

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK a. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> b. NAME OF OPERATOR Yates Petroleum Corporation c. ADDRESS OF OPERATOR 207 South 4th Street, Artesia, New Mexico 88210 d. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 660' FSL and 660' FEL At proposed prod. zone Same e. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 10.3 miles east of Carlsbad, N. M. f. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660' g. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None h. NO. OF ACRES IN LEASE 16. NO. OF ACRES ASSIGNED TO THIS WELL 40 i. PROPOSED DEPTH 3900' j. ROTARY OR CABLE TOOLS Rotary k. ELEVATIONS (Show whether DF, RT, GR, etc.). Ground level elevation 3180.8' l. APPROX. DATE WORK WILL START* As soon as possible after approval m. LEASE DESIGNATION AND SERIAL NO. 30-015-21946 NM 0486 n. IF INDIAN, ALLOTTEE OR TRIBE NAME Und Indian Flats Delaware o. UNIT AGREEMENT NAME Federal "GN" p. FARM OR LEASE NAME q. WELL NO. 1 r. FIELD AND POOL, OR WILDCAT Und Indian Flats Delaware s. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 27-21S-28E t. COUNTY OR PARISH Eddy u. STATE N. M.				
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE 12 1/2"	SIZE OF CASING 8-5/8"	WEIGHT PER FOOT 24# K55 New	SETTING DEPTH Approx. 400'	QUANTITY OF CEMENT 250 sx. - circ.
7-7/8"	5 1/2"	14# K55 New	Approx. 3900'	250 sx.

Propose to drill and test the Delaware formation. Will set approx. 400 feet of surface pipe to shut off gravel and casings. Will core the Delaware sand. If commercial will run 5 1/2" casing and cement with 600 feet of cover. Will perforate and stimulate as needed for production.

Mud Program: Fresh water gel and loss circulation material to 3500 feet; Low fluid loss mud to TD, mud weight 8.7-8.9 pounds per gallon, viscosity 35-39, water loss 10-7 cc. per 30 minutes.

Blowout Preventer Program: 10" series 900 on 8-5/8" casing and tested daily.

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ARTESIA, NEW MEXICO

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 true vertical depths. Give blowout preventer program, if any.

24. SIGNED E. J. [Signature] TITLE Engineer DATE 9-20-76
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

See Instructions On Reverse Side

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

Yates Petroleum Corporation		Federal "GN"		Well No. 1
"P"	27	Township 21 South	Range 28 East	County Eddy

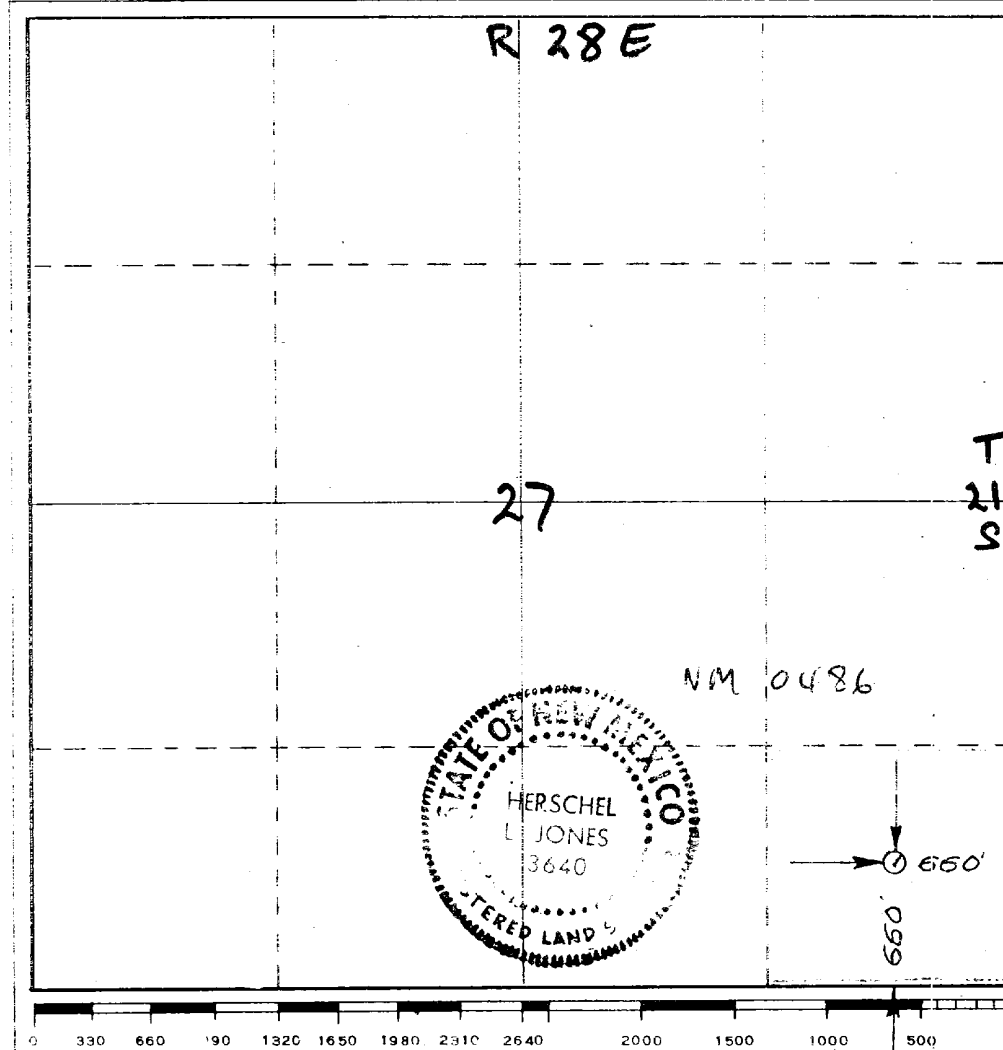
Location of Well:		660 feet from the South line and 660 feet from the East line	
Section 3182	Producing Formation Delaware	Pool Indian Flats Delaware	Dedicated Acreage: 40 Acres

