

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

## 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 ✓

AUG 13 1980

## 3. ADDRESS OF OPERATOR

207 South 4th Street, Artesia, NM 88210

O. C. D.

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

At surface

660' FSL &amp; 2310' FEL

At proposed prod. zone

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

25.5 miles SW of Artesia, NM

## 15. DISTANCE FROM PROPOSED\*

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

2310'

## 18. DISTANCE FROM PROPOSED LOCATION\*

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

N/A

## 16. NO. OF ACRES IN LEASE

1000

## 19. PROPOSED DEPTH

9220'

17. NO. OF ACRES ASSIGNED  
TO THIS WELL

320

## 20. ROTARY OR CABLE TOOLS

Rotary

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

3748.4 GL

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

## 23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48# J-55	approx. 390'	320 sx circulate
12 1/4"	8 5/8"	24# J-55	approx. 1200'	620 sx circulate
7 7/8"	4 1/2" or 5 1/2"	15.5 - 17# 10.5 - 11.6#	approx. 9220'	400 sx

We propose to drill and test the Morrow and intermediate formations. Approximately 390' of surface casing will be set to shut off gravel and cavings, and intermediate casing will be set 100' below the Artesian Water Zone. If commercial will run 4 1/2" or 5 1/2" with 600' cement cover, will perforate and stimulate as needed for production.

MUD PROGRAM: F.W. gel and LCM to 1200', fresh water to 4000', 2% KCL water to 6300', starch-driskak-KCL to 7800', flosal-driskak-KCL to TD.

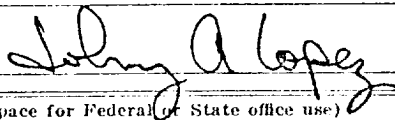
BOP PROGRAM: BOP's and hydril will be installed on the 8 5/8" casing and tested daily.

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 Regulatory Coordinator

DATE 7/16/80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY (Orig. Sgd.) PETER W. CHESTER

TITLE ACTING DISTRICT ENGINEER

DATE AUG 11 1980

CONDITIONS OF APPROVAL, IF ANY:

NE EXICO 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.

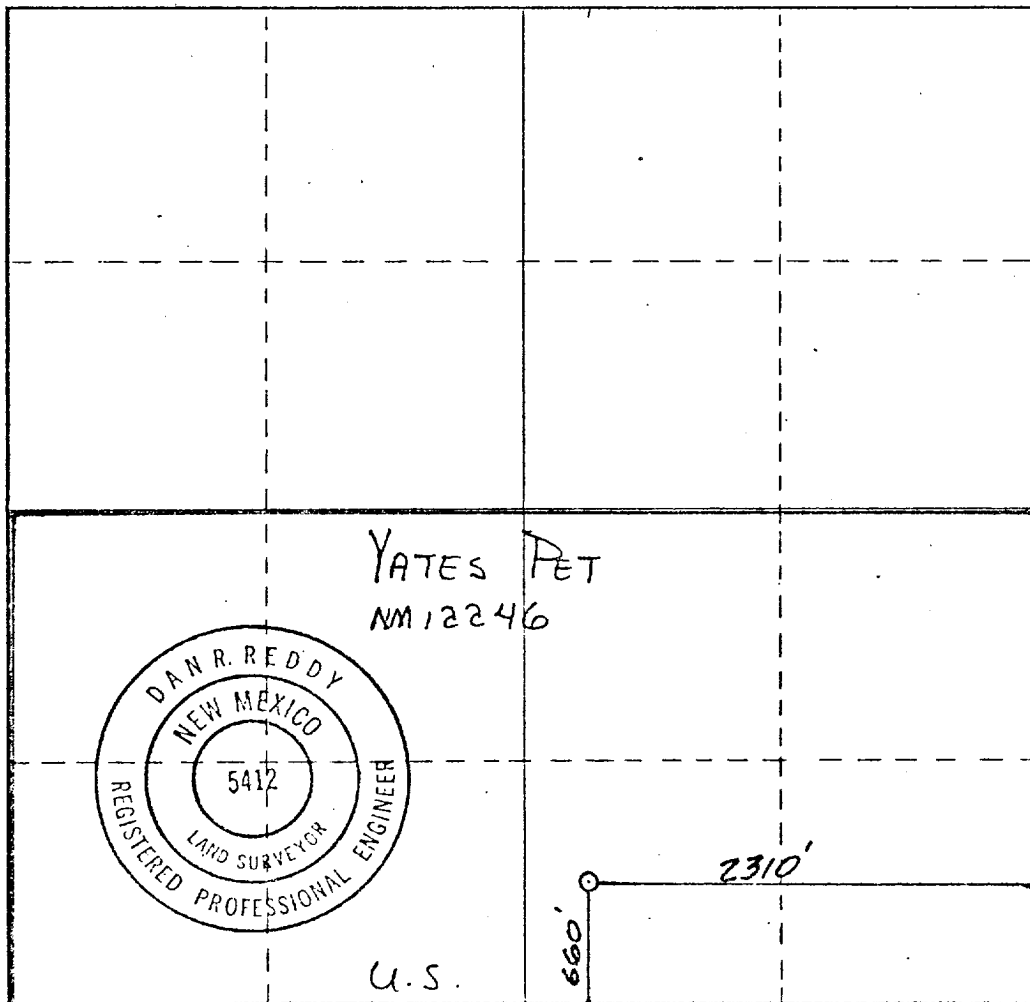
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Oakason NV Federal</b>		Well No. <b>1</b>
Unit Letter <b>O</b>	Section <b>27</b>	Township <b>19 South</b>	Range <b>24 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>2310</b> feet from the <b>East</b> line and <b>660</b> feet from the <b>South</b> line					
Ground Level Elev. <b>3748.4</b>	Producing Formation <b>Morrow</b>	Pool <b>WILDCAT</b>	Dedicated Acreage: <b>320</b> 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.

