

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐ PLUG BACK ☐			5. LEASE DESIGNATION AND SERIAL NO. NM-14118		
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☐ MULTIPLE ZONE ☐			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 105 S. Fourth, Artesia, New Mexico 88210			8. FARM OR LEASE NAME Allison "CQ" Fed.		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FNL & 660' FEL At proposed prod. zone Same			9. WELL NO. 10		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 25 miles SW of Artesia, New Mexico			10. FIELD AND POOL, OR WILDCAT N. Dagger Draw Upper Penn		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		16. NO. OF ACRES IN LEASE 2560		17. NO. OF ACRES ASSIGNED TO THIS WELL 160	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 8000'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3616			22. APPROX. DATE WORK WILL START* ASAP		

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	9 5/8"	36#	1200'	1000 sacks <u>circulated</u>
8 3/4"	7"	23-26#	TD	as warranted

We propose to drill and test the Cisco and intermediate formations. Approximately 1300' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be ran and cemented, will perforate and stimulate as needed for production.

DRILL PROGRAM: FW GEL to 1300'; FW to 4000'; Cut Brine to 7000'; SW GEL/starch to TD.

BOP PROGRAM: BOP's and hydril will be installed on 9 5/8" casing and tested daily.

Post ID-1
10-6-89
New loc. & API

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 Landman DATE 9-12-89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 9-29-89

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

**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.

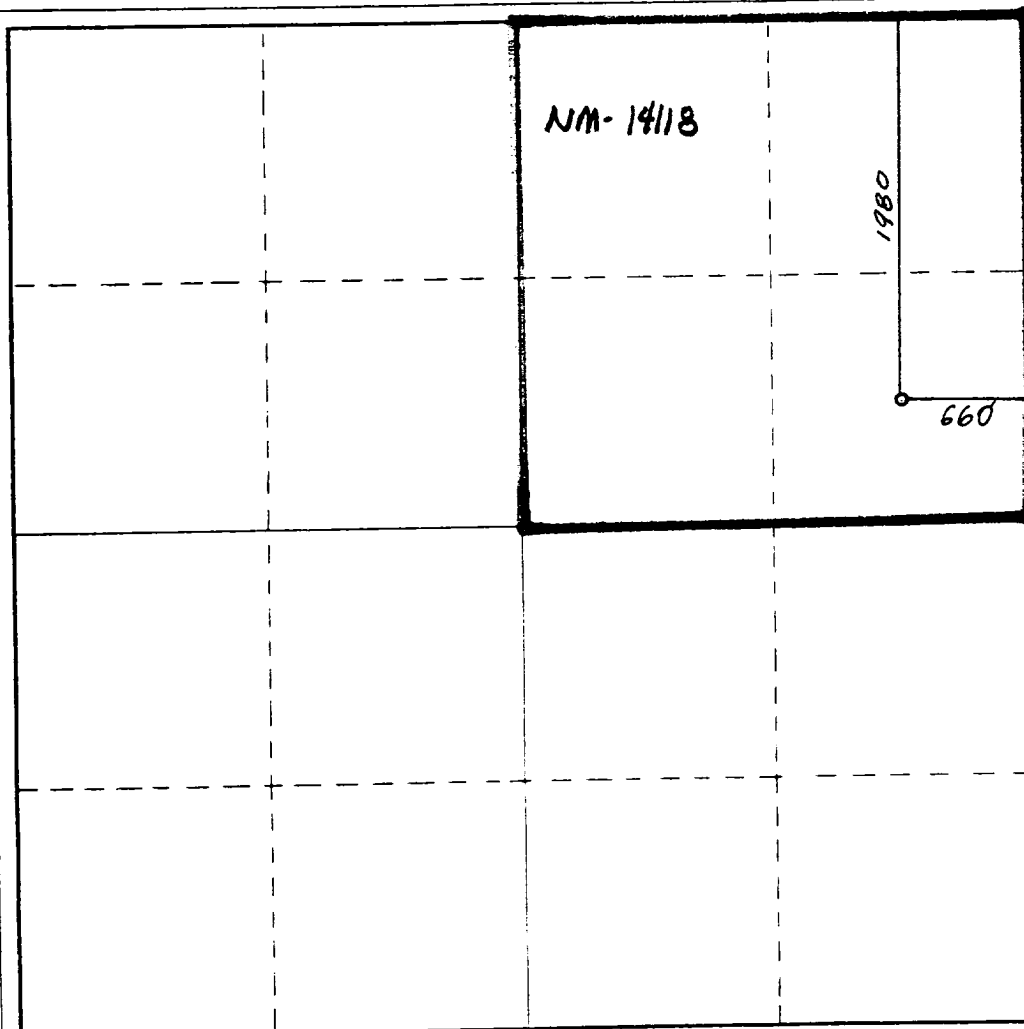
Operator YATES PETROLEUM CORPORATION			Lease Allison CQ Federal		Well No. 10
Unit Letter H	Section 13	Township 19 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line					
Ground Level Elev. 3616.	Producing Formation Cisco		Pool N. Dagger Draw Upper Penn		Dedicated Acreage: 160 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.