- Outline the acreage dedicated to the subject well by colored pencil or hatchure 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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 interests, has been approved by the Commission.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
Name	Eddie M. Mahfood
Position	Engineer
Company	Yates Petroleum Corp.
Date	Sept. 20, 1976
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	September 4, 1976
Registered Professional Engineer and/or Land Surveyor	
<i>Herschel Jones</i>	
Certificate No.	3640

APPLICATION FOR DRILLING
YATES PETROLEUM CORPORATION
FEDERAL "GN" NO. 1
EDDY COUNTY, NEW MEXICO

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 27, Township 21 South, Range 28 East, Eddy County, New Mexico, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with U. S. G. S. requirements:

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

Salt	431'
Base of Salt	1847'
Lamar Ls.	2633'
Bell Canyon Ss.	2701'
Monzanita Ls.	3545'
Cherry Canyon Ss.	3611'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Spotty, possibly 120'
Oil:	Lamar Sd. 2650' at approx. 1000 psi
	Cherry Canyon Sd. 3650' at approx. 1400 psi
4. Proposed casing program: See Form 9-331-C.
5. Pressure Control equipment: See Form 9-331-C and exhibit D.
6. Mud Program: See Form 9-331-C.
7. Auxiliary equipment: Sub on floor.
8. Testing, logging and coring programs: Will core Cherry Canyon, possibly DST same.
9. Anticipated abnormal pressures or temperatures: No abnormal pressures or temperatures are anticipated.
H₂S or other hazardous gases are minimal or non-existent.
10. Anticipated starting date: As soon as possible after approval.

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ARTESIA, NEW MEXICO

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

YATES PETROLEUM CORPORATION
WELL NO. 1 FEDERAL "GN"
660' FSL and 660' FEL Sec. 27-21S-28E
Eddy County, New Mexico
Lease New Mexico 0486
(Development Well)

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331-C, 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 necessary surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operation, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit A is a sketch, on a scale of one inch to a mile, showing the location of the proposed well, as staked. Approximately 2.8 miles east and slightly north of Carlsbad, New Mexico, on U. S. Highway 62, is the entrance archway to the Eddy County Sheriff Posse Headquarters, on the south side of the highway. Immediately after passing through the entrance archway, which has a top clearance of 14 feet, turn left (east) on a county caliche road and continue in an eastward direction for approximately 7.6 miles. At this point, turn left (north) on road marked Perry R. Bass Big Eddy Unit No. 49. Proceed approximately one mile north on this road (passing, en route, Perry R. Bass tank battery and gas well no. 41 on the left, about seven-tenths of a mile from the starting point of this road). Turn left (west) and proceed approximately three-tenths of a mile to area of Perry R. Bass oil well no. 47, located 1980 FNL and 1980 FWL of section 35-21S-28E. Proposed new road will begin at this point (see exhibit B).
- B. In addition to the roads mentioned in paragraph A above, all other existing roads within a one-mile radius of the wellsite are also shown on exhibit B. The Perry R. Bass roads mentioned in paragraph A were selected for access to the wellsite, because they provide the closest approach to the wellsite without crossing the IMC's transite water line, which lies close to the surface along the north side of the county caliche road.
- C. Because of the 14-foot clearance at the Sheriff Posse entrance archway, a 15-foot wide by-pass will be constructed around the east side of the archway to permit

