

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

(Other instructions
reverse side)

Copy to 87
Budget Bureau No. 42-R1425

30-015-22737

6. LEASE DESIGNATION AND SERIAL NO.
10-1905

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. NAME OF LEASE OWNER

9. WELL NO.

10. COUNTY OR RANGE OR TOWNSHIP
Indesignated

11. COUNTY, TOWNSHIP, RANGE OR SECTION
Sec. 14, T20N, R20W

12. COUNTY OR RANGE OR TOWNSHIP

13. RANGE OR SECTION

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

Oil ☐

Gas ☒

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF COMPANY

Petroleum Corporation

3. ADDRESS OF COMPANY

1001 Main Street, Artesia, New Mexico 88201

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

1930' FEL

At present in lease

NOV 15 1978

14. IF EASTER IN NORTH AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

1/4 Sec. 14, T20N, R20W, east of Artesia, New Mexico

O. C. C.
ARTESIA, OFFICE

15. DEPTH OF WELL, FEET*

1250' (to 100' unit line, if any)

660'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED TO THIS WELL

300

18. DEPTH OF WELL, DEEPEN LOCATION*

TO DEPTH OF WELL, DEEPEN, COMPLETED, ON ALLOTTEE OR TRIBE LEASE, FT.

None

19. PROPOSED DEPTH

10,600'

20. ROTARY OR CASED TOOL

Rotary

21. ELEVATION (Give whether DP, RT, GR, etc.)

2000' RT

22. APPROX. DATE WORK WILL START*

November 1, 1978 or sooner

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	10-3/8"	40# K-55	500'	400 sq. ft. - calculate
12 1/2"	6-5/8"	21# K-55	1900'	1000 sq. ft. - calculate
7 1/2"	5-1/2"	17# H-80 (5 1/2")	10600'	250 sq. ft.
	or 4-1/2"	or 11.6# K-55 and H-80 (1 1/2")		

1. V. gel & MC. to casing point.
Fresh water to Abo, 1-2% KCl to Perm.
Brine-starch-Drispak to Atoka.
Elastic-Drispak-KCl nw 9.3-1.7 to TD.

2. See Exhibit E.

3. Not dedicated.

4. If proposed to drill or deepen directionally, give pertinent data on subsurface locations and measured and true depths of hole.

5. Signature of Agent for Yates Petroleum Corporation
Edward N. Lueking
TITLE
Agent for Yates Petroleum Corporation
DATE 10-18-78

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE 11-9-78

APPROVED BY TITLE DATE
CONDITION OF APPROVAL, IF ANY:

*See Instructions On Reverse Side



NMOCC COPY

United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

November 9, 1978

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

YATES PETROLEUM CORPORATION Roaring Springs Fed. Com. No. 1 1980 FSL 1980 FEL Sec. 14, T20S, R26E Eddy County Lease No. NM-13405

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 10,000 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. After setting 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. Notify the Survey in sufficient time to witness the cementing of the 13-3/8" and 8-5/8" casing.
10. Cement behind the 13-3/8" and 8-5/8" casing must be circulated.
11. Access road shall be designed to minimize cuts and fills and shall be constructed with erosion-prevention considerations such as the use of waterbars, culverts, etc., as needed.
12. Dikes and water retention structures shall be constructed at the time of surface disturbance to prevent erosion of the drill site from surface washing.

