

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

C/SF
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION NM 12246	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME FEB 22 1982	
2. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME O. C. D.	
3. ADDRESS OF OPERATOR 207 S. 4th, Artesia, New Mexico 88210		8. FARM OR LEASE NAME Artesia, Office Oakason "NV" Federal	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2030' FNL & 1650' FEL At proposed prod. zone same		9. WELL NO. 3	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 25.5 miles SW of Artesia, NM.		10. FIELD AND POOL, OR WILDCAT Wildcat	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1650'		11. SEC., T., R., M., OR BLK. AND SURVEY OR ABMA Sec. 34-T19S, R24E	
16. NO. OF ACRES IN LEASE 1000		12. COUNTY OR PARISH Eddy	
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE NM	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. n/a		19. PROPOSED DEPTH 9250'	
20. ROTARY OR CABLE TOOLS Rotary		21. APPROX. DATE WORK WILL START*	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3719.0 GL		22. APPROX. DATE WORK WILL START*	

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. 275'	300 sx circulated
12 1/4"	8 5/8"	24# J-55	Approx. 1100'	800 sx circulated
7 7/8"	4 1/2" or 5 1/2"	15.5 - 17#	TD	600 sx
		10.5 - 11.6#		

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: FW gel and LCM to 1200', fresh water to 400', 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. Yellow Jacket prior to drilling Wolfcamp (5069').

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 [Signature] TITLE Regulatory Manager DATE 2/12/82
(This space for Federal or State office use)

PERMIT NO.

APPROVED

APPROVAL DATE

APPROVED BY
CONDITIONS OF APPROVAL

FEB 19 1982

JAMES A. GILLHAM
DISTRICT SUPERVISORAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DATE

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.

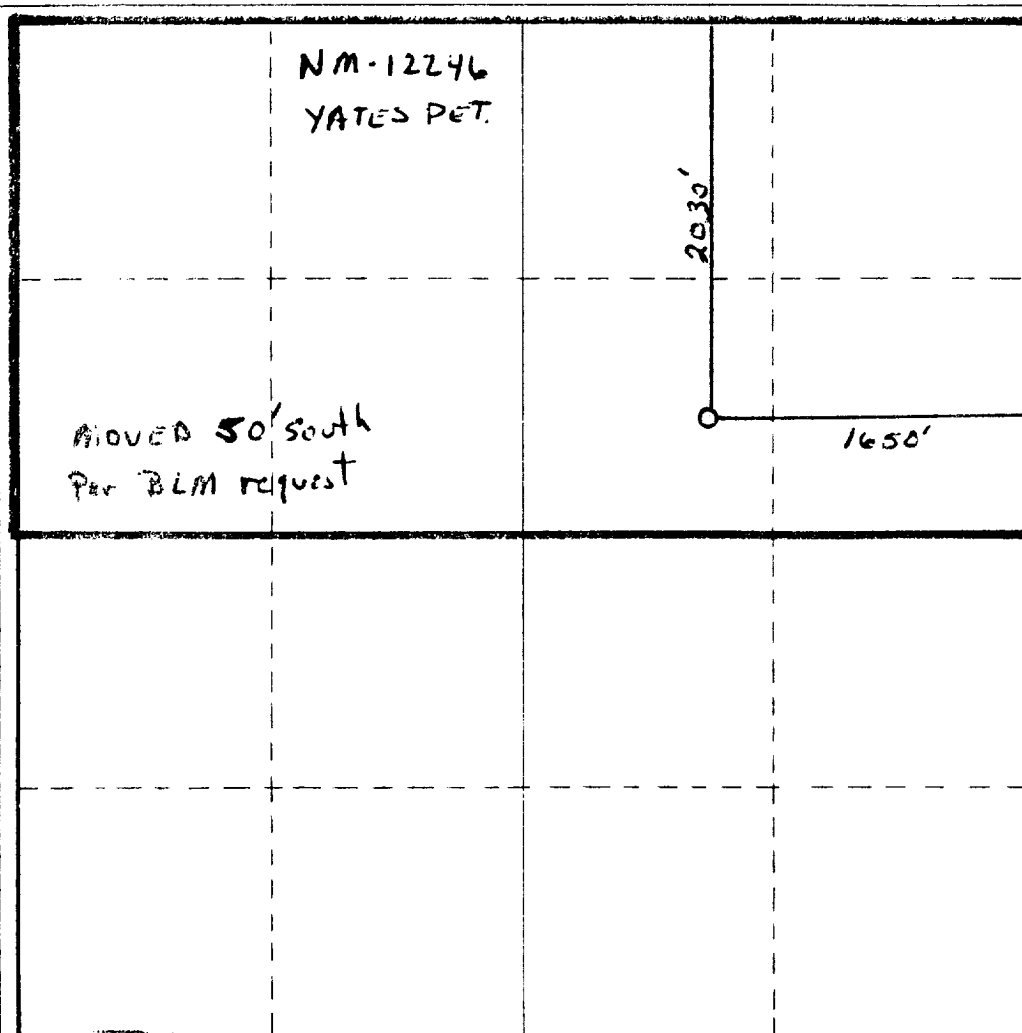
Operator YATES PETROLEUM CORPORATION			Lease OAKASON NV FEDERAL		Well No. 3
Unit Letter G	Section 34	Township 19 SOUTH	Range 24 EAST	County EDDY	
Actual Well Location of Well: 6030 feet from the NORTH line and 1650 feet from the EAST line					
Ground Level Elev. 3719	Producing Formation MORROW		Pool UNDES MORROW	Dedicated Acreage: 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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.

