Fort-1 3160-3 (November 1983) (formerly 9-331C)	UNIT DEPARTMENT BUREAU OF	AND MANAG	NTERI EMENT	r D	EC 1 6	1991	Form approved. Budget Bureau N Expires August 5. LEASE DESIGNATION NM-045275 6. IF INDIAN, ALLOTTER	31, 1985 AND BERIAL NO.
APPLICATION	FOR PERMIT T	<u>O DRILL, L</u>	DEEPEI	N, OR P		<u> Аск</u>		
1a. TYPE OF WORK		DEEPEN [Esia n Ig bai		7. UNIT AGREEMENT N	AMB
b. TYPE OF WELL OIL CA			SIN		MULTIP ZONE		8. FARM OR LEASE NAM	(B
2. NAME OF OPERATOR	ELL OTHER	/		<u> </u>			Conoco "AGK" Federal	
Yates Petroleu	ım Corporation 🖌						9. WELL NO.	<u> </u>
3. ADDRESS OF OPERATOR							7	
105 South Four	<u>rth Street, Arte</u>	sia, NM_8	8210				10. FIELD AND POOL, OR WILDCAT	
4. LOCATION OF WELL (Re At surface	eport location clearly and	in accordance wit	th any St	ate requireme	nts.•)	,	North Dagger	
	d 1980 FWL (SENW		F			,	11. SEC., T., R., M., OR BLK. And Survey or Area	
At proposed prod. zono	e 1900 FRE (9586	'' IN	, I					2045
same		0.1					Sec. 11-T20S-R24E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*						12. COUNTY OR PARISH		
Approximately	26 miles southw	lest of Art	esia				Eddy	NM
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)			16. NO.	OF ACRES IN	LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL 160		
18 DISTANCE FROM PROPOSED LOCATION*			19. PROPOSED DEPTH 20. ROT		ARY OR CABLE TOOLS			
TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.				8,150' Rot		tary		
21. ELEVATIONS (Show whe	ether DF, RT, GR, etc.)						22. APPROX. DATE WO	BK WILL START [®]
3631 GR							ASAP	
23.		PROPOSED CAS	ING AND	CEMENTING	PROGRA	M		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT		SETTING I	ЕРТН	_	QUANTITY OF CEMENT	
14 3/4"	9 5/8"	36# J-55		1100'			<u>00 sacks (circulated)</u>	
8 3/4"	7"	23-26#		TD		<u> </u>	arranted (600'a)	pove Wolfcomp)
		J-55 & I	V-80					· •

:

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1100' 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 1100'; FW to 5000'; cut Brine to 7200'; SW gel/Starch to TD.

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

Post ID-1 12-27-91 Munder & 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 Jen Dearden	Landman	DATE 11-22-91
(This space for Federal or State office use)		
PERMIT NO.	APPROVAL DATE	DATE 12.11-91
APPROVED BY LEADEROVAL, IF ANY : APPROVAL SUBJECT TO	TITLE	DATE
GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS	*San Instructions On Reverse Side	

*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

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

State of New Mexico Energy, Minerals and Natural Resources Department

1

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.
Unit Letter Sect		KATIUN	CONOCO AGK Range		/
F	11	20 South	24 East	NMPM	EDDY COUNTY, NM
Actual Footage Location c			1000		
1880 feet	from the NORTH	line and	1980	feet from the	
Ground level Elev.	Producing Form		Pool	N	Dedicated Acreage:
3631.	<u>Can</u>	ym	North Dage.	Draw Under	Penn 160 Acres
		-	ncil or hachure marks on the didentify the ownership there	-	nterest and royalty).
unitization, fo	orce-pooling, etc.?		he well, have the interest of all	owners been consolidat	ted by communitization,
If answer is "no	" list the owners and tr	If answer is "yes" to act descriptions which hav	pe of consolidation	(Use reverse side of	
this form if nec	cessary.				
No allowable w	ill be assigned to the w	ell until all interests have g such interest, has been a	been consolidated (by commun	nitization, unitization, fo	pred-pooling, or otherwise)
	-osaru umi, ciminaun	5 SUCH THEFES, HAS DEED A			
1111	1111	177	1		OPERATOR CERTIFICATION
AJM-	1	· • •	l I		I hereby certify that the information
			1		ained herein in true and complete to the of my knowledge and belief.
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				Sign	ature
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1980'					Yetes Pet. Corp.
1980'		7	1	Date	11-22-91
	11111	110			SURVEYOR CERTIFICATION
	1		İ		reby certify that the well location shown
	1				his plat was plotted from field notes of
	1				al surveys made by me or under my rvison, and that the same is true and
	1				ect to the best of my knowledge and
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YATES PETROLEUM CORPORATION

Conoco "AGK" Federal #7 1880' FNL and 1980' FWL Section 11-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:

464'
2,014'
.3484'
4,700'
5,346'
7,536'
7,652'
7,822'
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.
- 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 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 #7 1880' FNL and 1980' FWL Section 11-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 26 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 from Artesia south on highway 285 for 15 miles.
- 2. Turn west on Rock Daisy Road for 8.2 miles.
- 3. Turn South on Sawbucks Road for 1.5 Miles.
- 4. Turn on caliche lease road going west approximately 500⁴. You are there.
- 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 production facilities on this lease at the present time.
- 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:

Private pit located in SE/4 of Section 35-T19S-R24E.

Conoco "AGK" Federal #7 Page 2

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. A flowline will be buried along the right-of-way NM-18730 going north to our Conoco AGK Fed. #1 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 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.

Conoco "AGK" Federal #7 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.

11-22-91

Date

Ken Beardemph

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.

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- 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. All connections to and from preventer to have a pressure rating equival 6.
- to that of the B.O.P.'s. Inside blowout preventer to be available on rig floor. 7.

EXHIBIT

- 8.
- Operating controls located a safe distance from the rig floor Hole must be kept filled on trips below intermediate casing. 9.

YATES PETROLEUM CORPORATION



Scale: linch = 50 feet

EXHIDIT

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