the drilling rig to enter the county road. This will be accomplished by blade scraping and, if necessary, by adding caliche to the surface in the affected area. Fencing at this location will be temporarily laid aside for passage of the necessary equipment, but this fencing will subsequently be reinstalled. If necessary, an "H" brace will be installed to support the fencing when the fencing is restored to its original position.

2. PLANNED ACCESS ROADS.

- A. New road required will be approximately three-fourths of a mile long and 12 feet wide. This road is shown as a dotted line on exhibit B and runs diagonally in a north-westerly direction from Perry R. Bass oil well no. 47. The center line of this proposed road has been staked, with the stakes visible from each stake to the next. One turnout, approximately 25 feet in width, will be blade scraped at the approximate midpoint of the $\frac{3}{4}$ mile length of this road. One cattleguard will be installed in a north-south fence, approximately $\frac{1}{4}$ of a mile from the wellsite. Permission will be obtained, if necessary, from the lessee for installation of the cattleguard and construction of the new road. No culverts, cuts or fills will be required.

3. LOCATION OF EXISTING WELLS.

- A. Existing wells within a one-mile radius are shown on exhibit B.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There is no production equipment on this lease at the present time. If the proposed well is completed for production, a tank battery and flow line will be built on the drilling pad in the area shown on exhibit C, and no additional surface disturbance will occur.

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 hauled to the wellsite by truck over the existing and proposed roads shown in exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche for the well pad and for any areas of the proposed road where it might be required, will be obtained

from an existing pit located approximately two-tenths of a mile south of Perry R. Bass gas well no. 41, which is located at 1980 FSL and 1980 FEL of section 35-21S-28E (see exhibit B). The total distance from the caliche pit to the proposed wellsite is approximately $1\frac{1}{2}$ miles.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the drilling pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pit until the pit is dry.
- C. Water produced during tests will be disposed of in the drilling pits. Oil produced during tests will be stored in test tanks until sold.
- D. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- E. 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.
- F. 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. None required.

9. WELLSITE LAYOUT.

- A. Exhibit C shows the relative location and dimensions of the well pad, mud pits, and reserve pit and location of major rig components.
- B. Only minor leveling of the wellsite will be required, and no significant cuts or fills will be required.
- C. There are no plans to line the earthen reserve pit, since it should seal quite rapidly with drill solids and bentonite. Water used for drilling is of discharge quality.
- D. The pad and pit area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations

will be removed. Pits will be filled and location cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.

- B. Any unguarded pits containing fluids will be fenced until they have been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and U. S. G. S. will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: Land surface is essentially level, with only minor undulations.
- B. Soil at the well site is fine sand underlain by caliche.
- C. Flora and fauna: The vegetation cover is generally sparse, consisting of mesquite, sandsage, perennial native grasses, etc. Wildlife in the area is typical of semi-arid desert land, including jackrabbits, reptiles, doves, etc.
- D. There are no rivers, streams, lakes or ponds in the area.
- E. There are no occupied dwellings in the area of the well-site. There is a windmill approximately 1½ miles south and east of the wellsite location, and a water pumping station approximately 1½ miles south of the location.
- F. Surface ownership: The wellsite is on Federal surface.

12. OPERATOR'S REPRESENTATIVE.

The field representative responsible for assuring compliance with the approved surface use and operations plan is:

Mr. Eddie Mahfood
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
Office phone: 505-746-3558
Home phone: 505-746-4415

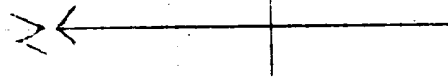
Page 5
Yates Petroleum Corp.
Well No. 1 Federal "GN"

13. 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.