Ken Beardemphl

Name

KEN BEARDEMPHL

Position

REG. COOL.

Company

YATES PETROLEUM CORP.

Date

2-16-82

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.

Refer to original plat

Date Surveyed

2-16-82

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

0 320 640 960 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800 5120 5440 5760 6080 6400

**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.

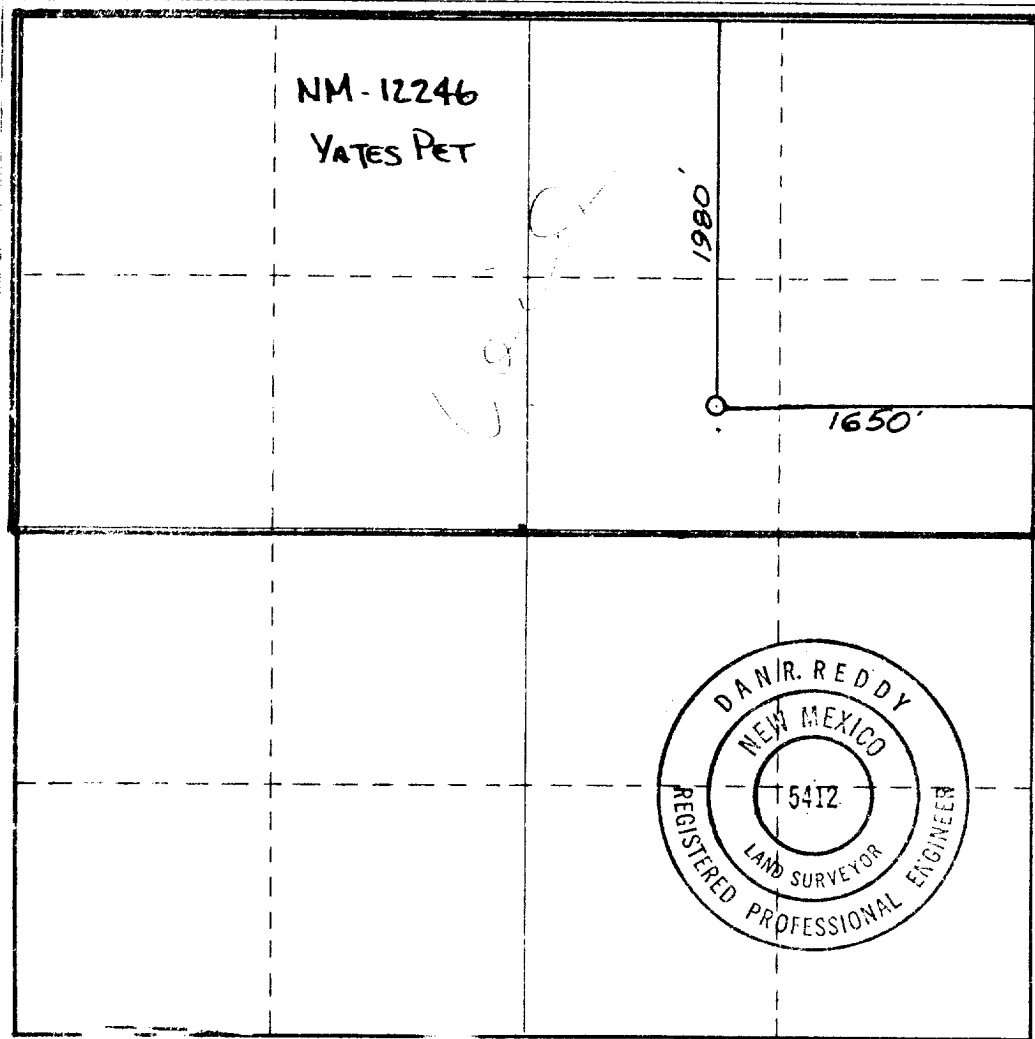
Operator Yates Petroleum Corporation			Lease Oakason NV Federal		Well No. 3
Unit Letter G	Section 34	Township 19 South	Range 24 East	County Eddy	
Actual Well Location of Well: 19 feet from the North line and 1650 feet from the East line					
Ground Level Elev. 5719	Producing Formation Morrow	Pool UNRES. MORROW		Dedicated Acreage: 320 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.

