Form 3160-3 (November 1983) (formerly 9-331C)	Artun	COMS. COMMISSION DD TEAL STATES T OF THE INTE	(Other instr reverse	ucuons on	30-3/5-36436 Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985
	BUREAU O	F LAND MANAGEME	ΝΤ		5. LEASE DESIGNATION AND SEBIAL NO.
APPLICAT	ION FOR PERMIT	TO DRILL, DEEP	EN. OR PLUG	BACK	NM - 043625 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
1a. TYPE OF WORK					
b. Type of well		DEEPEN			7. UNIT AGREEMENT NAME
2. NAME OF OPERATO	WELL X OTHER		INGLE MULTI ONE ZONE		8. FARM OR LEASE NAME
Yates Petr 3. ADDRESS OF OPERA	oleum Corporation				Saguaro "AGS" Fed. Com. 9. WELL NO.
105 South	Fourth Street, Ar	tecia Nou Mourie	00010	-	4
4. LOCATION OF WEL At surface	L (Report location clearly an	d in accordance with any i	CO 88210 State requirements.*)	<u>x</u>	10. FIELD AND POOL, OR WILDCAT Und. Morrow
	1980' FSL and 198	O' FEL		/ -	11. SEC., T., B., M., OR BLK. AND SUBVEY OR ABEA
At proposed prod	. zone same	·	UT. 2		
14. DISTANCE IN MI	LES AND DIRECTION FROM NEA	REST TOWN OR POST OFFIC	E+		Sec. 14-T20S-R24E 12. COUNTY OF PARISH 13. STATE
	ely 30 miles sout			88210	P 33
15. DISTANCE FROM P LOCATION TO NE	PROPUSED*		D. OF ACRES IN LEASE	17. NO. OF	ACRES ASSIGNED
PROPERTY OR LEA	SE LINE, FT. drlg. unit line, if any)	1980'		_	s well 20
18. DISTANCE FROM TO NEAREST WEI	PROPOSED LOCATION* .L, DRILLING, COMPLETED,				OR CABLE TOOLS
OR APPLIED FOR, OF	whether DF, RT, GR, etc.)		9700	Rot	
3616	whether Dr, RI, GR, etc.)				22. APPROX. DATE WORK WILL START*
23.		PROPOSED CASING ANI	CEMENTING BROCK	<u> </u>	
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT			
14-3/4"	9-5/8"		SETTING DEPTH	-	QUANTITY OF CEMENT
8-3/4"	7"	<u> </u>	Approx. 1200' TD		1100 sx, circulated As warranted(see stips)
IZUUT OF SU If commerci as needed f	for production.	be set and cem sing will be ra	ent circulated n and cemented,	to shut, will pe	Int 1D-1 7-13-90 Mur Lie + AP-F as. Approximately off gravel and cavings. erforate and stimulate el/Starch to TD.
BOP PREGRAM	BOP's and hydr	il will be insta	alled on $9-5/8$ "	' casing	and tested daily.
IL CI AED					and cobecu dairy.
	APPROVAL		RECE	CZVI	
		EQUIREMENTS AND			
AS NOT DED	SPECIAL ST	PULATIONS		6 '90	
			JUL	0 30	
zone. If proposit is preventer program, if	to Gill or deepe directiona	lly, give pertinent data of	୍ର ପ୍		tive zone and proposed new productive nd true vertical depths. Give blowout
24.			ARTES	A, OFFICE	
SIGNED HON	Junting	TITLE I	andman		DATE 6-11-90
(This space for F	ederal or State office use)				
PERMIT NO.			APPROVAL DATE		
	David Alt	i K-	ABEA MANAGER		- 10 ·
$\frac{\partial PPROVED}{PPROVED} = \frac{\partial PPROVED}{PPROVED}$		TITLE	MARIAN RESOURCE ARE	Ŕ	DATE 7 - 5 - 90

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*See Instructions On Reverse Side

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.

MEXICO OIL CONSERVATION COMMISS N 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 Well No. Lease YATES PETROLEUM CORPORATION Saguaro AGS Federal Com 4 Unit Letter Section Township Range County J 14 20 South 24 East Eddy County, N.M. Actual Footage Location of Well: 1980 South 1980 feet from the line and feet from the East Ground Level Elev. Producing Formation Pool Dedicated Acreage: 3616. Morrow Und. 320 Marnin 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? If answer is "yes," type of consolidation <u>Communitivities</u> X Yes No. 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 grod belief. BETHDEMPHL Comp m Date <u>, + 11-90</u> NR. REDA -60 N location r, PROFESSIO' 42787 Date Surveyed Ø May 28, 1990 Registered Professional Engineer r Land Surveyor Certificate No. NM PE&LS NO. 5412

330

660

90

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1980

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500

YATES PETROLEUM CORPORATION

Saguaro "AGS" Federal Com. #4 1980' FSL and 1980' FEL Section 14-T20S-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	534 '
Glorieta	2067'
Yeso	2174'
Bone Spring Lime	3328'
3rd Bone Spring Sand	5332'
Abo Dolomite	5578'
Wolfcamp	5768'
Canyon Limestone	7542'
Canyon Dolomite	7634'
Base Dolomite	7941'
Strawn	8221'
Atoka	8840'
Morrow Clastics	9216'
Austin Cycle	9356'
Chester Lime (Shaling out)	9483'
TD	9700 '

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

Water: Approximately 270'

Oil or Gas: Wolfcamp, Strawn, Atoka, Morrow

- 4. Proposed Casing Program: See Form 3160-3.
- 5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
- 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' samples from 500 feet depth 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
from TD to casing; long spaced sonic TD to casing.
Mudlogging: One man unit out from under 9 5/8" casing to TD.
Wellsite Geol.: To be determined.

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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 Saguaro "AGS" Federal Com. #4 1980' FSL and 1980' FEL Section 14-T20S-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 color quad map showing the well and roads in the vacinity of the proposed location. The proposed wellsite is located approximately 30 miles southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- 1. Go south of Artesia for approximately 15 miles on Highway 285 to Rock Daisy Road.
- 2. Turn west and go approximately 8.2 miles to Sawbucks Road.
- 3. Turn south and go approximately 2 miles.
- 4. Turn east to John "AGS" #1 location.
- 5. New road starts here.
- 2. PLANNED ACCESS ROAD
 - A. The proposed new access will be approximately 4000' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a north to south, then west to east direction.
 - B. The new road will be 14 teet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
 - C. The new road will be bladed with drainage on both sides. Some traffic 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 gas.

Saguaro "AGS" Federal Com. #4 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. Private pit in Section 22-T20S-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 for appropriate approval.
 - 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. The pits will be to the Northwest.
 - 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.

Saguaro "AGS" Federal Com. #4 Page 3

- 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: Carl Foster, Artesia, New Mexico . Mr. Foster and Yates petroleum Corporation have reached an agreement on use of the surface for our well.
- 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:

Completions and Production:

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

Mike Slater, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505)-748-1471

B. Through Drilling Operations,

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. lool for the filing of a false statement.

6-11-90

Date

Landman





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual contro 1. installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 3" diameter. 2.
- 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.
- The available closing pressure shall be at least 15% in excess of that 5. required with sufficient volume to operate the B.O.P.'s.

EXHIBIT

- All connections to and from preventer to have a pressure rating equivale 6. 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.

YATES PETROLEUM CORPORATION





EXHIBIT C

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