Date

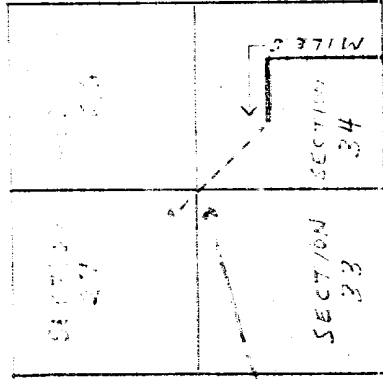
Name and Title



TO HOKKS

UNDEVELOPED
LAND

NEW ROAD
(3.4 MILES)



COUNTY ROAD (BRANDSALL ROAD)
- 6 MILES -

← TO ART 16.514
U.S. 285

CARLSBAD 0.32 MILES
2.2 MILES

U.S. 285

EXHIBIT A

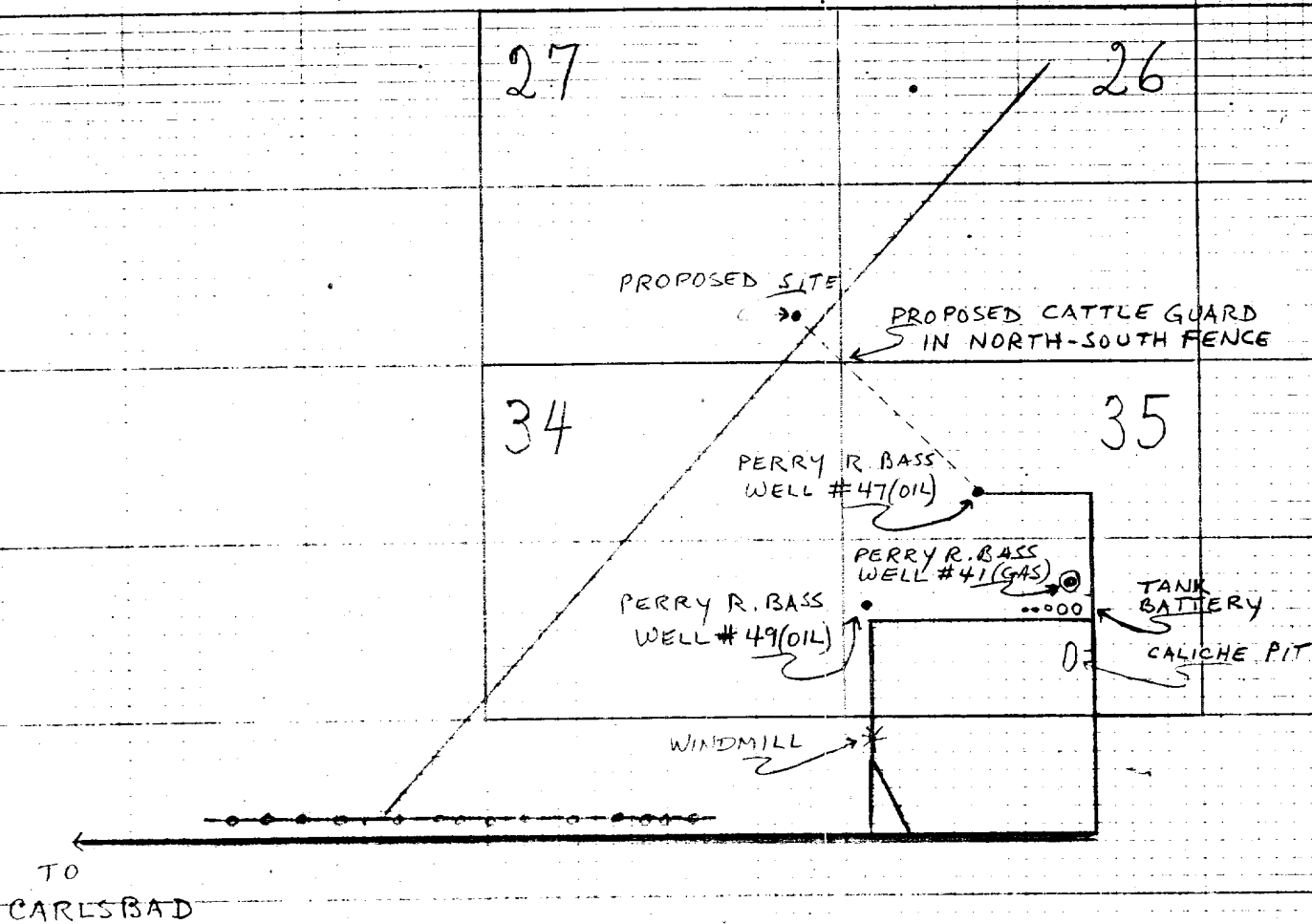
(SCALE 1 INCH TO A MILE)

