

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-22271

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☐DEEPEEN ☒PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒~~RE-ENTRY~~

JAN 31 1979

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

ARTESIA, OFFICE

207 S. 4th Street, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

1836' FNL and 915' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approx 50 miles south and west of Artesia, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

915'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

None

16. NO. OF ACRES IN LEASE

1520

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

19. PROPOSED DEPTH

Approx 8450'

20. ROTARY OR CABLE TOOLS

Rotary

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

4651.1 GL

22. APPROX. DATE WORK WILL START*

As Soon As Approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	13 3/8"	48# (used)	265'	210 sx set and cemented
12 1/4"	8 5/8"	24# (New) K-55	1550'	790 sx set
7 7/8"	5 1/4" or 4 1/2"	15.5-17# K-55 or 10.5-11.6#	TD	250 sx

Propose to reenter the P&A #1 Federal 21, drill and test the Morrow and intermediate horizons. Surface and intermediate casing has been run and set by Mallard Exploration before P&A. Will tie on to existing casing. If commercial pay is found, we will run 5 1/2" or 4 1/2" casing and cement with 600' of cover, perforate and stimulate as needed.

MUD PROGRAM: Fresh water to 6200'. Flosal-driskpak - KCL mud to TD; MW 8.6 - 8.8, Vis 16-7, 2-4% Diesel as needed

BOP Program: BOP's and hydrils on initially tested, pipe rams tested daily, blind rams on trips; yellow jacketed prior to drilling into the Wolfcamp.

GAS NOT DEDICATED

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

Eddie L. Haldy

TITLE ENGINEERDATE 1-18-79

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE

1-29-79

APPROVED BY _____

TITLE _____

DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



AMOC COPY

United States Department of the Interior

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JAN 31 1979

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

O. C. C.
ARTESIA, OFFICE

JAN 28 1979

Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

YATES PETROLEUM CORPORATION	
Texas Hill "KM" No. 1	
1836 FNL 915 FEL	Sec. 21, T21S, R21E
Eddy County	Lease No. NM-3047

Above Data Required on Well Sign

Gentlemen:

Your APPLICATION FOR PERMIT TO RE-ENTER the above-described well to a depth of 8,450 feet to test the Morrow is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Oil and Gas Operations on Federal Leases, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the Surface Use Plan and these Conditions of Approval including the attached General Requirements.
3. Submit a Daily Report of Operations from spud date until the well is completed and the Well Completion Report (form 9-330) is filed. The report should be not less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Guidelines. The color used should simulate sandstone brown (Federal Standard Color 595A, color 20318 or 30318).
5. Before drilling below the 8-5/8" casing, the blowout preventer assembly will consist of a minimum of one annular type and two ram type preventers.
6. A kelly cock will be installed and maintained in operable condition.
7. Before drilling below the 8-5/8" casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.

8. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the Wolfcamp formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:
 - (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
9. Surface use must be limited to the well pad and access road area used when the well was originally drilled.

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

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

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

Operator YATES PETROLEUM Corp		Lease TEXAS Hill KM FEDERAL		Well No. 1
Unit Letter H	Section 21	Township 21-S	Range 21-E	County EDDY
Actual Footage Location of Well: 1836 feet from the North line and 915' feet from the EAST line				
Ground Level Elev. 4651	Producing Formation MORROW	Pool Undes. Morrow	Dedicated Acreage 320 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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 _____