[Signature]
Name
GLIBERIO RODRIGUEZ
Position
REG. MGR.
Company
YATES PETROLEUM CORP.
Date
2-15-82

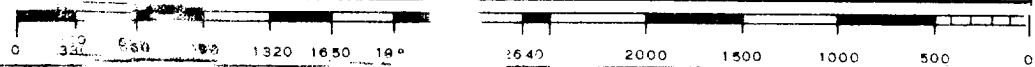
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
Feb. 14, 1982

Registered Professional Engineer and/or Land Surveyor

[Signature]
Certificate No.

NMPE&LS # 5412



Yates Petroleum Corporation
Oakason "NV" Federal #3
Section 34 - T19S - R24E
2030' FNL and 1650' 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:

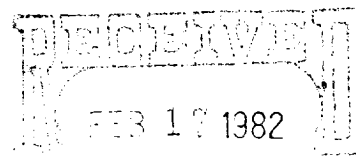
1. The geologic surface formation is quaternary alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	409'	Strawn	8122'
Glorieta	1776'	Atoka	8609'
Abo	4001'	Morrow Clastics	8913'
Wolfcamp Lime	5069'	Chester Lime	9158'
Lower Canyon	7423'	TD	9250'

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

Water: Approximately 200 - 250'

Wolfcamp	5095'
Atoka	8640'
Morrow	8935'



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.

