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3. ADDRESS OF OPERATOR	\checkmark			
			C. D.	5 10. FIELD AND POOL, OR WILDCAT
105 South Fourth Street, Art	esia, NM 88210		, OFFIC	oS. Dagger Draw Upper Pen
4. LOCATION OF WELL (Report location clearly and At surface	in accordance with any St	ate requirements.*)		11. SEC., T., R., M., OR BLK.
860'FNL & 1980'FEL	ut B			AND SUBVET OR AREA
At proposed prod. zone	UL ×			Sec. 26-T20S-R24E
SAME 14. DISTANCE IN MILES AND DIRECTION FROM NEAR	TAT TOWN OR POST OFFICE	•		12. COUNTY OR PARISH 13. STATE
				Eddy NM
Approximately 31 miles south	16. NO.	OF ACRES IN LEASE	17. NO.	OF ACRES ASSIGNED THIS WELL
LOCATION TO NEAREST	860'			320
(Also to nearest drig. unit line, if any) 18. DISTANCE FROM FROPOSED LOCATION*	19. рво	DPOSED DEPTH	-	ARY OB CABLE TOOLS
TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		8150'	R	otary
21. ELEVATIONS (Show whether DF, RT, GR, etc.)				22. APPROX. DATE WORK WILL START*
3650'				ASAP
23. F	ROPOSED CASING AND	CEMENTING PROGR.	AM	
SIZE OF HOLE SIZE OF CABING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEMENT
14 3/4" 9 5/8"	36# J-55	1200'		sacks circulated
8 3/4" 7"	23-26#	TD	<u>As w</u>	arranted (see stips)
Yates Petroleum Corporatio formations. Approximately to shut off gravel and cav	1200° of Surlac	ccial. producti	on cas	sing will be run and
cemented, will perforate a MUD PROGRAM: FW Gel/LCM t				7200'; SW Gel/Starch to TD
BOP PROGRAM: BOP's and hy	drill will be i	nstalled on 9 t	o/8" Ca	asing and tested daily.

ATTACHED 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 felse. fi titious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions On Reverse Side

TITLE

PERMIT NO.

APPROVED BY ______ FO :

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

APPROVAL DATE ____

DATE 5 0 91

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NE EXICO OIL CONSERVATION COMMISSIC WELL LOCATION AND ACREAGE DEDICATION PLAT

		All distances must be f	rom the outer b	oundaries of	the Section.		T
Operator			Lease				Well No. 5
עאַקדיק	PETROLEUM CO	RPORATION	Con	oco AGK			
Unit Letter	Section	Township	Range		County		L.S. N. M
B	26	20 South	2	4 East	l	Eddy C	ounty, N.M.
D Actual Footage Loc							
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1980 Ground Level Elev.			Pool			Dedic	ated Acreage:
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this form	if necessary.)	gned to the well until a se)or until a non-standa	1 interests	have been	consolidated	d (by communi , has been app	tization, unitization, roved by the Commis-
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YATES PETROLEUM CORPORATION

Conoco "AGK" Federal #5 860' FNL and 1980' FEL Section 26-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 BLM requirements.

- 1. The geological surface formation is Alluvium:
- 2. The estimated tops of geologic markers are as follows:

San Andres	594'
Glorieta	2,133'
Bone Spring Lime	3,576'
3rd Bone Spring Sand	5,594'
Abo Green Shale	5,881'
Wolfcamp Lime	6,218'
Canyon Lime	7,521'
Canyon Dolomite	7,574'
Base Canyon Dolomite	7,834'
Base Canyon Dolomite	7,834 [°]
TD	8,150'

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

Water:	Approximately 275'
Oil or Gas:	Wolfcamp, Canyon

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

Samples: 10' samples from 400' to TD.

DST's: As warranted by drilling breaks and shows.

Logging: CNL-LDT from TD to casing, with GR-CNL up to surface; DLL with RxO from 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 Conoco "AGK" Federal #5 860' FNL and 1980' FEL Section 26-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 the 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 map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 31 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 on Highway 285 for approximately 15 miles to Rock Daisy Road.
- 2. Turn west and go approximately 8.2 miles to Sawbucks Road.
- 3. Turn south approximately 3.4 miles to Pickett Road..
- 4. Turn east and go approximately 1 mile.
- 5. Turn south on lease road for approximately 1 1/2 miles.
- 6. Turn east to Conoco "AGK" Fed. #2 location.
- 7. New road starts here.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1000' 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) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. No traffic turnout will be built.

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.

Conoco "AGK" Federal #5 Page 2

6. SOURCE OF CONSTRUCTION MATERIALS:

Private located in Section 22-T20S-R24E.

- 7. METHODS OF HANDLING WASTE DISPOSAL:
 - A. Drill cuttings will be disposed of in the reserve pits.
 - Drilling fluids will be allows to evaporate in the reserve pits until the pits are dry.
 - 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.
 - 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
 - G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling
 - G. All trash and debris will be buried or removed from the weisite within 50 days after missing dramage and/or completion operations.

8. ANCILLARY FACILITIES:

- A. Road Right-of-Way NM-84498 is being amended to include a new road right-of-way for this location.
- A flowline will parallel the road 25' off center line and be a buried 3" steel, approximately 1000' in length.

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 a 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

- 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 BLM 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: BLM (Carlsbad, NM)
- 12. OTHER INFORMATION:
 - A. Topography: Refer to the existing 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.

Conoco "AGK" Federal #5 Page 3

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 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.

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4-01-91

Date

Ken Beardemph

Landman



YATES PETROLEUM CORPORATION



EXHIBIT

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