

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(Other instructions on
reverse side)

20-015-26778
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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 ☐ RECEIVED ZONE ☐

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
105 South Fourth Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
1730' FNL & 660' FEL
At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 31 miles southwest of Artesia

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

17. NO. OF ACRES ASSIGNED
TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
8200'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3620'

22. APPROX. DATE WORK WILL START*
ASAP

5. LEASE DESIGNATION AND SERIAL NO.
NM-045274-86241

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Hillview "AHE" Federal Con

9. WELL NO.
10

10. FIELD AND POOL, OR WILDCAT
S. Dagger Draw Upper Penn

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA
Sec. 23-T20S-R24E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

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# J-55	1200'	1100 sacks (circulated)
8 3/4"	7"	23 - 26#	TD	As warranted
		J-55 & N-80		

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1200' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel/LCM to 1200'; FW to 5000'; cut Brine to 7200'; SW gel/Starch to TD.

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

Post ID-1
6-28-91
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 5-21-91
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE 6-14-91

CONDITIONS, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

*See Instructions On Reverse Side

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 false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

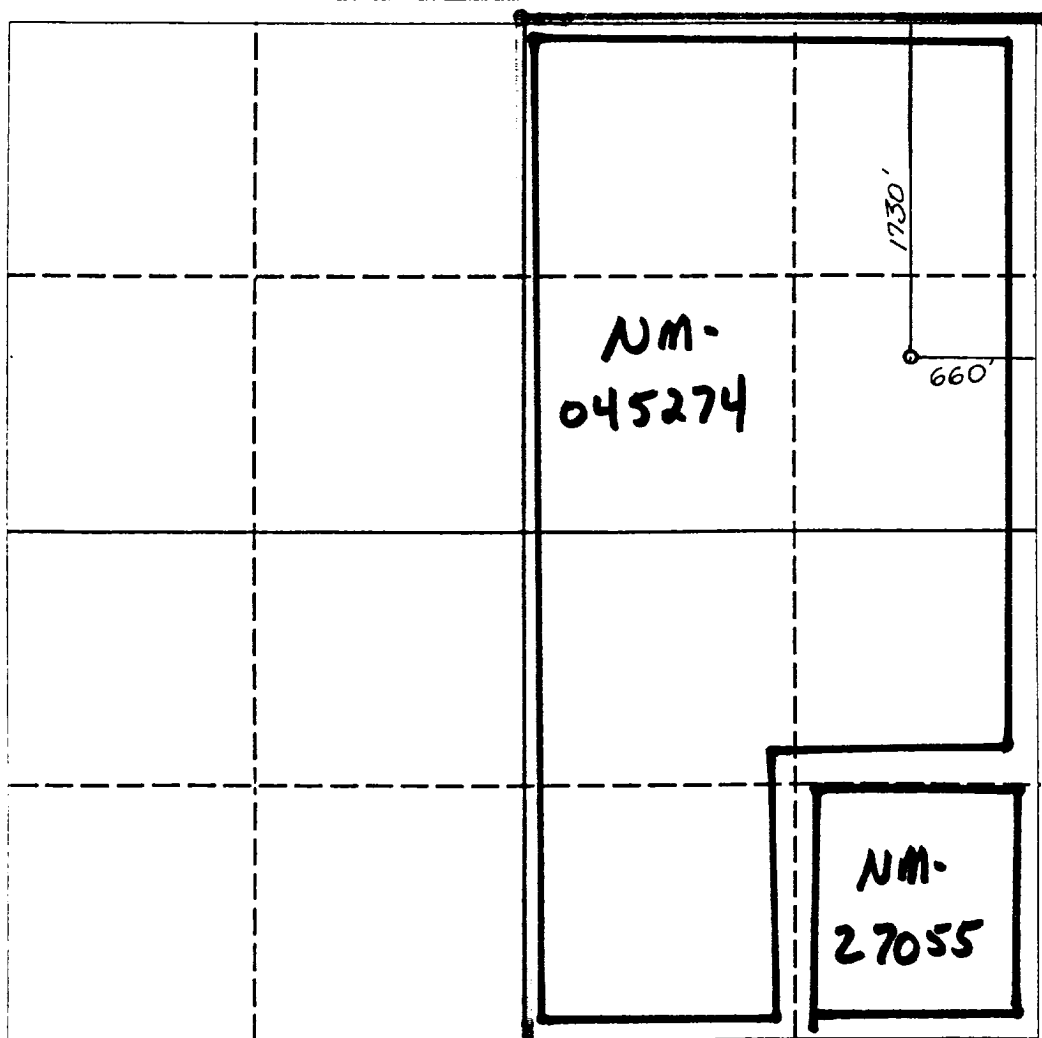
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease HILL VIEW AHE FEDERAL		Well No. 10
Unit Letter H	Section 23	Township 20 SOUTH	Range 24 EAST	County EDDY COUNTY, N.M.	
Actual Footage Location of Well: 1730 feet from the NORTH line and 660 feet from the EAST line					
Ground level Elev. 3620.	Producing Formation Canyon	Pool S. Dagger Draw Uppen Penn	Dedicated Acreage: 320 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation communitization
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature
Ken Beardemphl
Printed Name
Ken Beardemphl
Position
Landman
Company
Yates Petroleum Corp.
Date
5-21-91