OR & G-3
U.S. GEOLOGICAL SURVEY
LOS WELLS, NEW MEXICO

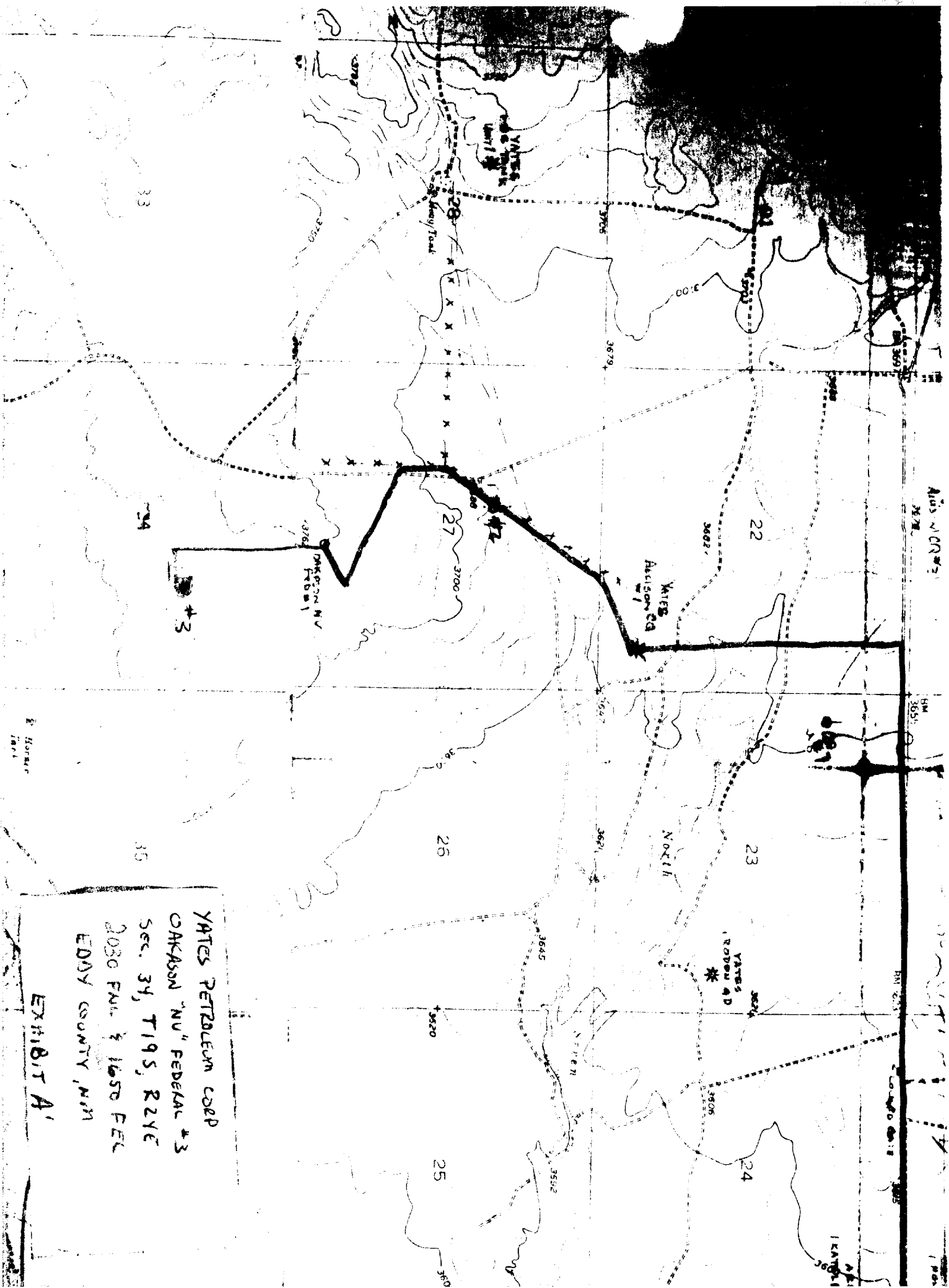
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples: 10' samples out from under surface casing.

DST's: As warranted.

Logging: CNL-FDC TD to casing with GR-CNL on up to surface;
DLL-TD to casing with min. R.O. on bottom 200 feet.
x

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



rotating head if necessary
Fill up Line

ROTATING
BOP
2000 psi

Flowline

ANNULAR BOP

(Hydrill)

Exhibit B

900

PIPE RAMS

900

Shaffer 10" Series 900

Hydraulically Operated B.O.P.'s

BLIND RAMS

900

Check Valve

Steel
Valve

Kill
Line

4 inch Line

900

Choke
Manifold

Choke
Manifold

Ringhead or Bradenhead

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. B. P. float must be installed and used below zone of first gas intrusion.