H. H. C. C. S. M. M. S.						30-015-36189 Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985	
		LAND MANAG				5. LEASE DESIGNATION AND BERIAL NO. NM-25865	
APPLICATI	ON FOR PERMIT T			ARTESU	BACK	6. IF INDIAN, ALLOTTE	E OR TRIBE NAME
a. TYPE OF WORK b. TYPE OF WELL	DRILL X	DEEPEN [PLUG B	ACK 🗌	7. UNIT AGREEMENT N	AMB
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	oleum Corporation	×				9. WELL NO. 2	······
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Same						Sec. 26-T19: 12. COUNTY OR PARISH	
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(Also to nearest drig. unit line, if any) IS. DISTANCE FROM PROPOSED LOCATION [®] TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.			19. PROPOSED DEPTH 20. ROT			CARY OR CABLE TOOLS	
	whether DF, RT, GR, etc.)		·			22. APPROX. DATE WO ASAP	DEK WILL START*
23.		PROPOSED CASI	NG AND	CEMENTING PROG	RAM	<u> </u>	
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APPROVED BY	£.,			÷.	, · · ·	1.75	
CONDITIONS C		PROV	AL, I	IF AN	Y :		

PERMIT NO.

*See Instructions On Reverse Side

APPROVAL DATE ____

9-18-89

DATE .

ADTA DA MARK

TITLE CARLESAU TEMPER + ARM

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WEXICO OIL CONSERVATION COMM

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

	All dist	ances must be fro	m the outer boundaries of	of the Section.	•	
Operator		1	jease		Well No.	
YATES PE	ROLEUM CORPORATION	J	Eng TX Fed	Jeral Com	2	
	ection Township		Range	County	<u>-</u>	
N	26	19 South	24 East		County, N.M.	
Actual Pootage Location 660	feet from the South	line and	1980 <u>f</u> e	et from the West	line	
Ground Level Elev.	Producing Formation	I	Pool		Dedicated Acreage:	
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			1		8-22-89	
1980'	Nm-25865 H дР	рт - 268 H ВР		L THE SU Registe ant/or	N.R. RED wertig the the well location in critics the well location as actual surveys made by me or my up5412100, and they he same c and correct to the best of my recaeting beliefs PROFESSIONAL PROFESSIONAL arveyed cust 21, 1989 and Surveyor	
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YATES PETROLEUM CORPORATION Eng "TX" Federal #2 660' FSL & 1980' FWL Section 26-T19S-R24E Eddy County, New Mexico

In conjunction with Form 3160-3, 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 geological surface formation is alluvium.
- 2. The estimated tops of geologic markers are as follows:

San Andres	383'	Base Canyon Dolomite	7658 '
Glorieta	1789'	Strawn	8101'
Abo	4015'	Atoka	8637'
Wolfcamp Lime	5201'	Morrow Clastics	8938'
Canyon Limestone Cup	7453'	Chester Lime	9198'
TOP Canyon Dolomite	7628'	TD	9400'.

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

Water: Approximately 330' - 275' Oil or Gas: 8101', 8637', 8938'

- 4. Proposed Casing Program: See Form 9-331C.
- 5. Pressure Control Equipment: See Form 9-331C.
- 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 foot samples out from under surface casing to TD.
DST's: As warranted by drilling breaks and shows
Coring: None
Logging: CNL-LDT from TD to casing with GR-CNL on to surface; DLL with RXO TD to
casing; LSS TD to casing

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

MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Petroleum Corporation Eng "TX" Federal #2 660' FSL and 1980' FWL of Section 26-T19S-R24E Eddy County, New Mexico

This plan is submitted with Form 3160-3, 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 operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 29 miles southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Go south of Artesia on Highway 285 for approximately 15 miles to the Rock Daisy Road.
- B. Turn west and go approximately 8 miles.
- C. Turn north for approximately 1/2 mile then turn west to the Roden "GD" #4 location.
- D. New road will start here.
- 2. PLANNED ACCESS ROAD
 - A. The proposed new access will be approximately 2500' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a southeast to northwestern direction.
 - B. The new road will be 14 feet in width (driving surface).
 - C. The new road will be bladed with drainage on one side. Some turnouts will be built.
 - D. The route of the road is visible.
- 3. LOCATION OF EXISTING WELL
 - A. There is drilling activity within a one-mile radius of the wellsite.
 - B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.
- 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. No power will be required if the well is productive of gas.

Eng "TX" Federal #2

Page 2

- 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. There is a federal caliche pit located in the SW/4SW/4 of Section 17-T19S-R25E or the caliche will be taken off the location.
- 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.
 - D. Oil produced suring operations 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 of dirt. All waste material will be contained to 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. ANCILLIARY FACILITIES:
 - A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. A cross section of drill pad with approximate cuts, fills and pad orientation is shown on Exhibit E.
- B. The reserve pits will be plastic lined.
- C. 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.

Eng "TX" Federal #2

Page 3

- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been levelled.
- C. If the proposed well is non-productive, all rehabitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.
- 11. SURFACE OWNERSHIP: The surface and minerals are owned by the federal government.
- 12. OTHER INFORMATION:
 - A. Topography: Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
 - B. The primary surface use is for grazing.
- 13. OPERATOR'S REPRESENTATIVE:
 - A. Through A.P.D. Approval: B. Through Drilling Operations:

Ken Beardemphl, Landman Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505)-748-1471

Al Springer, Drilling Superintendent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505)-748-1471

14. 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 Corporation 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.

8-23-00

Date

Ken Beardemphl Landman







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