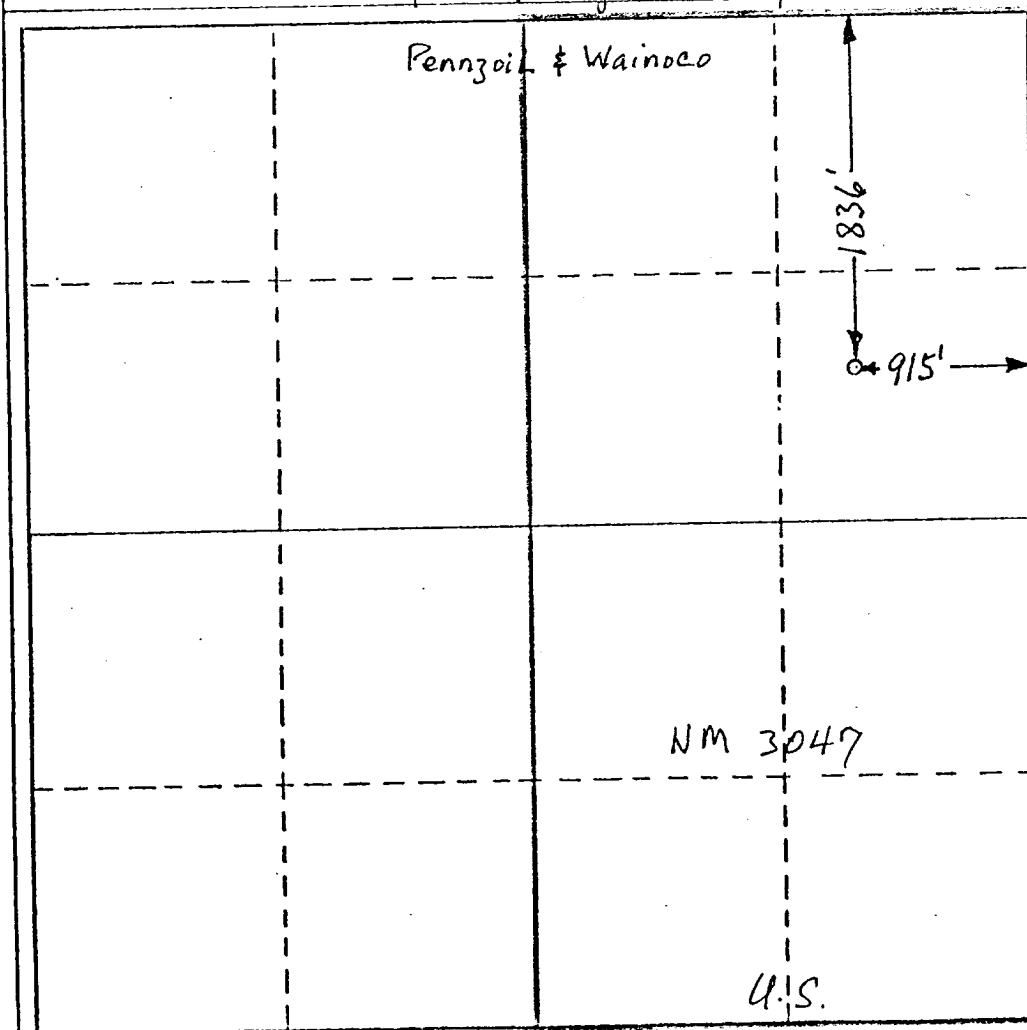
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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. This is a re-entry & deepening - formerly Kimball Prod Co Federal 2147, P&A by MALLARD EPP.

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JAN 26 1979

**U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO**



CERTIFICATION

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

Eddie M. Mahfood

Name

Eddie M. MAHFOOD

Position

ENGINEER

Company

YATES PETROLEUM Corp

Date

1-25-79

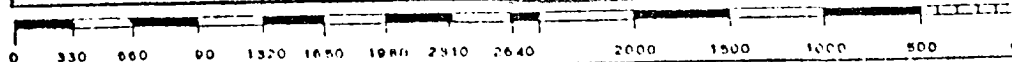
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

REFER TO ORIGINAL PLAT on FILE.

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.



APPLICATION FOR DRILLING

Yates Petroleum Corporation
Texas Hill KM #1
Section 21-T21S-R21E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Reenter the well originally drilled by Kimball Production Company then taken over by Mallard Exploration Corporation, we submit 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:

			<u>Reentry Tops</u>
Glorieta	1900'		
Tubb	2825'		
Abo	3128'	Strawn	6300'
Wolfcamp	4244'	Atoka	6850'
Cisco	5488'	Morrow	8250'
Canyon	5875'	TD	8450'
TD drilled before P & A 9/2/77	6200'		

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

Fresh water:	None
Oil:	Cisco at approximately 5400'
	Strawn at approximately 6300'
	Morrow at approximately 8250'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Mud monitoring equipment to record pit level, measure mud volume and a flow sensor; kelley valve; safety sub with full opening valve, drill pipe float valve.
8. Testing, logging and coring program:

All shows will be drill stem tested. (Strawn and Morrow will be tested)
Neutron-Formation Density and Dual Induction Laterolog.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as approved.