*Johnny A. Lopez*  
Name

JOHNNY A. LOPEZ

Position

REGULATORY COORDINATOR

Company

YATES PETROLEUM CORPORATION

Date

7/17/80

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

July 1, 1980

Registered Professional Engineer and/or Land Surveyor

*Dan R. Reddy*

Certificate No.

NM PE&LS #5412



## United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U  
Artesia, New Mexico 88210

RECEIVED

AUG 13 1980

O. C. D.  
ARTESIA, OFFICE

August 6, 1980

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

Gentlemen:

YATES PETROLEUM CORPORATION Oakason "NV" Fed No. 1 660 FSL 2310 FEL Sec. 27 T.19S R.24E Eddy County Lease No. NM-12246
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Above Data Required on Well Sign
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Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 9,200 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 8-5/8" casing.
12. Cement behind the 13-3/8" and 8-5/8" casing must be circulated.
13. Special Stipulation: Low water crossing is not to impede water course.
14. 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.) PETER W. CHESTER  
for George H. Stewart  
Acting District Engineer

Yates Petroleum Corporation  
Oakason "NV" Federal #1  
Section 27 - T19S - R24E  
660' FSL & 2310' FEL  
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	482'	Wolfcamp Lime	5178'	Morrow Clastics	8873'
Glorieta	1758'	Lower Canyon	7483'	Chester Lime	9163'
Yeso	1913'	Strawn	8110'	TD	9220'
Abo	3968'	Atoka	8560'		

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

Water: Approximately 450' - 550'

Wolfcamp	5200'
Atoka	8575'
Morrow	8890'

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 casing to TD  
DST's: Possible Basal Abo; otherwise as warranted  
Logging: CNL-FDC TD-casing with GR-CNL on up to surface;  
DLL-TD casing with min. R 0.  
X

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  
Oakason "NV" Federal #1  
Section 27, T19S, R24E  
660' FSL & 2310' FEL  
(Exploratory Well)

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 25.5 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 13 miles.
2. Turn west onto Parish Road and go approximately 10½ miles.
3. Turn south on ranch road and travel approximately 9/10 mile to Allison CQ Federal #1 location.
4. From location, turn southwest along pipeline for a distance approximately 1/4 mile. Then turn due south along fence for approximately 7/10 mile to pipeline. Turn southeast along pipeline for a distance of 4/10 mile.
5. A new road from pipeline south to location is proposed and will enter location at southeast corner.

### 2. PLANNED ACCESS ROAD.

- A. The proposed new access road will be 600'. The road will lie in a south-to-north direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be covered with the necessary depth of caliche. The surface will be bladed. Turnouts will be built.
- D. The new road has been flagged and the route of the road is visible.

