



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Box 1897, Roswell, New Mexico, 88201

IN REPLY
REFER TO:

NM-0560353
3162.41 (065)

RECEIVED

NOV 06 '87

O. C. D.
ARTESIA, OFFICE

NOV 05 1987

Harvey E. Yates Co.
P.O. Box 1933
Roswell, NM 88201

Dear Sir:

Your application for Permit to Drill the Hale 11 Federal No. 2 well in the NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec. 11, T. 19 S., R. 30 E., Eddy County, New Mexico, lease NM-0560353, to a depth of 9800 feet to test the Bone Spring formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the Bureau of Land Management Office checked on the enclosed special stipulation in sufficient time for a representative to witness all cementing operations.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Sincerely,

Very truly yours,
Francis R. Cherry, Jr.

Francis R. Cherry, Jr.
District Manager

1 Enclosure

cc:
NMOCD, Artesia - 2

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NOV 08 '87

O C D
SPECIAL AGENT

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

OFFICE OF THE DIRECTOR



NOV 10 1987

YREKA, CALIF.

TO: SAC, YREKA (100-444444)
FROM: SAC, DENVER (100-444444)
SUBJECT: [Illegible]

RE: [Illegible]

1. [Illegible]

2. [Illegible]

3. [Illegible]

4. [Illegible]

5. [Illegible]

6. [Illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

30-215-25832
5. LEASE DESIGNATION AND SERIAL NO.
NM-0560353

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 ☐

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2. NAME OF OPERATOR

Harvey E. Yates Co.

NOV 06 '87

3. ADDRESS OF OPERATOR

P.O. Box 1933, Roswell, New Mexico 88201

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

At surface

2130 FEL & 1980 FSL

O.C.D.
ARTESIA, OFFICE

At proposed prod. zone

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

12 miles south of Loco Hills, New Mexico

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

834

16. NO. OF ACRES IN LEASE

2160.32

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.

990

19. PROPOSED DEPTH

9800

20. ROTARY OR CABLE TOOLS

Rotary

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

3364.4 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	54.5	350	Circ to surface
12 1/4	8 5/8	24	2000	Circ to surface
7 7/8	5 1/2	17	9800	600 ft above pay

Mud Program:

0 - 350 FW w/paper
350 - 2000 Brine water
2000 - 9800 FW mud

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OCT 22 11 13 AM '87
CALIFORNIA SOURCE
AREA HEADQUARTERS
ARTESIA, CALIF.

RECEIVED

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

N. Young

NM Young

TITLE Drilling Superintendent

DATE 10-20-87

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*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