MULTI POINT SURFACE USE AND OPERATION PLAN

Yates Petroleum Corporation
Texas Hill KM No. 1
1836' FNL and 915' FEL
Section 21-T21S-R21E
Eddy County, New Mexico
(Reentry Well)

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JAN 19 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-331, Sundry Notice covering the reentry of the above described well. This well was originally drilled as the Federal 21 #1. The proposed re-construction activities and operations plan, the surface disturbance involved, and the procedures to be followed in rehabilitating the surface after completion of the operations, ^{are included} to enhance an appraisal of the environment associated with the operation.

1. EXISTING ROADS.

- A. Exhibit A. is a portion of BLM quad color map No. SE-23, on a scale of 1/2" to a mile, showing the proposed location and the surrounding area. Exhibit B is a portion of a USGS topographic map on a scale of 1" to a mile, showing the area and the roads in the immediate vicinity of the proposed location. The proposed wellsite is located approximately 50 miles south and west of Artesia, New Mexico, and the access route to the location is indicated in red and green on Exhibits A.
- (1) Proceed south from Artesia on Highway 285 for a distance of approximately 19.2 miles, turning right at that point onto the Marathon Plant Road.
 - (2) Continue southwest for approximately 12.7 miles until the road dead ends at a stop sign.
 - (3) Turn right (west) at a stop sign and continue for approximately 7.95 miles, then, turn right onto a dirt road (at the point where there is a wrecked automobile at the side of the road).
 - (4) Continue for approximately 7.85 miles to a fork in the road. Take the left fork (there is a water tank off to the right at this point).
 - (5) After taking the left fork, continue for approximately 1.65 miles to an oil-field road on your left, which goes through Box Canyon toward the southwest, and which leads to Yates Petroleum Corporation Huber "IA" Federal Well No. 2, located in Section 15-T21S-R21E. The re-constructed access road to the location will begin at this point.

2. PLANNED ACCESS ROADS.

- A. The access road will be the same as the original one which was approximately one mile in length and 12 feet wide.

3. LOCATION OF EXISTING WELLS.

- A. Drilling activity within a two-mile radius of the wellsite is shown on Exhibit B. The nearest production is a gas well in section 15, the Huber "IA" Well No. 2 which serves as the beginning point for the access road. There are plugged and abandoned wells in sections 9, 28 and 14.

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 of 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 Exhibits A and B.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Any caliche required for construction of the drilling pad and the access road will be obtained from the pad area.

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 to the U.S.G.S. for appropriate approval.
- D. Oil produced during operation 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. None required.

9. WELLSITE LAYOUT.

- A. Exhibit D (Page 1) shows the relative location and dimensions of the well pad, the reserve pits, sump pit, etc.
- B. The pad and road will be in the same place.
- C. The reserve pits will be plastic lined.

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 been filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM and the USGS 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: The land surface in the vicinity of the wellsite is very irregular, consisting of mountainous terrain with hard, rocky surface.
- B. Flora and Fauna: The vegetation cover in the vicinity is relatively heavy for a desert area, consisting of cactus, lechuguilla, mesquite, prairie grass, prairie flowers, yucca, and miscellaneous desert growth. The only wildlife observed were jackrabbits, cottontails, and snakes, but the wildlife in the area probably includes other wildlife typical of semi-arid desert land. The area is used for cattle grazing.
- C. There are no ponds, lakes, streams or rivers in the area.
- D. There are no inhabited dwellings in the vicinity of the proposed well. There is an abandoned house and a windmill approximately 1/2 mile south of the wellsite.
- E. Surface Ownership: The wellsite is on federal surface.
- F. There is no evidence of any archeological, historical or cultural sites in the area. The archeological report was completed in August, 1977 and submitted with the original application.

12. OPERATOR'S REPRESENTATIVE.

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

Rod Rodriguez
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
Telephone: (505) 746-3558

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 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.