SURVEYOR CERTIFICATION

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
MAY 17 1991
Signature & Seal of
Professional Surveyor
[Signature]
Certificate No.
5412
NM REG. NO. 5412

YATES PETROLEUM CORPORATION

**Hillview "AHE" Federal #10
1730' FNL and 660' FEL
Section 23-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	577'
Glorieta	2,110'
Yeso	2,217'
Bone Spring Lime	3,371'
3rd Bone Spring Sand	5,375'
Basal Bone Spring Dolomite	5,621'
Abo Green Shale	5,671'
Wolfcamp Lime	5,811'
Canyon Lime	7,550'
Canyon Dolomite	7,616'
Base Canyon Dolomite	7,876'
TD	8,200'
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.
7. 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 500' 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

Hillview "AHE" Federal #10

1730' FNL and 660' FEL

Section 23-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 and go approximately 3.4 miles to Pickett Road.
4. Turn east for approximately 1 mile.
5. Turn and go south on lease road to Hillview #2 battery.
6. 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 west to east 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.

Hillview "AHE" Federal #10
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.
- 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. ANCILLARY FACILITIES:

- A. A flowline, 3" steel buried, will be run off the south side of the new road to the Hillview "AHE" Fed. Com. #2 battery.

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.

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:

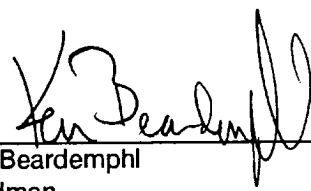
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