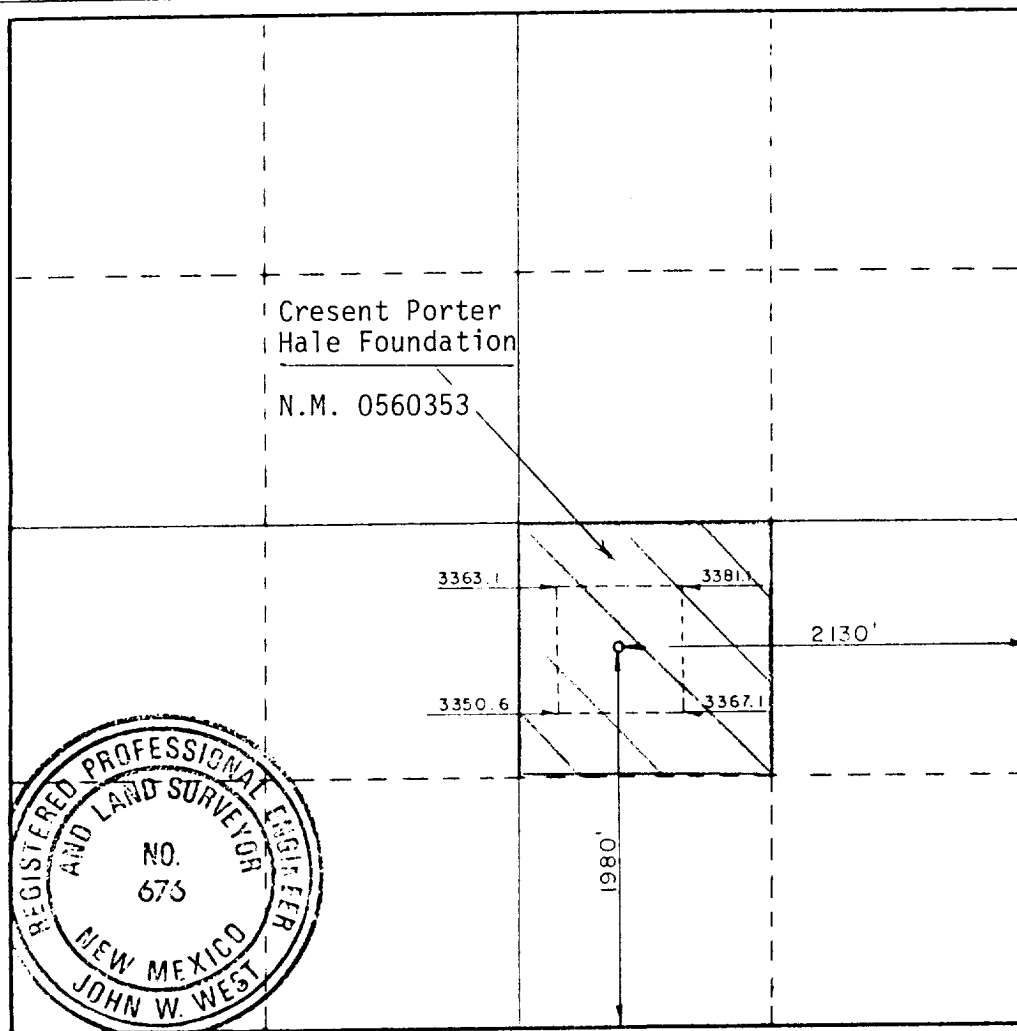
Lessee Harvey E. Yates Co.			Lease Hale 11 Federal		Well No. 2
Section 11	Township 19 South	Range 30 East	County Eddy		
Actual Well Location of Well:					
2130 feet from the East line and		1980 feet from the South line			
Ground Level Elev. 3364.4	Producing Formation Bone Spring	Pool OPL Benson Bone Spring	Dedicated Acreage: 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

Name
N.M. Young

Position
Drilling Superintendent

Company
Harvey E. Yates Co.

Date
Oct. 20, 1987

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
October 7, 1987

Registered Professional Engineer and Land Surveyor

Certificate No. **JOHN W. WEST, 676**
RONALD J. EIDSON, 3239

HEYCO

PETROLEUM PRODUCERS



HARVEY E. YATES COMPANY

P. O. BOX 1933

ONE SUNWEST CENTRE

505 / 623-6601

ROSWELL, NEW MEXICO 88201

October 7, 1987

Mr. J. R. Walls, General Manager
Amax Chemical Corporation
P. O. Box 279
Carlsbad, New Mexico 88220

Re: HEYCO's Hale-Benson Prospect
T-19S, R-30E, N.M.P.M.
Secs. 1, 10, 11 & 12
Eddy County, New Mexico

Dear Mr. Walls:


Harvey E. Yates Company (HEYCO) is writing this letter in compliance with State Rule R-111A and Federal Requirements, as notice of a proposed location for the drilling of an oil and gas well on the above captioned prospect area.

We are requesting permission to stake a location 1980' from the South Line and 1980 feet from the East Line of Section 11. It is our intention to drill a Bone Spring well to an approximate depth of 9,800 feet.

If you are in agreement to the above, please indicate your acceptance in the space provided below. Return one signed copy to us at your earliest convenience.

Thank you Mr. Walls, for your prompt attention to this matter.