### 3. LOCATION OF EXISTING WELL.

- A. There are no 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 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 or from a pit located at SW $\frac{1}{4}$  SW $\frac{1}{4}$  Section 17, T20S, 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 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 slightly sloping northeast, 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 grasses, greasewood, broom snakeweed, 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.

7/17/80

Date

  
Regulatory Coordinator



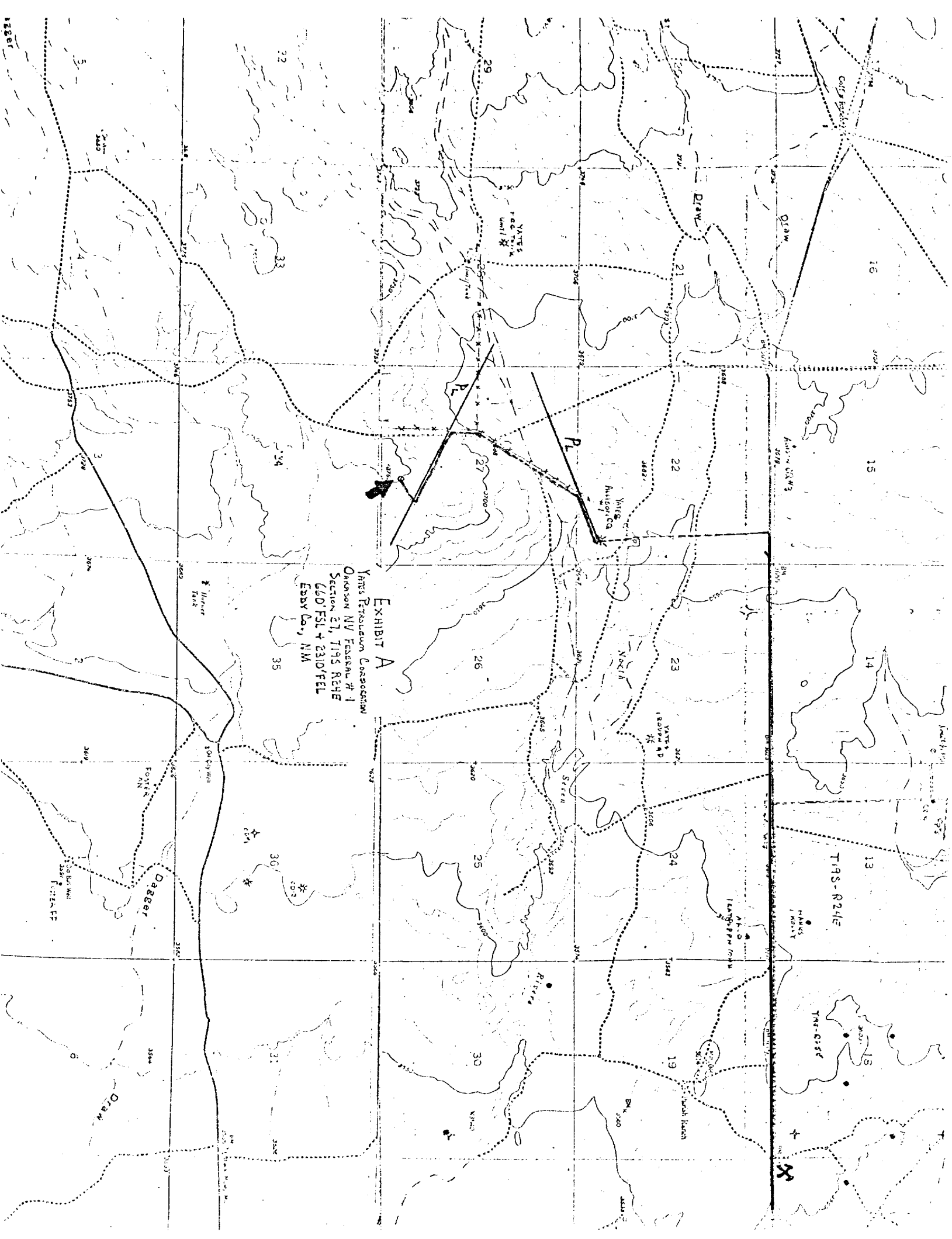
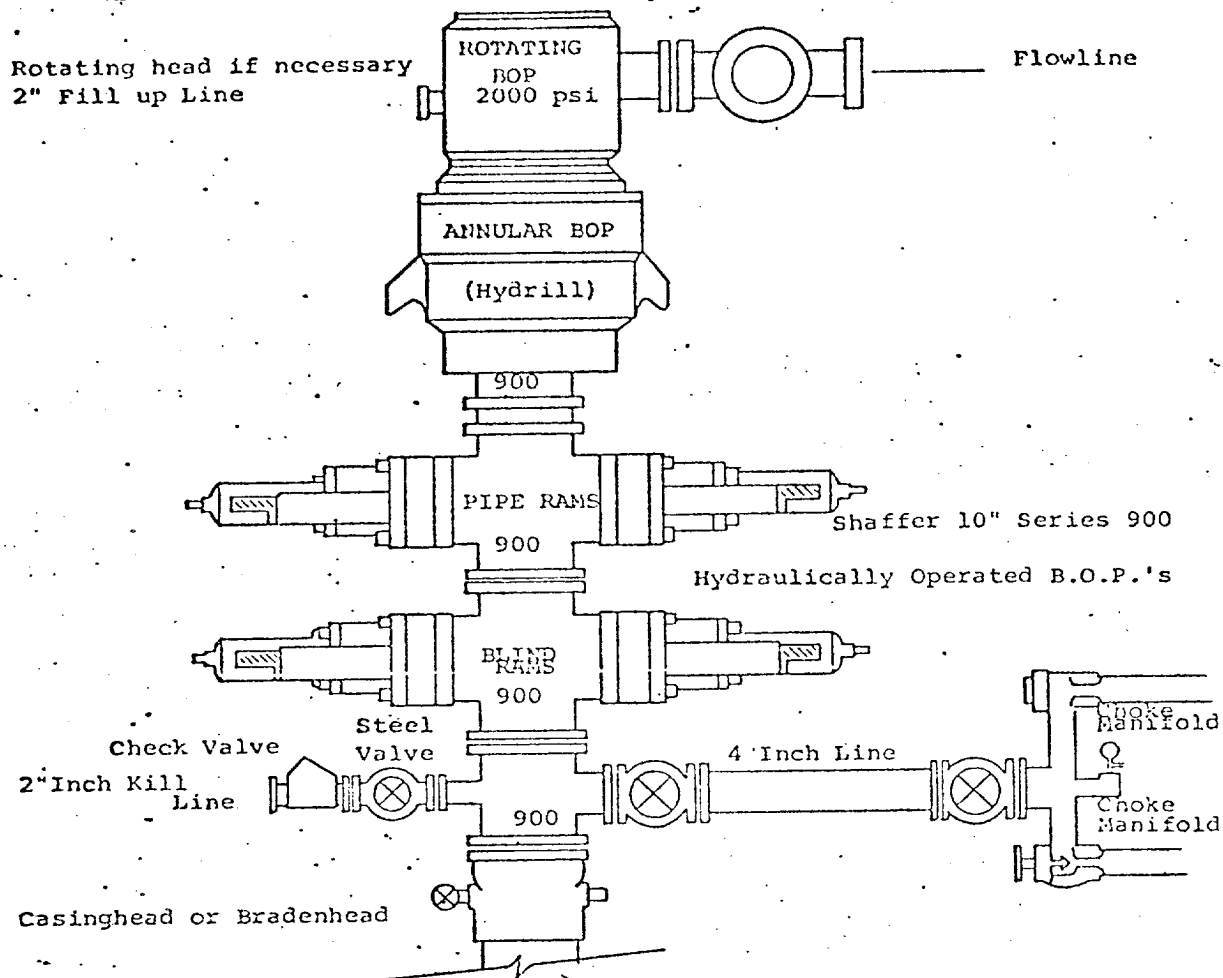