1-17-79

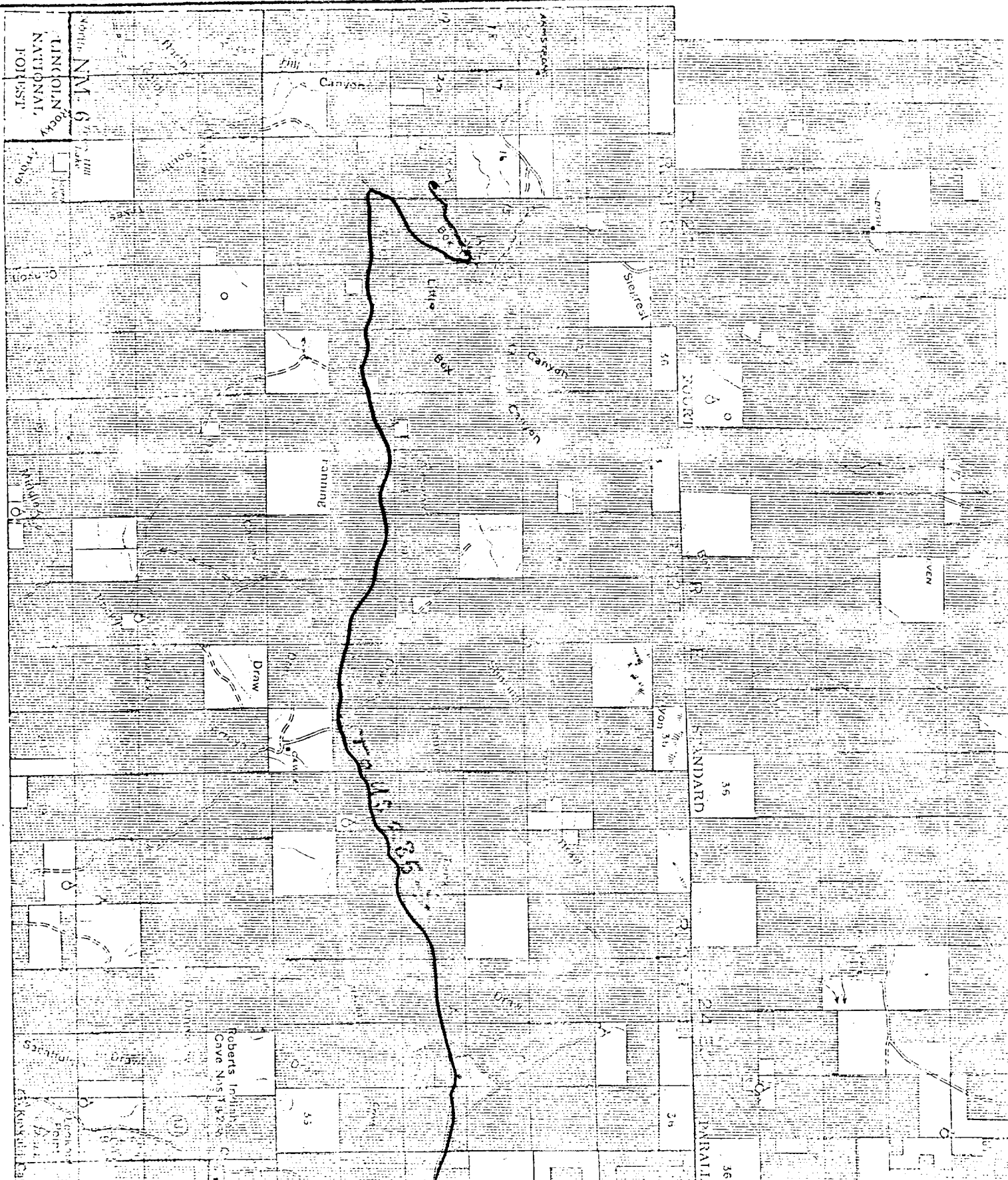
Date

Alisario Rodriguez, Geographer

Name and Title

YATES PETROLEUM
CORPORATION
TEXAS HILL KM
#1
1836' FUL - 915' FEL
ET 21-T21S-R21E
FDC COUNTY, NM

