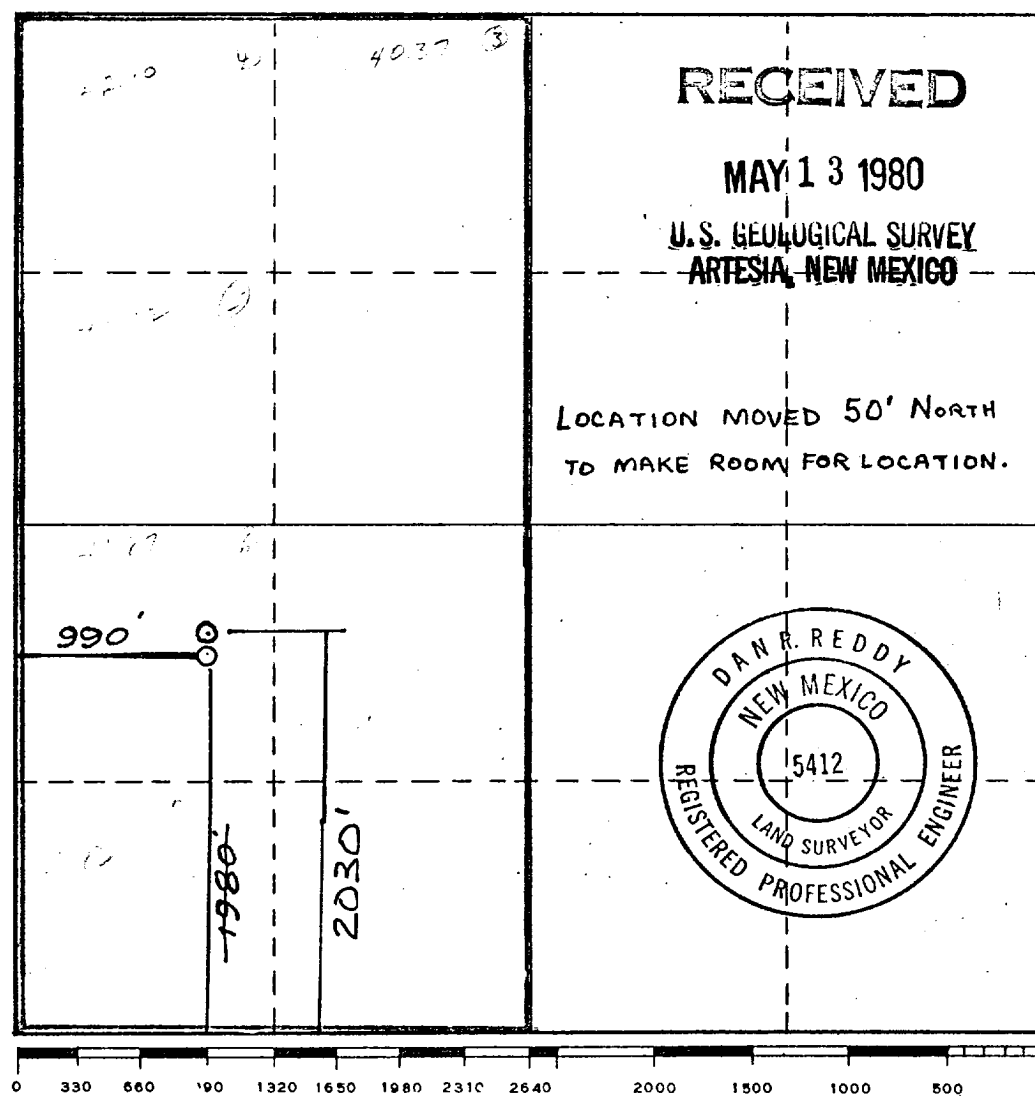
Operator Yates Petroleum Corporation			Lease Mobil CI Federal		Well No. 11
Unit Letter L	Section 6	Township 19 South	Range 25 East	County Eddy	
Actual Footage Location of Well: 1980-2030 feet from the South line and 990 feet from the West line					
Ground Level Elev. 3648.1	Producing Formation MDR Low	Pool UNDER PENASCO DRAW MORROW		Dedicated Acreage: 320 328.06 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.