EXHIBIT A  
YATES Petroleum Corporation  
Oklahoma NY Federal # 1  
Section 21, T19S R24E  
660' FSL + 2310' FEL  
Eddy Co., NM

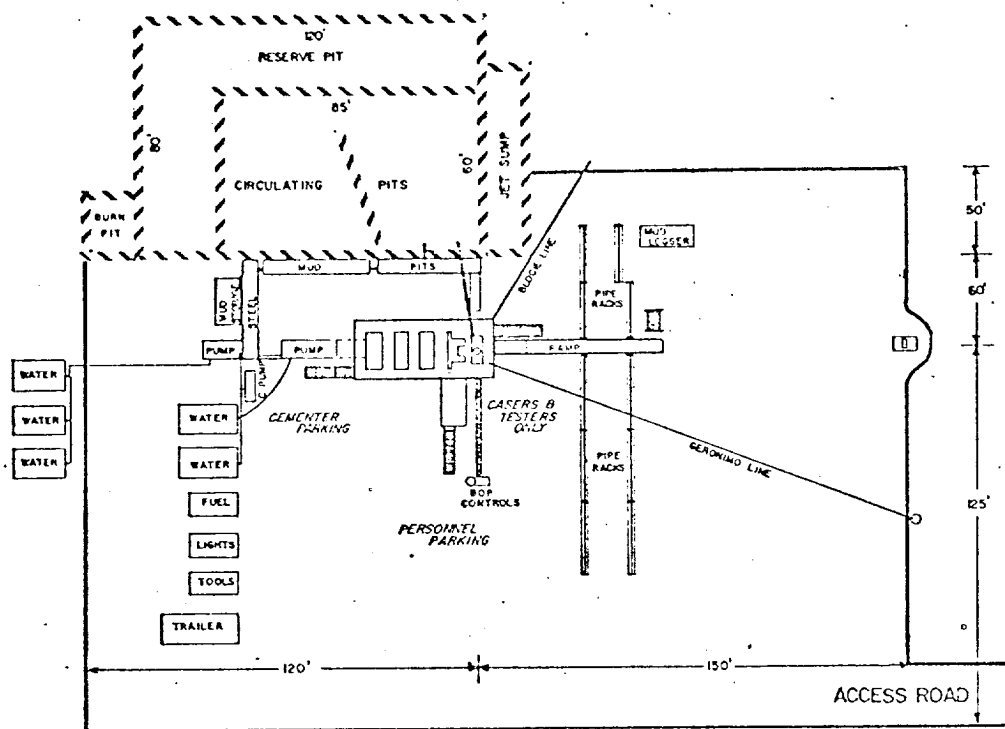
# EXHIBIT B



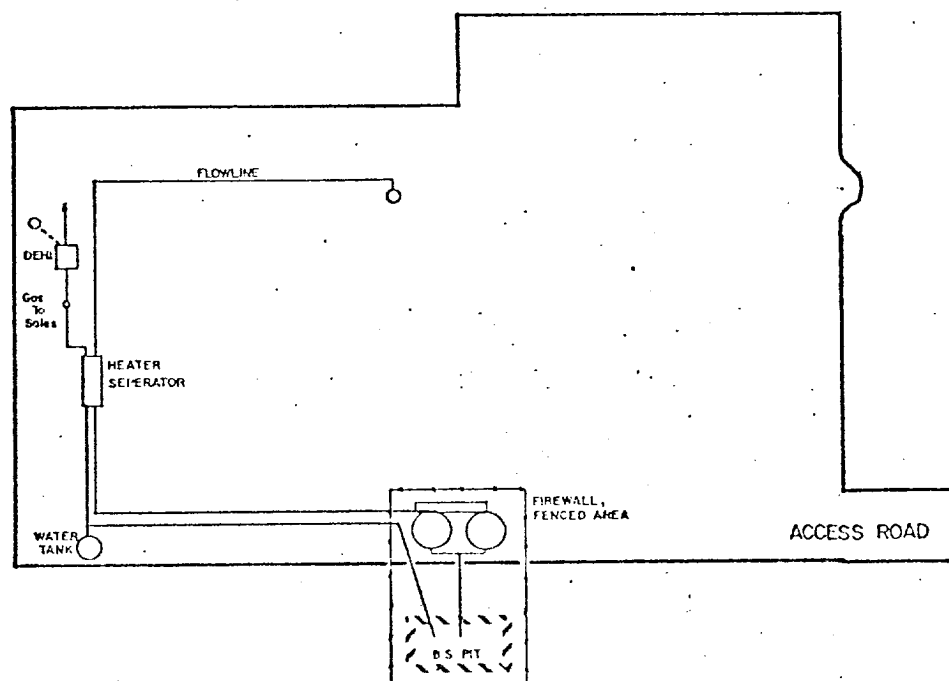
## THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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.

# YATES PETROLEUM CORPORATION



DRILLING RIG LAYOUT



TANK BATTERY LAYOUT