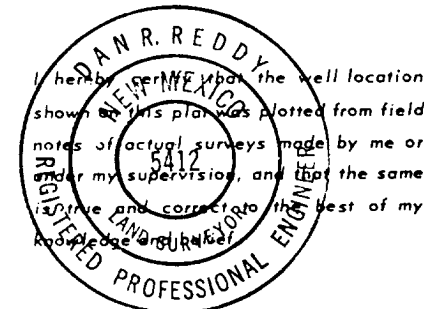
Ken Beardemuhl

Name
KEN BEARDEMUEL

Position
LANDMAN

Company
Yates Pet. Corp.

Date
9-12-89



Date Surveyed
September 6, 1989

Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

Certificate No.
NM PE&LS NO. 5412

YATES PETROLEUM CORPORATION
Allison "CQ" Fed. #10
1980' FNL & 660' FEL
Sec. 13-T29S-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	441'	Base Dolomite	7768'
Glorieta	1850'	TD	8000'
Abo	4032'		
Wolfcamp Lime	5359'		
Canyon Lime	7546'		
Canyon Dolomite	7693'		
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 275'
Oil or Gas: 5359', 7546', 7768'
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3.
6. Mud Program: See Form 3160-3.
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
Coring: None
Logging: CNL-LDT from TD to casing with GR-CNL on to surface; DLL with RXO 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
Allison "CQ" Fed. #10
1980' FNL & 660' FEL
Section 13-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 25 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 13 miles to the Rocky R Red Road.
- B. Turn west for approximately 7.5 miles and turn north to Molly D Com. #1 location.
- C. New access road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 2500' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a south to north 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.

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. Federal pit located NE/4 SE/4 Section 23-T19S-R24E.

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 during 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.

- 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 rehabilitation 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: Federal lands, BLM Carlsbad, New Mexico.

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:

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

B. Through Drilling Operations,
Completions and Production:

Mike Slater, Operations Manager
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.