Gliserio Rodriguez
Name

GLISERIO RODRIGUEZ
Position

GEOGRAPHER

Company
YATES PETROLEUM CORP

Date
5-5-80

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 is true and correct to the best of my knowledge and belief.

Date Surveyed
Apr. 30, 1980

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy

Certificate No.
NMPE&LS #5412



N.M.O.C.D. COPY

United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U

Artesia, New Mexico 88210

RECEIVED

MAY 26 1980

O. C. D.
ARTESIA, OFFICE

May 22, 1980

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

Gentlemen:

YATES PETROLEUM CORPORATION
Mobil "CI" Fed No. 11
2030 FSL 990 FWL Sec. 6 T.19S R.25E
Eddy County Lease No. NM-0352858-B

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 9,340 feet to test the Morrow is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached 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 these Conditions of Approval including the attached 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 is completed and the Well Completion Report (form 9-330) is filed. The report should not be less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Before drilling below the 8-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
7. A kelly cock will be installed and maintained in operable condition.

8. After setting the 8-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.
9. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
 - (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
10. Notify the Survey by telephone 24 hours prior to spudding well.
11. Notify the Survey in sufficient time to witness the cementing of the 13-3/8" and 8-5/8" casing.
12. Cement behind the 13-3/8" and 8-5/8" casing must be circulated.
13. 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. Sgd.) GEORGE H. STEWART

George H. Stewart
Acting District Engineer

Yates Petroleum Corporation
Mobil "CI" Federal #11
Section 6 - T19S - R25E
2030' FSL & 990' 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 quaternary alluvium.

2. The estimate tops of geologic markers are as follows:

San Andres	558'	Approx. Basal Abo Porous Zns.	5229'	Lower Morrow	8933'
Glorieta	1932'	Wolfcamp Limestone	5407'	Austin Cycle	9030'
Abo	4013'	Lower Canyon	7567'	Chester	9063'
		Strawn	8187'	Miss. Ls.	9190'
		Atoka	8584'	TD	9340'
		Morrow Clastics	8868'		

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

Water: Approximately 365'

Oil or Gas:	Yeso - San Andres	560 - 600'	Wolfcamp	5420 - 5450'
	Abo	4020 - 4050'	Morrow	8870 - 8990'

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 csg. to TD.

DST's: Possible Basal Abo; otherwise as warranted.

Logging: CNL-FDC to TD to csg. with GR-CNL on to surface;
DLL TD to csg. with R_xO.

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

RECEIVED

Yates Petroleum Corporation
Mobil CI Federal #11
Section 6 - T19S - R25E
2030' FSL & 990' FWL
(Developmental Well)

MAY 13 1980
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW 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 three miles. Turn south, go $1/8$ mile to location. Road will enter location at southeast side.

2. PLANNED ACCESS ROAD.

- A. There is no proposed new access road.

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 no gas 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 piped to the location.

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 or pit located at SE/4 of the SW/4 of Section 1-T19S-R25E.

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 archaeological, 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 or Johnny A. Lopez
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.

5-13-80

Date


Geographer

EXHIBIT A
YATES Petroleum Corporation
MOBILE CI FEDERAL # 11
2030' FSL - 990' FWL
Sec. 6 T19S R25E
EDDY COUNTY, NM