Very truly yours,


Robert H. Bell
Landman

RHB/dlm
amaxhale

AGREED AND ACCEPTED THIS _____ DAY OF _____, 1987.

AMAX CHEMICAL CORPORATION

By: _____

Title: _____

Application

HARVEY E. YATES COMPANY
Hale 11 Federal #2
Section 11, T19S, R30E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 11, Township 19 South, Range 30 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

1. The geologic surface formation is quaternary alluvium and bolson deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Yates	1950'	San Andres	4175'
Seven Rivers	2350'	Delaware	4520'
Bower	2640'	Bone Springs	6050'
Queen	2885'	TD	9800'
Penrose	3180'		
Grayburg	3810'		

3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Springs 6050'

4. Proposed casing program: See Form 3160-3
5. Pressure control equipment: See Exhibit C.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer
8. Testing, logging and coring programs: We are not planning to do any coring. Two (2) DST's are planned for the Bone Springs. Planned logs are DLL-Micro w/GR & Caliper, CN-Den w/GR & Caliper.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Hale 11 Federal #2
Sec. 11, T19S, R30E
Eddy County, New Mexico

1. EXISTING ROADS:

Exhibit A is a portion of the New Mexico map showing the location of the proposed well. The location is approximately 12 miles south of Loco Hill, New Mexico. From Artesia go East on U.S. 82 14 miles. Turn south (right) on 360 and go 10 miles. Turn east (left) at mile marker 5 on the north side of Amax Potash Company. Go 1.7 miles to intersection (old railroad right-of-way). Turn southeast (right) and go .75 miles to the Great Western Mable Hale #2. Turn south (right) and go .6 miles to Heyco Hale 11 Federal #1. Turn east (left) & go 1000 ft to new location.

2. PLANNED ACCESS ROADS:

A. The existing road will be extended approximately 1000 ft. The running surface will be 14' wide, built with 6" compacted caliche.

3. LOCATION OF EXISTING WELLS:

A. Exhibit B is a plat showing existing wells and their locations.

4. LOCATIONS OF TANK BATTERIES, ETC.:

A. In the event we drill a producing well, all production equipment will be located at the well site.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be from commercial sources, either hauled or pipelined.

6. SOURCE OF CONSTRUCTION MATERIAL:
 - A. We will use caliche from the reserve pit area to build the road and location.
7. METHODS OF HANDLING WASTE DISPOSAL:
 - A. Waste will be buried in reserve pits at a depth of 36". The wellsite will be cleaned of all waste and this will be done within 30 days after completion of the well.
8. ANCILLARY FACILITIES:
 - A. None required.
9. WELLSITE LAYOUT:
 - A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits and major rig components.
 - B. The land is relatively flat with sandy soil.
 - C. The pad and pit area have been staked.
10. PLANS FOR RESTORATION OF THE SURFACE:
 - A. After finishing drilling and/or other completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite as pleasant in appearance as possible.
 - B. If the proposed well is non-productive, all restoration and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as quickly as possible. All pits will be filled and levelled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. The surface and minerals are Federal.
- B. The topography consists of sandy soil with native grasses, catclaw, etc. No wildlife was observed, but the usual inhabitants of this region are jackrabbits, reptiles, coyotes, etc.
- C. There are no ponds, lakes, streams or rivers in this area.
- D. An Archaeological Survey has been made and a copy has been sent to your Carlsbad office. The survey indicates no evidence of any significant archaeological, historical or cultural sites in the area. There are no occupied dwellings or windmills in the area of the wellsite.