14. CERTIFICATION:

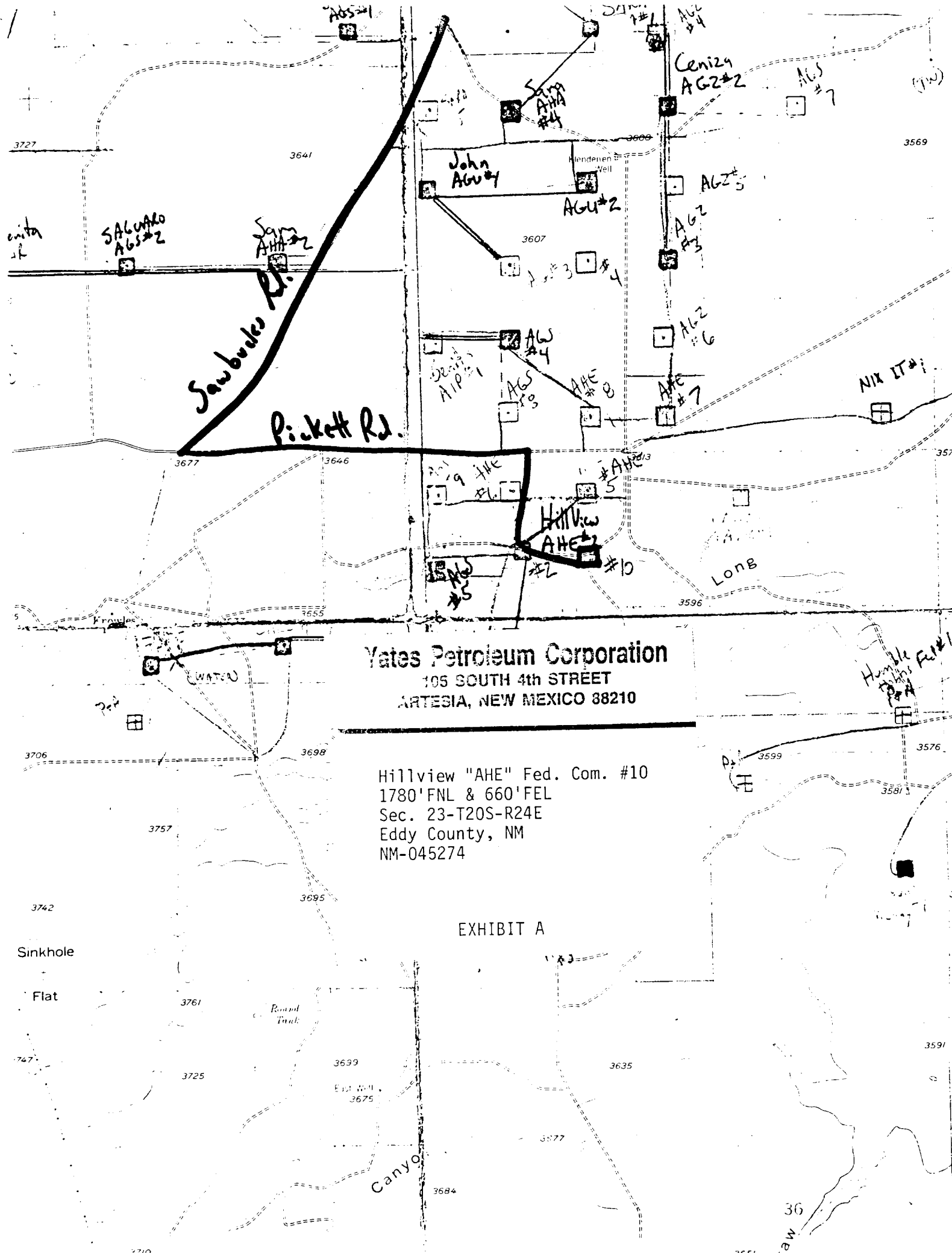
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated 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.

