Form 3160-3 (November 1983) (formerly 9-331CF: IL COMPUTED STATES Drand DEPARTMENT OF THE INTERIOR Stears NBURGAUCOF LAND MANAGEMENT APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK						JO-015-26950 Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985 5. LEASE DEBIGNATION AND BEBIAL NO. NM-39635 6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
1a. TYPE OF WORK		DEEPEN		PLUG BA		7. UNIT AGREEMENT	NAME	
D. TYPE OF WELL			s					
WELL U OTHER SINGLE MULTIPLE 2. NAME OF OPERATOR 0THER ZONE 8. FARM OR LEASE NAME Mimosa "AHS" Federal								
Yates Petrole 3. ADDRESS OF OPERATOR	um Corporation	V				9. WELL NO.		
105 South Fou	rth Street. Ar	tesia. New	Mexic	RECEIVED		4 10. FIELD AND POOL,		
4. LOCATION OF WELL (Re At surface	port location clearly an	d in accordance wi	th any S	State requirements.*)	×	Undesignat		
660' FSL At proposed prod. zone	and 1980' FWL	;_Unit N		FEB 1 3 19	92 ′	11. SEC., T., B., M., OR BLK. AND SURVEY OR AREA		
14. DISTANCE IN MILES AN	ND DIRECTION FROM NE			O. C. D.	<u></u>	Sec. 4-T20		
	hwest of Artes			Bh - 4835-244 (166)	•	12. COUNTY OR PARIS		
15. DISTANCE FROM PROPOS LOCATION TO NEAREST	ED*). OF ACRES IN LEASE	17. NO. 0	Eddy F ACRES ASSIGNED	NM NM	
PROPERTY OR LEASE LII (Also to Dearest drig.	unit line, if any)	660'			TO TH	TO THIS WELL 320		
18. DISTANCE FROM PROFO TO NEAREST WELL, DRI OR APPLIED FOR, ON THIS	LLING, COMPLETED,		19. PH	OPOSED DEPTH		D. ROTARY OR CABLE TOOLS		
21. ELEVATIONS (Show whet				9200'	Rot	ary 22. Approx. Date w	APK WILL PRADMA	
3822'						ASAP	OR WILL BIART	
23.		PROPOSED CASI	NG ANI	CEMENTING PROGRA	 M			
SIZE OF ROLE	SIZE OF CASING	WEIGHT PER F	DOT	SETTING DEPTH		QUANTITY OF CEMI	UNT CONT	
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8 3/4"		<u>26# K-55</u> 23# S-95		TD	As wa	rranted 600'ab	ove Wolfcamp)	
		23# 3-95	ĺ		ł			
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BOP PROGRAM:	BOP's and hyd	ril will be	inst	alled on 9 5/8	" casin	g and tested	daily.	
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						2-21-9	2	
					L	New Loc 4	API	
IN ABOVE SPACE DESCRIBE F zone. If proposal is to dr preventer program. If any. 24.	PROFOSED FROGRAM: If ill or deepen directions	proposal is to deep lly, give pertinent	data or	lug back, give data on pi n subsurface locations ar undman	esent produ	ctive sone and propose and true vertical dept	hs. Give blowout	
(This space for Federal	l or State office use)							
PERMIT NO.				APPROVAL DATE				
APPROVED BY	e te e nord ().	1		ASEA MAMADI. Parlsend Mindurd: 7	: <i>\</i>	DATE 2.11	1-92	

APPROVAL OSUBJECTL. TOANY :

GENERAL REQUIREMENTS AND

SPECIAL STIPULATIONS

ATTACHED *See Instructions On Keverse 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 I P.O. Box 1980, Hobbs, NM 88240

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

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 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		<u> </u>		· · ·-	Lease				Well No.]
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YATES PETROLEUM CORPORATION

Mimosa "AHS" Federal #4 660' FSL and 1980' FWL Section 4-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	415'
Glorieta	1,806'
Yeso	1,922'
Abo	4,068'
Wolfcamp Lime	5,308'
Canyon Lime	7,496'
Canyon Dolomite	7,662'
Basin Fill Clastics	7,789'
Strawn	8,151'
Atoka	8,689'
Morrow Clastics	9,058'
TD	9,200'

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

Water:	Approximately 250' to 375'				
Oil or Gas:	Abo, Canyon, and 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 connections.
- 8. Testing, Logging and Coring Program:
 - Samples: 10' samples from 300' depth to TD.
 - DST's: As warranted by drilling breaks and shows.
 - Coring: As warranted.
 - 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 Mimosa "AHS" Federal #4 660' FSL and 1980' FWL Section 4-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 28 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 to Rock Daisy Road.
- 2. Turn west and go approximately 11.5 miles.
- 3. New road will start here going south.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1700' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a north to south 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. Some traffic turnout will be built.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL

NO 10

- 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 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.

Mimosa "AHS" Federal #4 Page 2

6. SOURCE OF CONSTRUCTION MATERIALS:

Private located in Section 35-T19S-R24E.

- 7. METHODS OF HANDLING WASTE DISPOSAL:
 - Α. Drill cuttings will be disposed of in the reserve pits.
 - Β. 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 C. 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.
 - IF. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a t 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. Tash can not be buried on location.
- 8. ANCILLARY FACILITIES:
 - Α. None required.
- 9. WELLSITE LAYOUT:
 - Α. 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.
 - The reserve pits will be plastic lined. Β.
 - A 400' x 400' area has been staked and flagged. C.
- PLANS FOR RESTORATION 10.
 - After finishing drilling and/or completion operations, all equipment and other material not needed for Α. 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.
 - Unguarded pits, if any, containing fluids will be fenced until they have dried and been levelled. Β.
 - If the proposed well is non-productive, all rehabitation and/or vegetation requirements of the BLM will C. 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:
 - Topography: Refer to the existing archaeological report for a description of the topography, flora, Α. fauna, soil characteristics, dwellings, historical and cultural sites.
 - Β. The primary surface use is for grazing.

Mimosa "AHS" Federal #4 Page 3

13. **OPERATOR'S REPRESENTATIVE**

Α. Through A.P.D. Approval:

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

Β. 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.

1-16-92

Date

Ken Beardemph

Landman





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual co 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. All connections from operating manifolds to preventers to be all ste ·4. hole or tube a minimum of one inch in diameter.
- 5. The available closing pressure shall be at least 15% in excess of th
- . required with sufficient volume to operate the B.O.P.'s. All connections to and from preventer to have a pressure rating equi 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
- Hole must be kept filled on trips below intermediate casing.

Schibit B

YATES PETROLEUM CORPORATION



Exhibit C

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