12. OPERATOR'S REPRESENTATIVES:

- A. The field representatives responsible for assuring compliance with the approved surface use and operations plan are:


Micky Young
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/623-6601
Mobil: 505/624-1818 #840

Bob Williams
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/396-3235
Mobil: 505/624-1818 #867

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

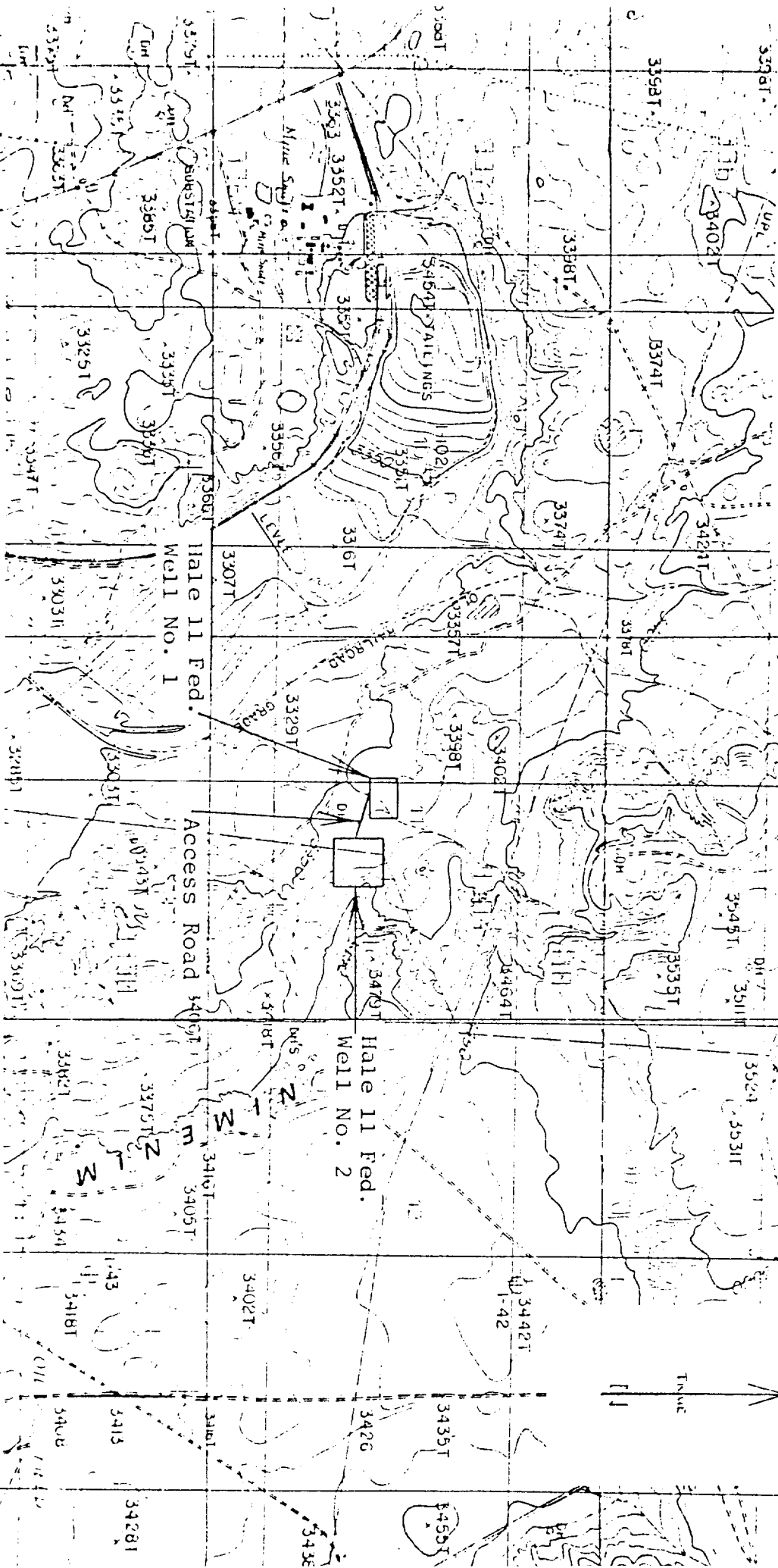
October 20, 1987



N.M. Young
Drilling Superintendent

EXHIBIT A

HARVEY E. YATES CO
HALE 11 FEDERAL 2
EDDY CO., NEW MEXICO
SEC. 11 T-19S R-30E



Map showing the location of the Harvey E. Yates Company Hale 11 Federal Well No. 2 and Access Road. T19S, R30E, Section 11, West of Centre, NW/4SE/4 [1980 FSL, 2130 FSL], Eddy County, New Mexico. Squares show locations of well pads, solid line shows location of access road. U.S.G.S. 7.5 minute series, BLACK-RENT 1:250,000, NEW MEXICO, 1985. AEC Project: 87-238.