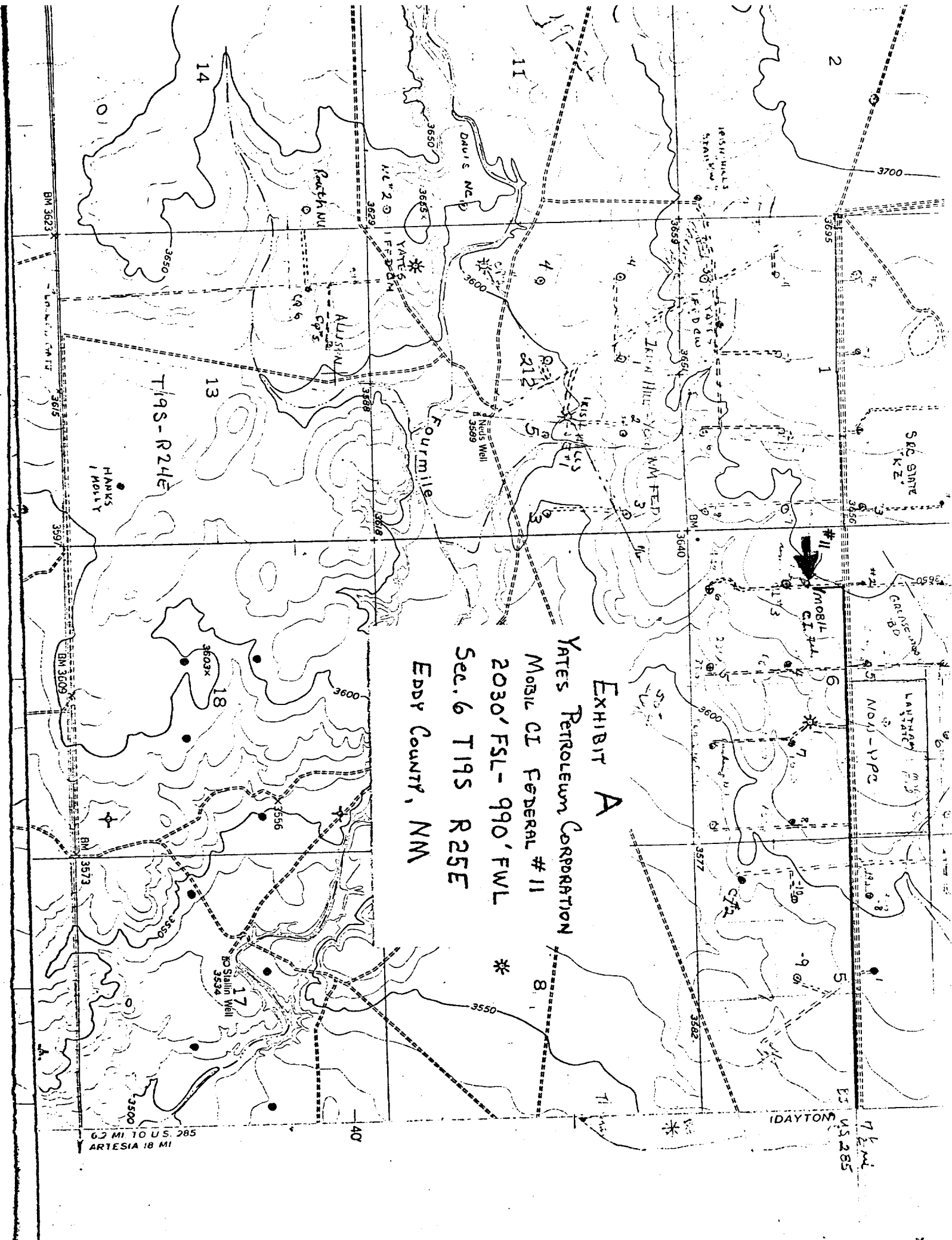