5-21-91

Date



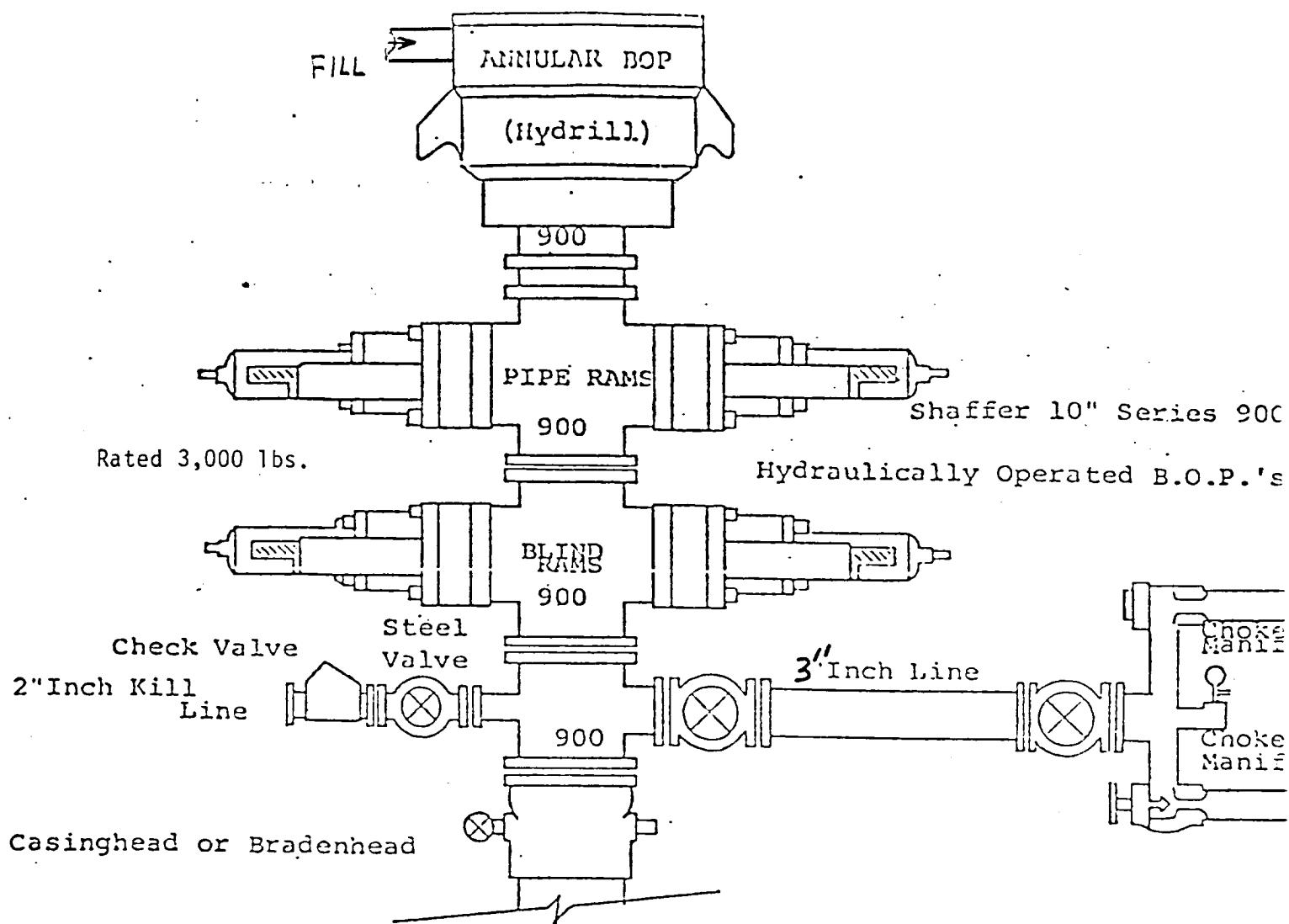
Ken Beardemphl
Landman



Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Hillview "AHE" Fed. Com. #10
1780' FNL & 660' FEL
Sec. 23-T20S-R24E
Eddy County, NM
NM-045274