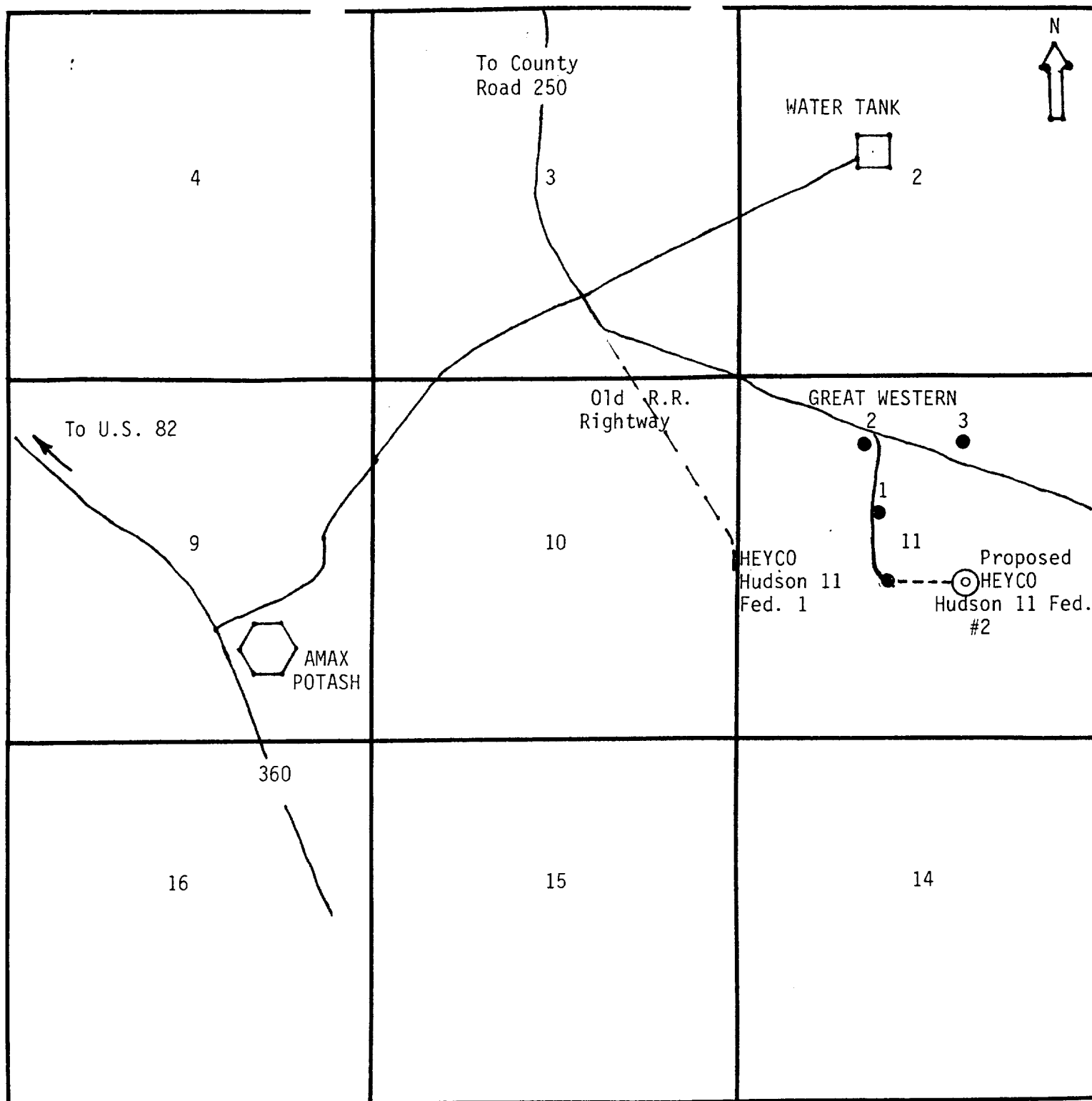


EXHIBIT B

SECTION 11 **TOWNSHIP** 19 S **RANGE** 30 E

COUNTY Eddy **STATE** New Mexico

Harvey E. Yates Co.
Hale 11 Federal 2

Existing Roads ———
Existing Locations ●

Proposed Roads - - - -
Proposed Location ⊙