9-12-89

Date


Ken Beardemphl

Landman

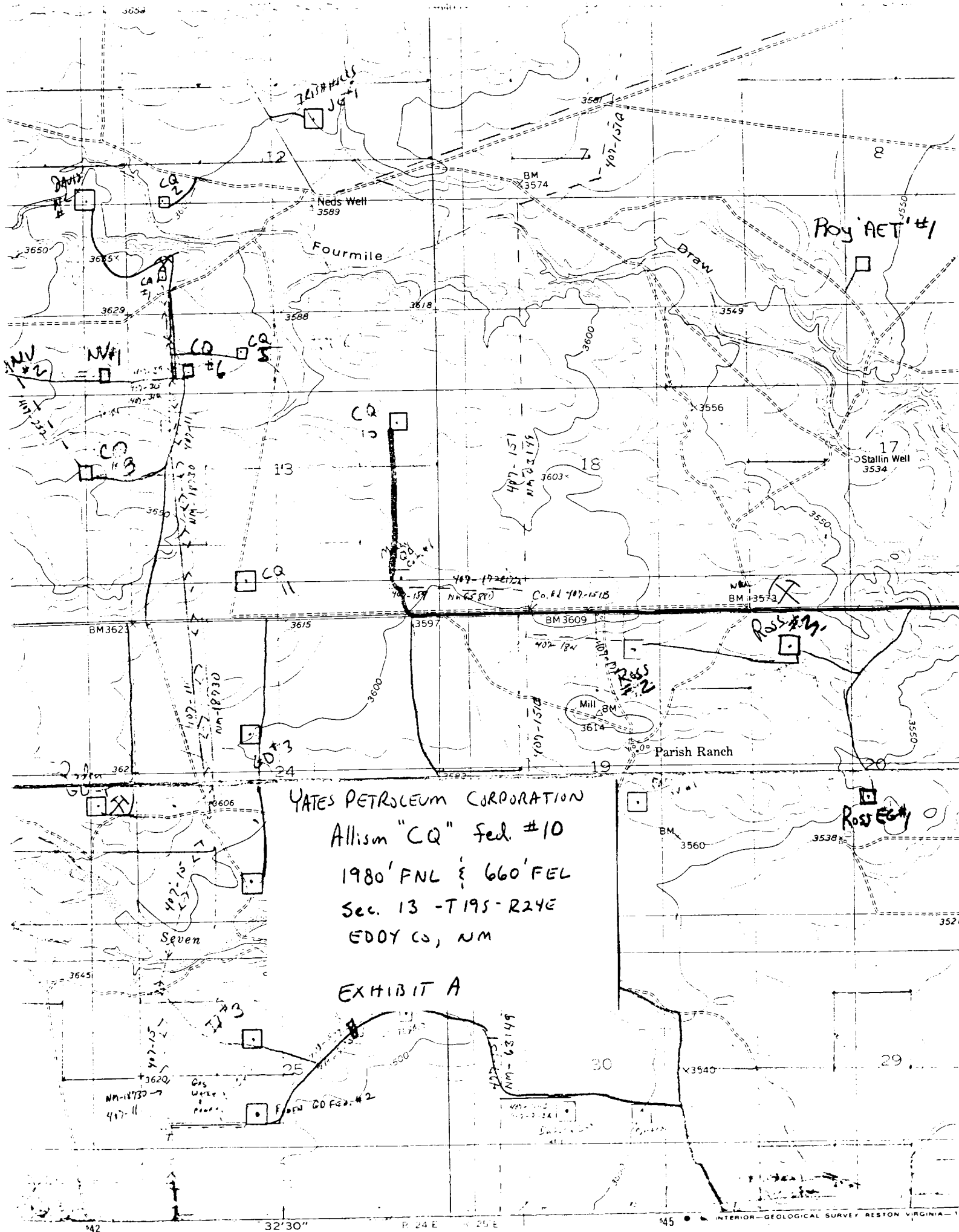