EXHIBIT A

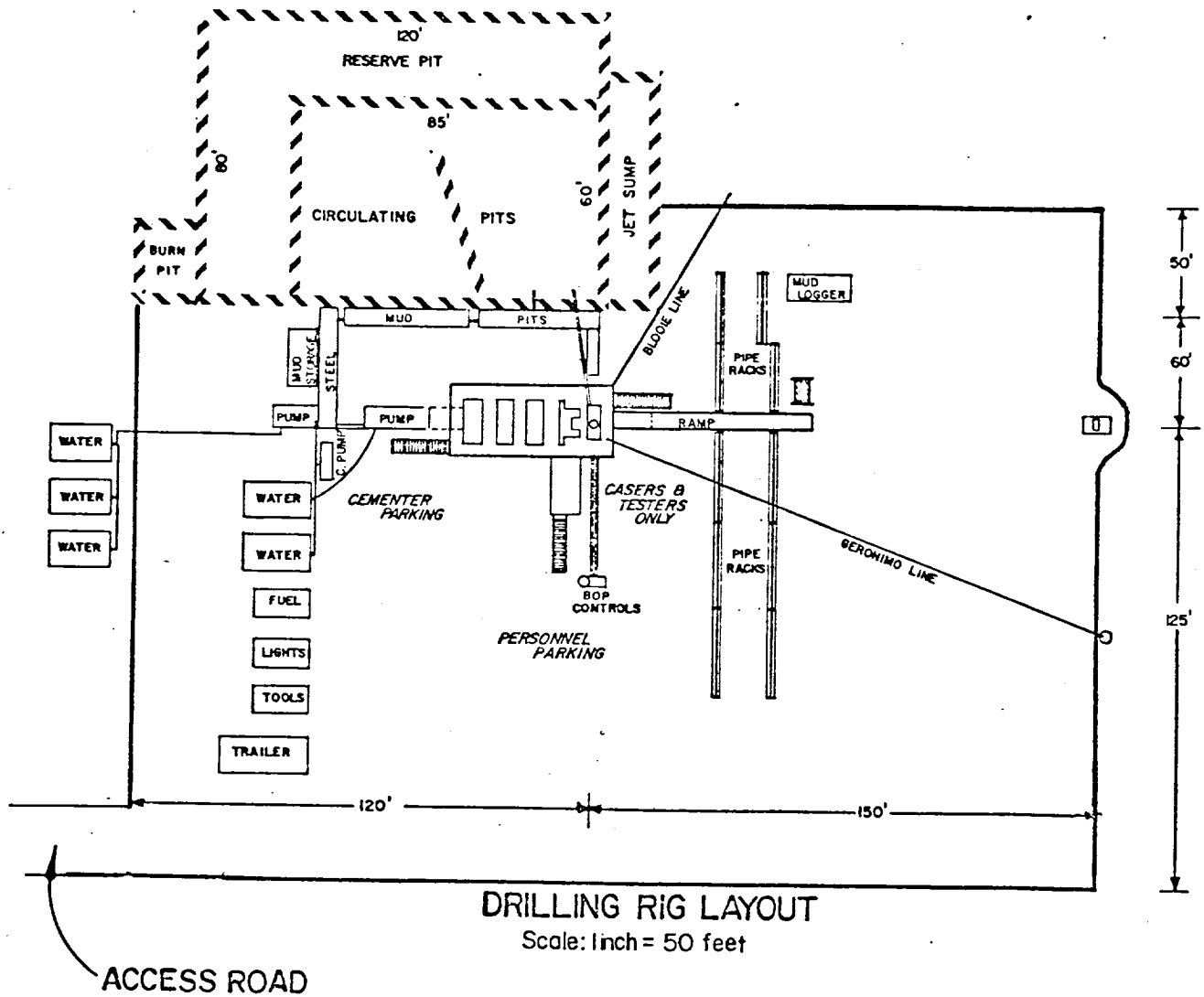


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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

EXHIBIT
B

YATES PETROLEUM CORPORATION



EXHIBIT

C

ARTESIA, NEW MEXICO 88210

EXHIBIT D

[illegible]

<p>Yates Pet. etal 6-1-93 81717 # 2082</p>	<p>Nearburg Expi. 1-1-93 83038 5788</p>	<p>Nearburg Expi. 6-1-93 717-43 84 11</p>	<p>Nearburg Expi. 12-1-93 18222 85 22</p>
<p>CLERK, W.</p>			
<p>2080 st Buchanan Grange 13 Mil Nearburg Pet. 6-1-98 9-1-98 Jerry Mann Est. W. Mann (H)</p>	<p>Yates Pet. etal. 6-1-93 81717 2082</p>	<p>17 US</p>	<p>35 Mil Nearburg Pet. 6-1-98 875 W.S.</p>
<p>337 Mark Mourne MBP Edith Yates etal</p>	<p>Mark Mourne MBP Yates Pet. etal 6-1-93 Edith Yates etal</p>	<p>Read, Stevens 9-1-74 HBC KGS, 10071 US 27 76</p>	<p>Parker & Parsley L 2588 State 20</p>
<p>3394 Yates Pet. J H Moore W. Mann W. Mann (H)</p>	<p>Yates Pet. etal 6-1-93 Edith Yates etal</p>	<p>Read, Stevens Mesa L 2588 State 20</p>	<p>D Fashen C.H. Jupp Gosselt 701240 W10-9-75</p>
<p>4428 Yates Pet. 662</p>	<p>Yates Pet. 662</p>	<p>D Fashen</p>	<p>C.H. Jupp Gosselt 701240 W10-9-75</p>
<p>"Fed." 1 FC US (W) Cony Dec - 29 79</p>			
<p>W.L. McDonald H.A.L.F. Cole</p>			

[illegible]

(Chavron) Conoco # 0559774. N2 HBC	Yates Pet. HBC <i>[Ed Parish, et al]</i> Yates Op. HBC	1065 3 1-78	Yates Pet 12246 NWHHC 2 NY * 73.9 MH.
Yates Pet. E.P. Ops Sandy Dine C.A. 1 TB W.C. Dine 2.3 MA.	28 <i>HOCAGW</i> Frank Runyon Jr.	Conoco B 1-76 <i>[Ed Parish et al]</i>	27
Yates Fed. Girgarden Fed.	U.S. LAANE ABSTRACT CO - 9 1-90 19949	Ookason-Fed * INV U.S. 150	Yates Pet. 12246
33	Yates Pet. et al Oils Sunflower U.S.	Ookason - Fed Yates Pet. et al 2. 1-93 70309 KC U.S. Centu	* 34