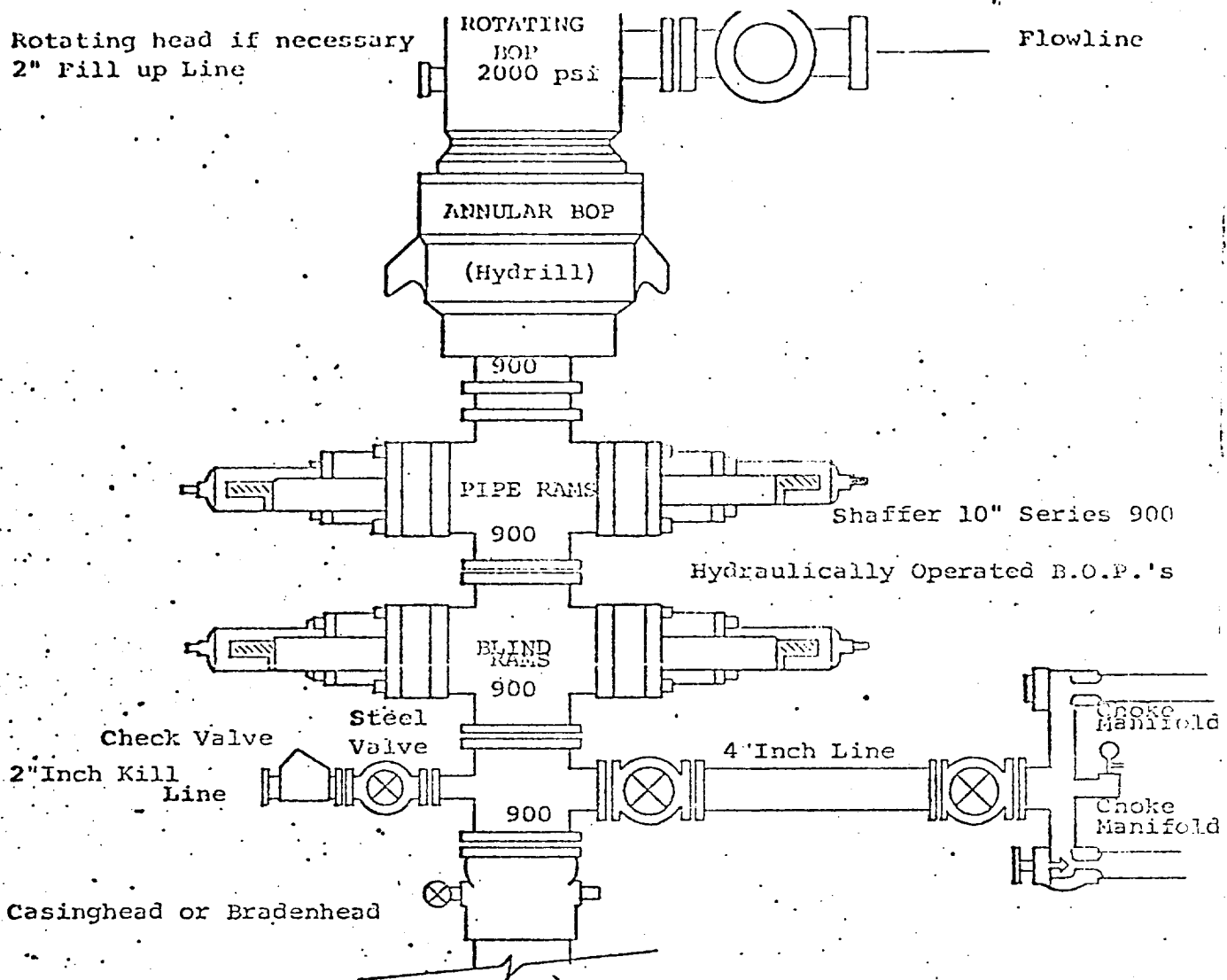