EXHIBIT A



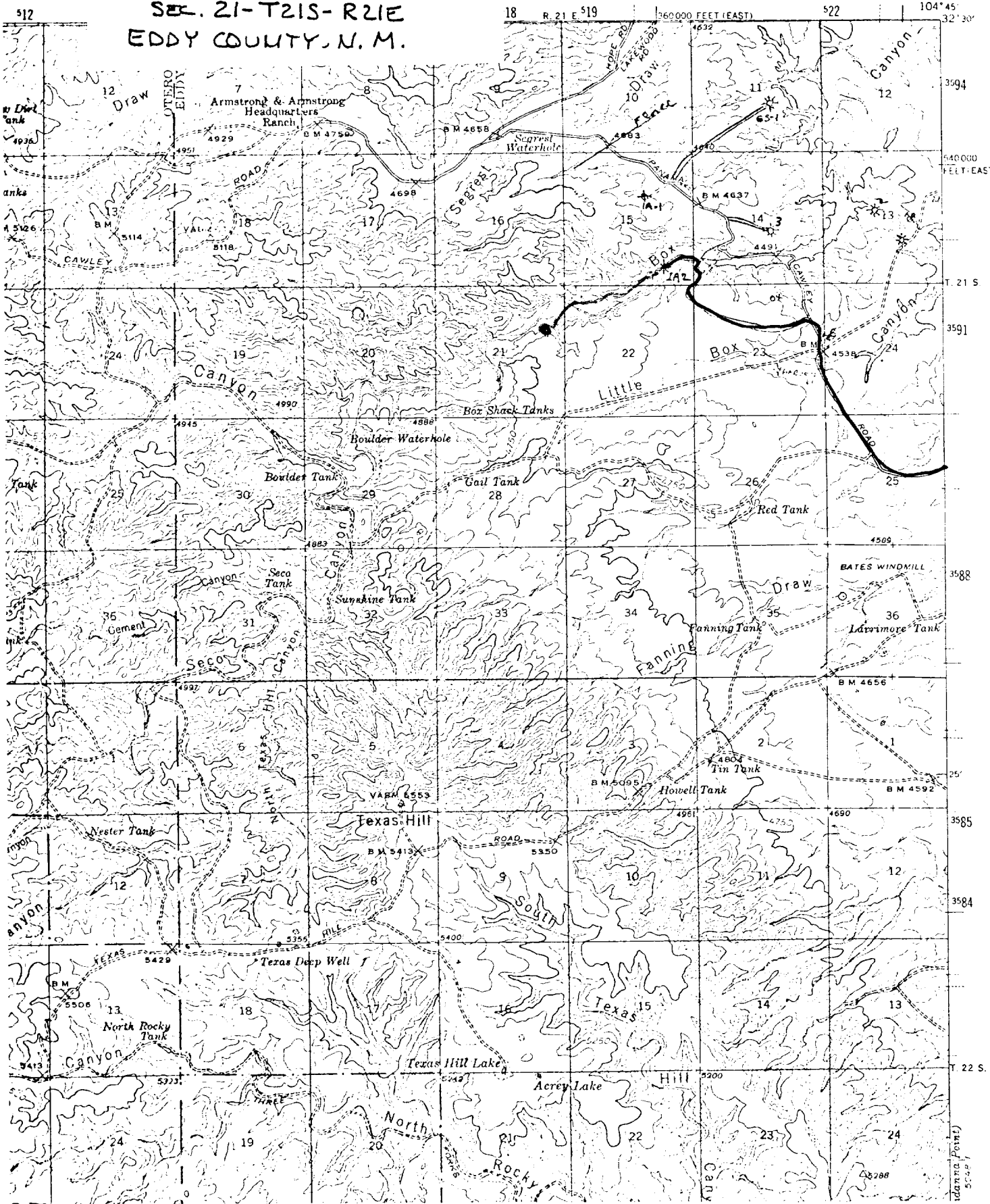
SCALE: 1/2" = 1 MILE

EXHIBIT B

YATES PETROLEUM CORPORATION
TEXAS HILL KM #1
1836' FNL -915' FEL
SEC. 21-T21S-R21E
EDDY COUNTY, N. M.