EXHIBIT C

HARVEY E. YATES CO.
HALE 11 FEDERAL 2
EDDY CO., NEW MEXICO
Sec. 11 T-19S R-30E

900 Series

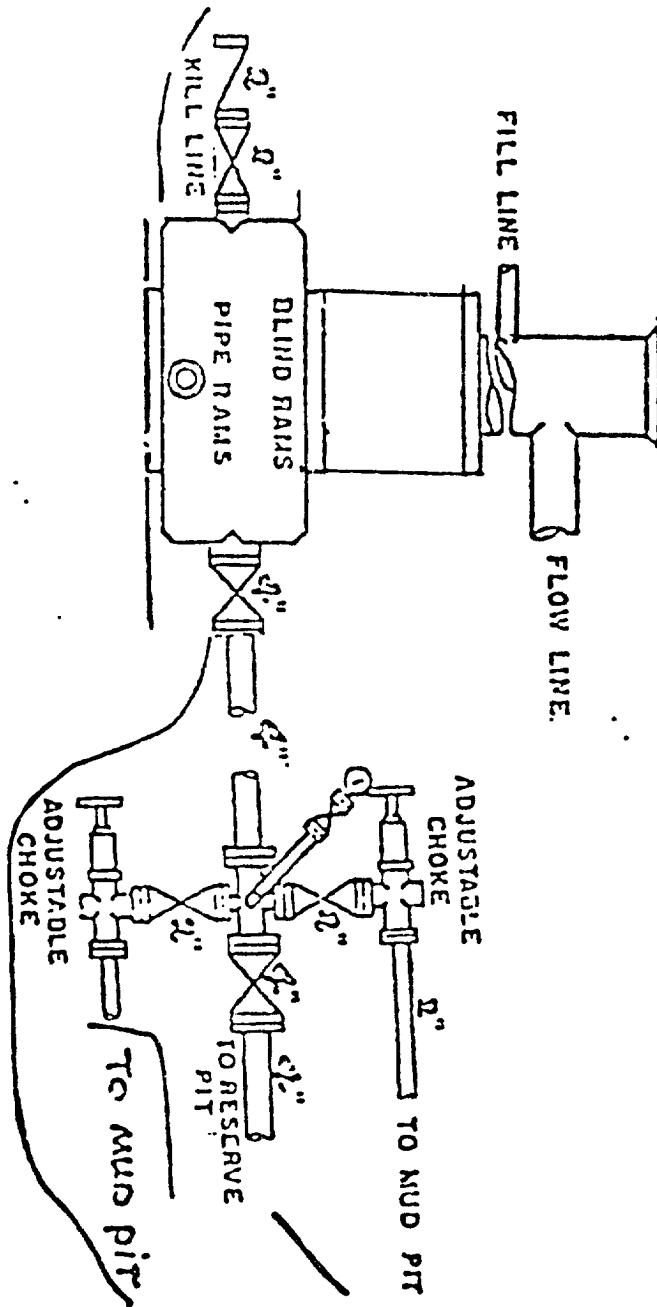


EXHIBIT D

HARVEY E. YATES CO.
HALE 11 FEDERAL 2
EDDY CO., NEW MEXICO
Sec. 11 T-19S R-30E