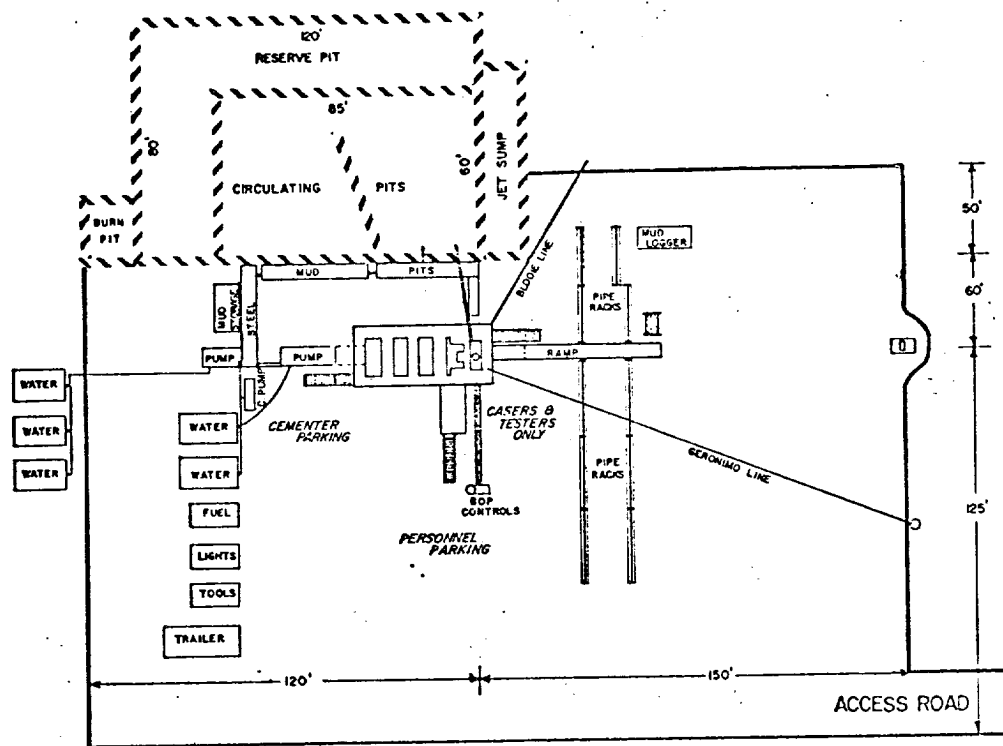
EXHIBIT B



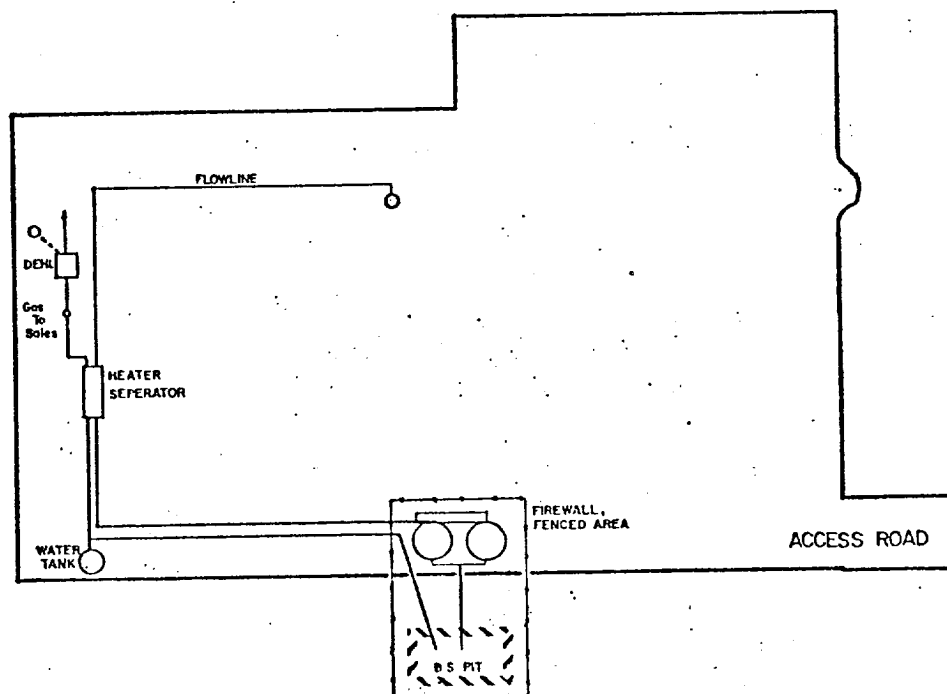
THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
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.

YATE PETROLEUM CORPORATION



DRILLING RIG LAYOUT



TANK BATTERY LAYOUT