YATES PETROLEUM CORPORATION
WELL NO. 1 FEDERAL "GN"
SEC. 27-215, 28E



EXHIBIT B
(SCALE 2" TO A MILE)

YATES PETROLEUM CORPORATION
WELL NO. 1 FEDERAL "GN"
SEC. 27-215-21 E



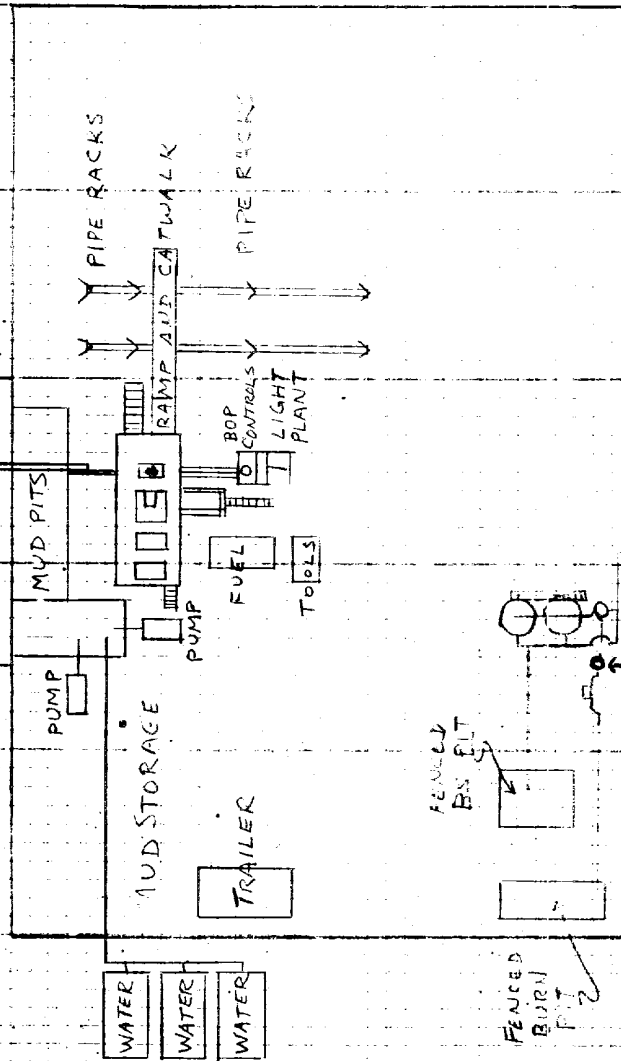
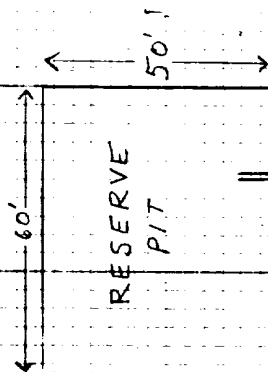
- COUNTY ROAD
- - - - PROPOSED NEW ROAD
- TRAIL
- PERRY R. BASS ROAD
- TRANSITE WATER LINE

N

EXHIBIT C

(SCALE: ONE INCH = 40 FEET)

YATES PETROLEUM CORPORATION
WELL #1 FEDERAL "GN"
SEC. 27-R1S-38E



180'

PROPOSED
ACCESS ROAD

200'