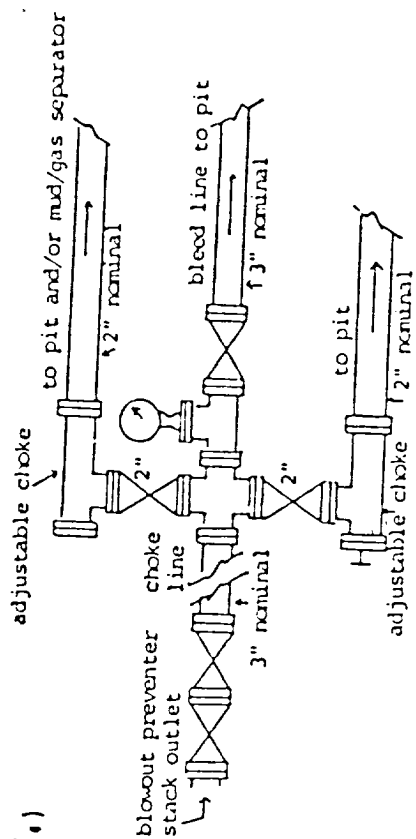
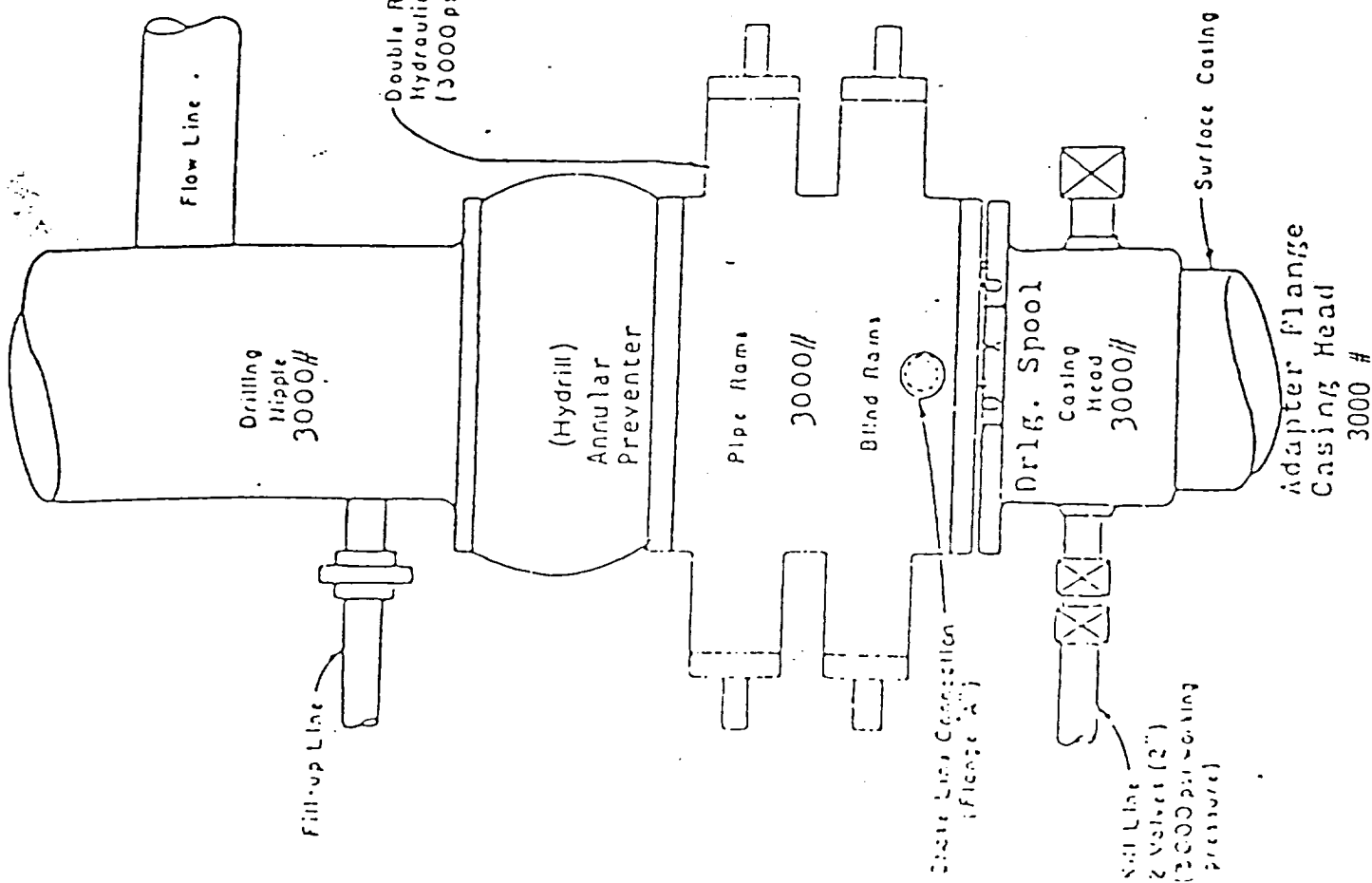


