Form 3160-3 (November 1983) (formerly 9-331C) APPLICATION	DEFARIMENT	NM OIL CONS. CO SD STATES DE THE INTER LAND MANAGEMEN O DRILL, DEEPE		side)	E* Form a Budget Expires 5. LEASE DES NM-229	DIS-2687 pproved. Bureau No. 1004-013 a August 31, 1985 HIGNATION AND BERIAL NO. 1994 ALLOTTEE OR TRIBE NAME	
DRI	LL 🗵	DEEPEN	PLUG BA	CK 🗌	7. UNIT AGE	CEMENT NAME	
b. TYPE OF WELL OIL X GA			NGLE MULTH		8. FABM OR 1	LEASE NAME	
2. NAME OF OPERATOR Vatos Potrole	eum Corporation .	/				"AJX" Federal	Com
3. ADDRESS OF OPERATOR		, 		· •· •· •·	9. WELL NO.	1	
105 South Fou	urth Street Art	esia NM 88210	RECEIVED		10. FIELD AN	L D POOL, OR WILDCAT	_
4. LOCATION OF WELL (Re At surface	rth Street, Art	In accordance with any S	tate requirements.*)	· · · · ·	X N. Dac	ger Draw Upper	Pen
660' FSL and	660' FWL	1 M	NOV 1 1991			L., M., OR BLK.	
At proposed prod. zone	e	M. M.	O. C. D.				
Same 14. DISTANCE IN MILES A	ND DIRECTION FROM NEAR	AT TOWN OR POST OFFICE			Sec. 1	-T2OS-R24E	
Approximately	/ 29 miles south	west of Artesia	, NM		Eddy	NM	
15. DISTANCE FROM PROPO LOCATION TO NEAREST PROPERTY OR LEASE LI (Also to nearest drig	INE. FT.		. OF ACRES IN LEASE	17. NO. TO T	OF ACRES ASSIG		
18. DISTANCE FROM PROPO TO NEAREST WELL, DR	SED LOCATION*	<u> </u>	OPOSED DEPTH	20. ROTA	ARY OR CABLE TO		
OR APPLIED FOR, ON THI	S LEASE, FT.	83	100 '	Rot	tary		
21. ELEVATIONS (Show whe	ther DF, RT, GR, etc.)		-		22. APPROX. ASAP	DATE WORK WILL START	•
3601'							
		ROPOSED CASING AND	CEMENTING PROGR.	AM			
14 3/4"	BIZE OF CABING	WEIGHT PER FOOT	SETTING DEPTH	1100		OF CEMENT	_
8 3/4"	9 5/8"	<u>36# J-55</u> 23-26#	<u>1100'</u>			irculated) 500'above Wolfco)
0_3/4		J-55 & N-80	ID			sou above woife	(qm
formations. to shut off	-	1100' of surfa ings. If comme	ace casing will ercial, product s needed for pr 5000'; cut Bri	be set tion cas oduction ne to 7	t and ceme sing will on. 7200'; SW casing and	ent circulated be run and gel/Stach to T	
IN ABOVE SPACE DESCRIBE zone. If propoal is to d preventer program, if any	irill or deepen directional	roposal is to deepen or p ly, give pertinent data o	lug back, give data on p n subsurface locations a	resent prod nd measure	iuctive sone and	d Droposed new productiv	7 A
	Bearding		andman		DATE _	10-1-91	
(This space for Feder	al or State office use)		· · · · · · · · · · · · · · · · · · ·				

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PERMIT NO.	APPROVAL DATE	
APPROVED BY	ஆக்கா ிகிறின் நிரைத்தின் வர்களில் விரித்தளின் TITLE	DATE 10 3191
APPROVED BY CALER ASUBJECT FTO:		
GENERAL REQUIREMENTS AND		
SPECIAL STIPULATIONS		
MITACHED *S	ee 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.

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

DISTRICT | 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 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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator						Lease					Well No.
	YATES	S PET	ROLEUM C	ORPORATIO	N		FOXTAI	L AJX	FEDERAL	COM	1
Unit Lette	er	Sectio	on	Township	· · · · · · · · · ·	Range				County	/
	M		1	20	SOUTH		24 EAS	Т	NM	РМ	EDDY COUNTY, N.M.
Actual Fo	olage Loc	ation of	Well:								
	660	feet f	rom the	SOUTH	line and		660		feet fr	om the WI	ST line
Ground le			~	g Formation		Pool	7	7		Δ	Dedicated Acreage:
	3601.		<u> </u>		YM	[N]	Dagse		Upper	Penn	160 Acres
	I. Outan	ie ine ac	reage dedicated	to the subject	well by colored per	CII OF D		on the plat	below.		
	2. If mor	re than c	one lease is ded	icated to the we	ell, outline each and	identify	the owners	nip thereof (both as to we	orking interest	and royalty).
	3. If mor	re than o	me lease of dif	ferent ownershi	p is dedicated to the	well h	ave the inter	est of all ov	mers been co	nsolidated by c	ommunitization
	unitizz		rce-pooling, etc	.?	-					•	
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	this form			s and tract desc	riptions which have	actually	been conso	lidated. (U	se reverse side	e ol	
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ļ	or until a	non-st	indard unit, eli	ninating such in	nterest, has been ap	proved b	y the Divisi	.			
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YATES PETROLEUM CORPORATION

Foxtail "AJX" Federal Com #1 660' FSL and 660' FWL Section 1-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	541'
Glorieta	2,120'
Bone Spring Lime	3,457'
3rd Bone Spring Sand	4,789'
Basal Bone Spring CO ₃	4,989'
Abo Green Shale	5,140'
Abo Fore Reet	5,274'
Wolfcamp Lime	5,442'
Canyon Lime	7,572'
Canyon Dolomite	7,667'
Base Canyon Dolomite	7,972'
TD	8,300'

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 minimum 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 Foxtail "AJX" Federal Com #1 660' FSL and 660' FWL Section 1-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 29 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 1 mile.
- 4. Turn east on Caliche Road and go approximately 1/2 mile.
- 5. Turn south for approximately 1/4 mile.
- 6. New road starts here.
- 2. PLANNED ACCESS ROAD
 - A. None needed.
- 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 no 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 powerline will be run 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.

Foxtail "AJX" Federal Com #1 Page 2

6. SOURCE OF CONSTRUCTION MATERIALS:

Private located in Section 35-T19S-R24E.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allows 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. 3" steel buried flowline north of our location to the Foster FF #2 tank battery along side of road and a 7.2/12.47 KV electric distribute line to north side of lease. (See Exhibit A)
- 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 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 rehabitation 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.

Foxtail "AJX" Federal Com #1 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 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.

10-1-91

Date

Ken Beardemphi

Ken Beardemphi Landman





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual cont 1. 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. All connections from operating manifolds to preventers to be all steel ·4.
- 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.
- 6.
- to that of the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equiva Inside blowout preventer to be available on rig floor. 7. 8.

EXHIBIT

- Operating controls located a safe distance from the rig floor Hole must be kept filled on trips below intermediate casing. 9.

YATES PETROLEUM CORPORATION



EXHIB IT

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