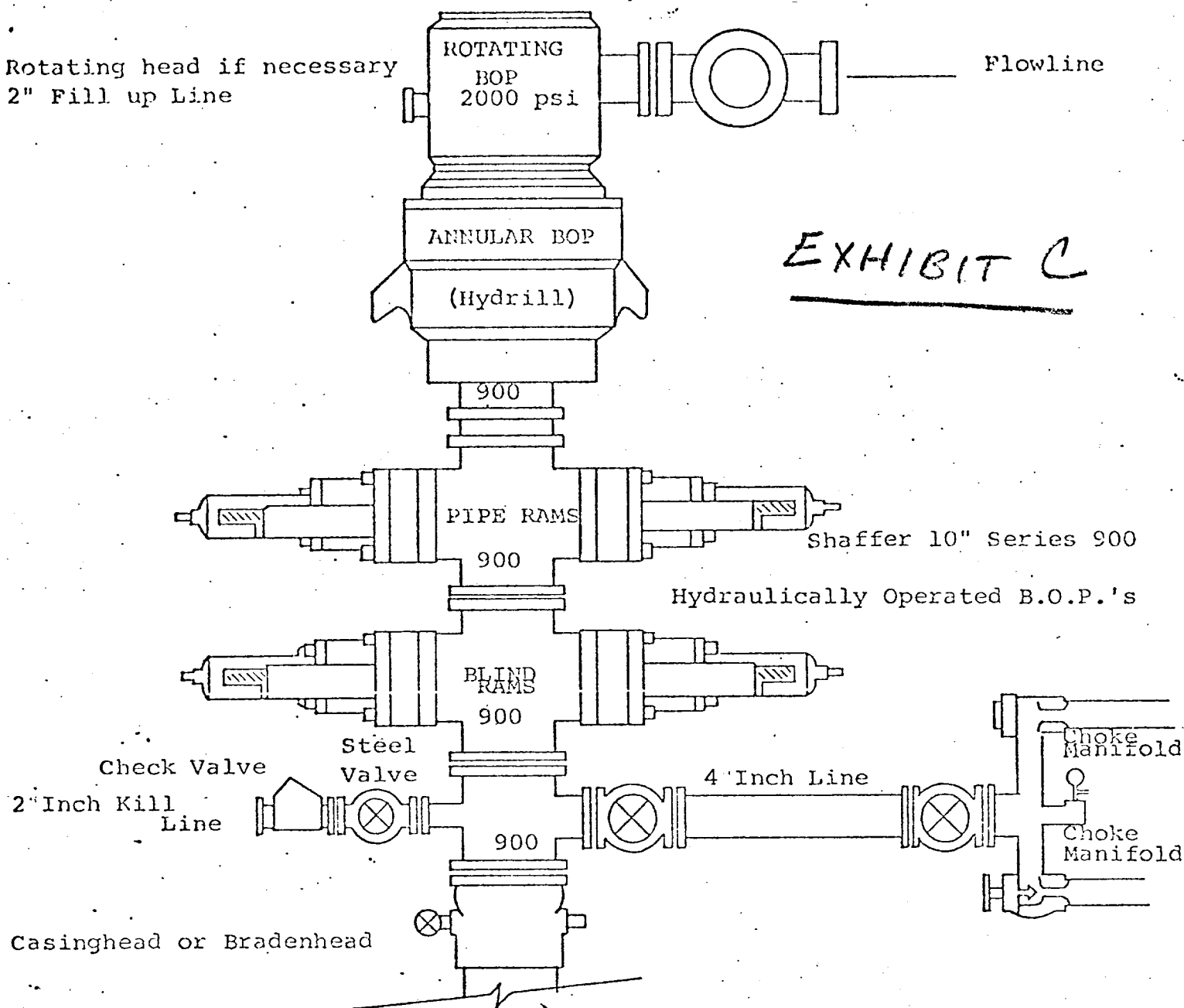
NEW MEXICO
TEXAS HILL QUADRANGLE
15-MINUTE SERIES

5049 11 SW
(For Common Ranch)
1:25,000



Rotating head if necessary
2" Fill up Line

Flowline



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" 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. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.

EXHIBIT D

YATES Petroleum Corporation
TEXAS HILL KM #1
1836' FULL - 915' FEL
Sec 21-T21S-R21E