EXHIBIT "B"

Blowout Preventer Diagram



typical choke manifold assembly for 34 rated working pressure service-surface installation

YATES PETROLEUM CORPORATION

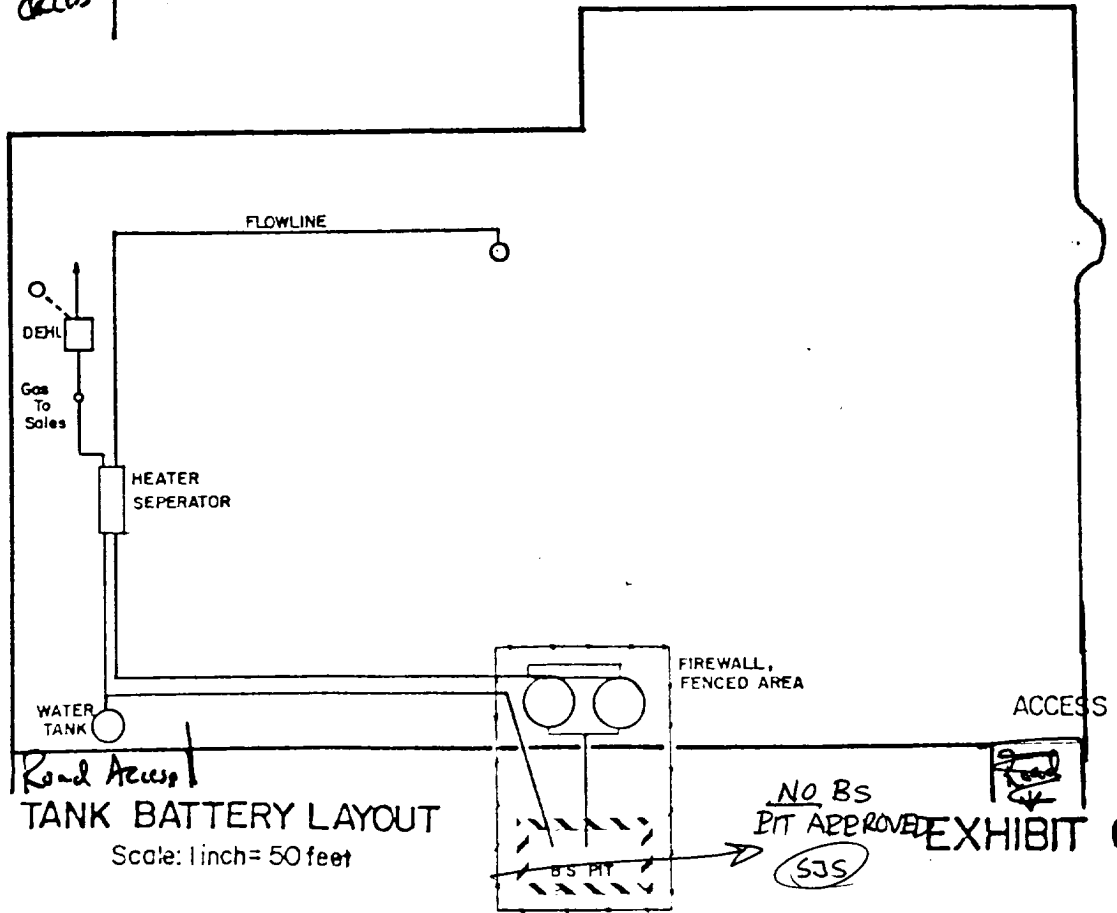
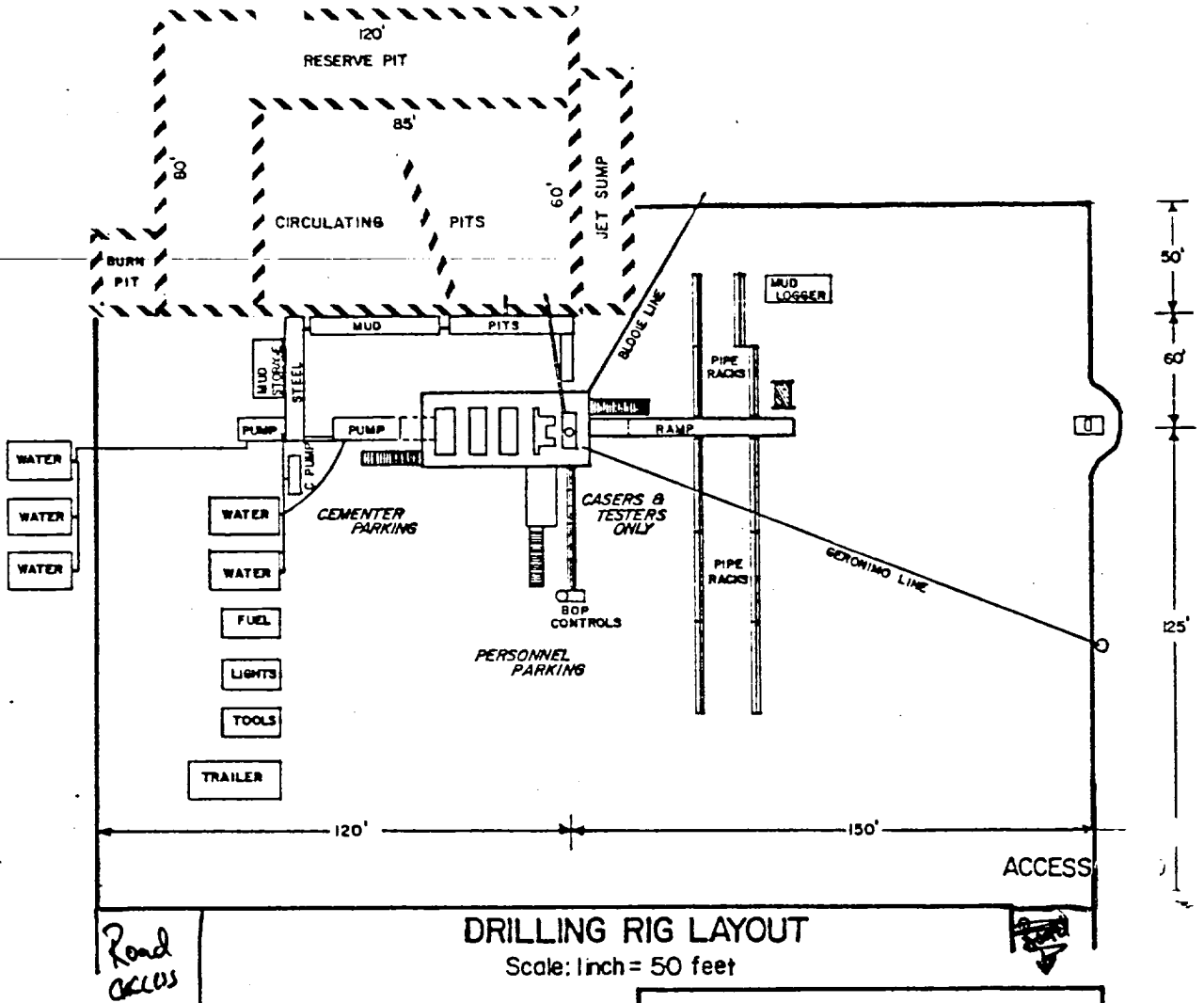


EXHIBIT C