SEPARATOR

PROPOSED TANK BATTERY
IF WELL IS COMPLETED
FOR PRODUCTION

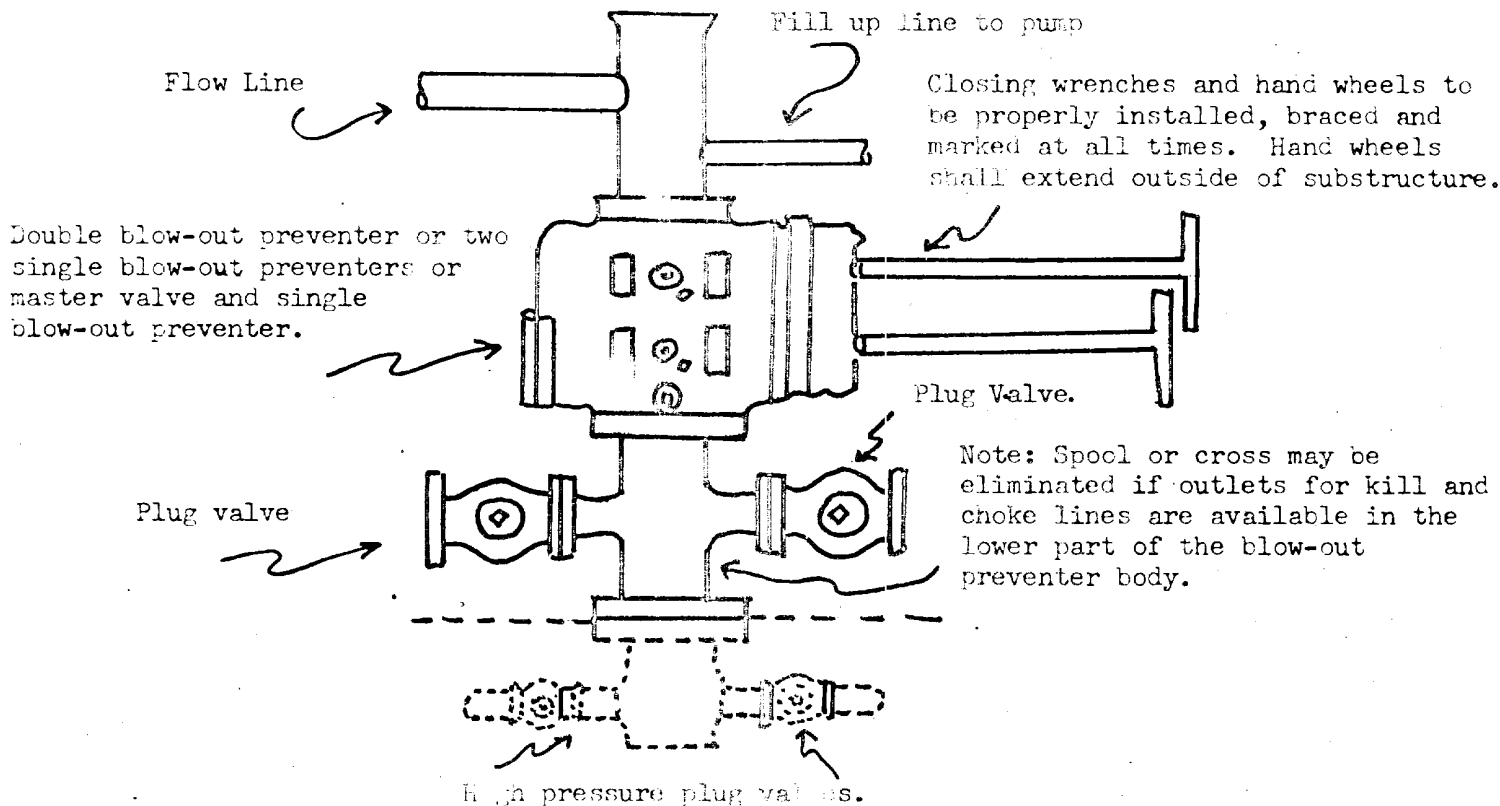
TO WATER
DISPOSAL

YATES PETROLEUM CORPORATION
Well No. 1 Federal "GN"
Sec. 27-218-28E

EXHIBIT D

MINIMUM BLOW-OUT PREVENTER REQUIREMENTS

Drilling nipple to be so constructed that it can be removed, without use of a welder, through rotary table opening.



NOTE:

When Drilling Use:

Top preventer -blind rams or master valve.
Bottom preventer-drill pipe rams.

When running casing use:

Top preventer-casing rams
Bottom preventer-casing rams or
master valve.

NOTE:

- 1.) Blow-out preventers, master valve and all fittings must be in good condition. 2,000 # W.P. (4,000 PSI test) minimum.
- 2.) Equipment through which bit must run shall be as large as inside diameter of the casing that is being drilled through.
- 3.) Nipple above blow-out preventer should be same size as casing being drilled through.
- 4.) All fittings to be flanged.
- 5.) Safety valve (2" minimum opening) sub or connection to drill pipe above floor at all times.