<p>Myce Ind., etal 9 1 50 39635</p> <p>4</p> <p>1 ANS</p> <p>Yates Pet. at. 40000 - Fed.</p> <p>U.S.</p>	<p>Yates Pet. 014142 (Santa Fe Ener., Y2)</p> <p>58143</p> <p>Yates Pet. LA RUE - Fed. (510 of Test) (crossed in Unit) Aristo (Sic.) 311 581411 Comp. Oils.</p> <p>514 of Test. Bate - Fed. TD 4220 Dia 2 1/2 - 34</p> <p>"Cholla AGE Fed"</p> <p>U.S.</p>
<p>Cherron MBP :38:</p> <p>Yates Pet., etal 2 1 31 33121</p> <p>U.S.</p>	<p>Santa Fe Ener., Y2 Yates Pet., etal B - 1 - 94 01893 212</p> <p>514 of Test. Bate - Fed. TD 4588</p> <p>Yates Pet. 427B</p> <p>U.S.</p>
<p>Huber Corp. Sia Fed "D 4400 DAA 21-66 U.S.</p> <p>U.S.</p>	<p>Ocotilla" Fed."</p> <p>U.S.</p>

<p>Yates Pet, etal 3-11-93 V-2531 36 55</p>	<p>1-AND Yates Pet Signature Fed</p>	<p>2 AGS 043625</p>	<p>Yates Pet. (Myco Inc)</p>
<p>16</p> <p>"Algerita-State"</p> <p>10th St State ID3100</p>	<p>1-AND Yates Pet Signature Fed</p>	<p>15</p> <p>Canaco MBP 045275</p>	<p>"Sara"</p> <p>Ralph Nix, Jr. Ralph Nix</p>
<p>1 MA</p> <p>Yates Pet. 1-11-91 64568 KOS</p>	<p>Yates Pet, etal 7-12-92</p>	<p>Yates Pet.</p>	<p>"Carl"</p> <p>22</p>
<p>Yates Pet. 1-11-91 64568 KOS</p>	<p>1 MA Yates Pet. 1-11-91 64568 KOS</p>	<p>(M T M record) Foster, R.A. (1093121) (DAR 30 648) 11 (045274)</p>	<p>Yates Pet. 1-11-91 64568 KOS</p>
<p>US</p>	<p>1 MA Yates Pet. 1-11-91 64568 KOS</p>	<p>Yates Pet. 1-11-91 64568 KOS</p>	<p>Yates Pet. 1-11-91 64568 KOS</p>

Amoco 10-1-89 37846	Yates Pet etal HBP 045275	Yates Pet etal HBP 045275	Yates Pet etal HBP 045275
Banta Pet (over V3) Yates Pet B-11-89 01093 7.2F U.S.	28 Yates Pet etal HBP 045275	27 Yates Pet etal HBP 045275	Yates Pet etal HBP 045275
Yates Pet etal HBP 045276	33 Yates Pet etal HBP 045275	34 Yates Pet etal HBP 045276	Conoco Yates Pet etal HBP 045275
U.S.	U.S.	U.S.	U.S.

<p>TOP E-2781</p> <p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>
<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>
<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>
<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>
<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>	<p>WFO K-6385</p> <p>WFO E-2781</p>

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Yates Pet. et al 048625 (Yates, Monaghan, Scofield) 32 Miles 1st 3645 (1) "Square Fed" 26 "Capoca Fed" 303 Yates Pet. et al 045775 3-15 91 10-23 91 10-14 91 11-29-91 old M.A. Vogel (L)	Coquina R.S. Fed - T.O. 9910 DIA-7-23 34647 Aloha Onic Chequamegon Bay (Sun Oil) Charlotte McKay-Fed 25 Yates Pet. et al 9-1-93 76938 5000 U.S.
Yates Pet. et al 12-7-92 4-20-93 R.S. Foster 35 Canoca 045276 Yates Pet. et al 11-3-91 4-28-93 Foster 36 5/2 HBC "Indian Hills St" State U.S.	Phillips MBP E10043 HBC N.2 TXO L 5098 Phillips MBP E10043 TXO L 5098 Phillips MBP E10043 36 5/2 HBC "Indian Hills St" State U.S.