Sincerely yours,

(Orig. Sgd.) ALBERT R. STALL

Albert R. Stall
Acting District Engineer

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

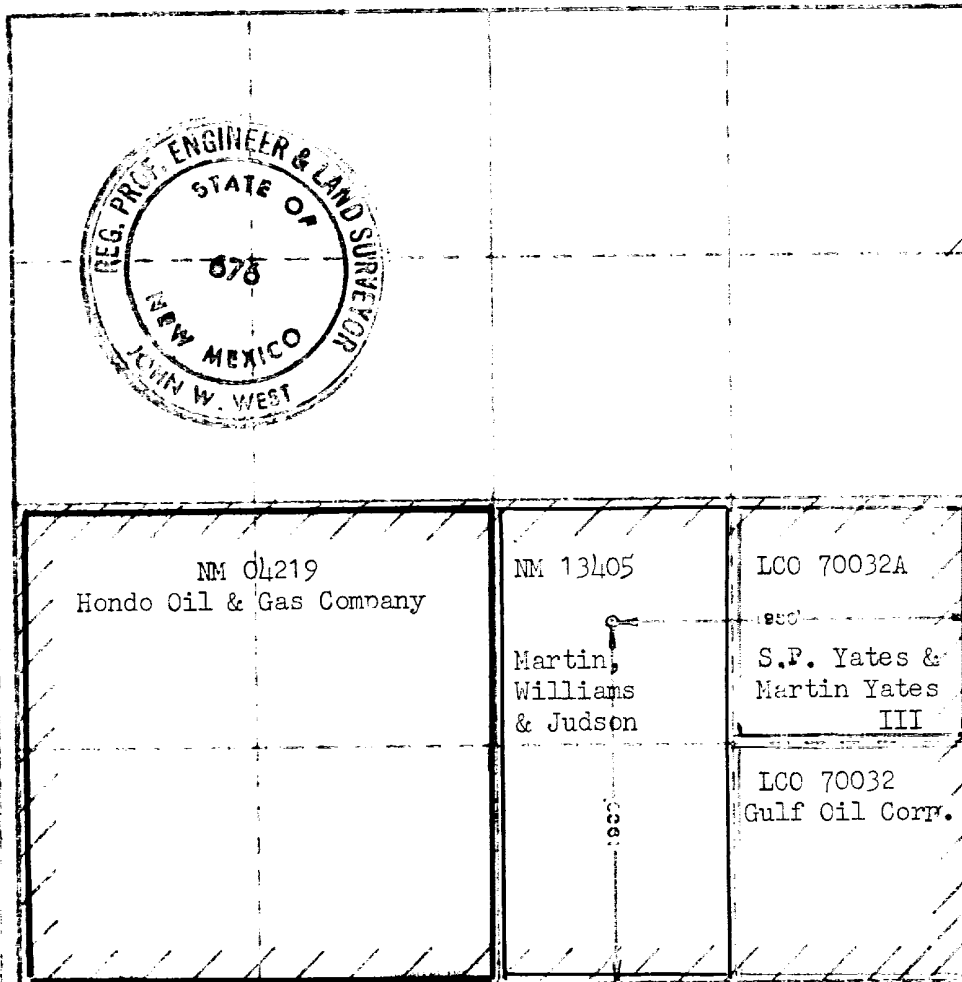
Form 1-17
Revised 1-28
1966

All distances must be from the outer boundaries of the Section

Yates Petroleum Corp.		Rosario Springs Federal Com.	
Section	Township	Range	County
14	20 South	26 East	Eddy
Section 14, T20S, R26E, Eddy Co., N.M.			
1910	feet from the South	1910	feet from the East
320.5	Morrow	Undesignated Morrow	320

- 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 Will be communitized.

If answer is "no" list the owners and tract descriptions which have a title been consolidated (file reverse side of this form if necessary).
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, force 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 correct to the best of my knowledge and belief.

Edward N. Luckin
Name

Edward N. Luckin

Agent For

Yates Petroleum Corp.

10-18-78

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

Date Surveyed

October 15, 1978

Registered Professional Engineer
and Land Surveyor

John W. West
Certified to

John W. West

676

David J. Price 3330

APPLICATION FOR DRILLING

Yates Petroleum Corporation
Roaring Springs Fed. Com. No. 1
Section 14-T20S-R26E
Eddy County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following items of pertinent information:

1. The geologic surface formation is the Seven Rivers formation.
2. The estimated tops of geologic markers are as follows:

Queen	525'	Strawn series	8761'
San Andres	1486'	Atoka series	9471'
Bone Springs Ls.	2386'	Morrow series	9961'
3rd Bone Springs Sandstone	7111'	Chester shale	10300'
Wolfcamp	7511'	Chester Limestone	10570'
Canyon Ls.	8598'	TD	10600'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Static water at approximately 100'.
	Formation water at approximately 300' to 1000'.
Oil:	Queen sandstone at approximately 525' to 565'.
Oil and gas:	Wolfcamp Ls. and dolomite at approximately 7570' to 7770'.
Gas:	Atoka sandstone at approximately 9480' to 9500'.
	Morrow sandstones at approximately 9990' to 10250'.
4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Exhibit E.
6. Mud program: See Form 9-331C.
7. Auxiliary equipment: Blowout Preventer, Inside Blowout Preventer, Kelley Cock.
8. Testing, logging and coring programs: No coring. Drill Stem Tests as warranted. Logs: OIL-FDC; DIL. Mud logging unit will be at the location.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: November 1, 1973 or sooner, if possible.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Roaring Springs Fed. Com. No. 1
1980' FSL and 1980' FEL, Section 14-T205
Eddy County, New Mexico
(Development Well)

RECEIVED

OCT 18 1977

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

This plan is submitted with Form 9-3310, 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 operations, so that a complete appraisal can be made of the environmental effects associated with the operation.

1. EXISTING ROADS.

- A. Exhibit A is a road map showing the proposed location and the surrounding area on a scale of 1/2 inch to a mile. Exhibit B is a portion of a topographical map of the wellsite area, showing the roads in the immediate vicinity of the location. The wellsite is located at a driving distance of approximately 26 miles south and east of Artesia, New Mexico, and can be reached as follows:
- (1) Proceed south from Artesia on Highway 205 for approximately 14.6 miles to Highway 381, which meets Highway 205 at that point, on the east side of Highway 205.
 - (2) Turn left (east) onto Highway 381 and proceed approximately 2.1 miles, at which point the highway dead ends at a crossroad at Lakewood, New Mexico.
 - (3) Turn right (south) on this crossroad and proceed approximately 3.4 miles to the dam at the southern end of Lake McMillan.
 - (4) Continue in the same direction for approximately 2.1 miles, then turn right (south) on another dirt road. As a landmark in identifying this turnoff, there is a caliche pit and a dry hole marker on the left side of the road, just opposite this right hand turnoff. On the right, there is a tank battery (two tanks) and a compressor, and the access road passes to the left of the tanks.
 - (5) Proceed in a generally southward direction for approximately 2.4 miles. En route, you will pass the following identification points:
 - (a) You will cross a railroad track approximately 9/10 of a mile after entering this southbound road.
 - (b) Shortly after crossing the railroad track, you will encounter a fork in the road. Take the right fork, remaining on the caliche road.

- (c) After passing over a curved area of the road, you will pass on your right Cities Service Well "State CJ No. 1," approximately 8/10 of a mile after crossing the railroad track.
- (d) Approximately 7/10 of a mile beyond the Cities Service well, the road will dead end at a crossroad.
- (6) Turn right at this crossroad and proceed approximately 4/10 of a mile. There will be a windmill on your left at this point.
- (7) Continue beyond the windmill in the same direction for about 2/10 of a mile, at which point the road curves to the left. Follow this road for approximately 8/10 of a mile beyond this curve, at which point there are surveyor's stakes and ribbons on the right hand side of the road, indicating the beginning point of the proposed new access road.

B. The existing roads are in relatively good condition, and little or no surface patching will be necessary.

2. PLANNED ACCESS ROAD.

- A. A newly constructed access road, approximately 2/10 of a mile in length, will lie in a somewhat southwest-to-northeast direction and will meet the drilling pad at the southwest corner of the pad, as indicated in Exhibit D. The new access road will be 12 feet in width and will be covered with six inches of compacted caliche.
- B. The route of the proposed new access road crosses a relatively level area, which rises gently to the north over the first 200 yards of the route, then levels off before dropping gradually as it approaches the pad site. The estimated variation in surface elevation over the route of the road is about 6 to 8 feet..
- C. The surface over the route of the proposed road is moderately hard sandy loam over gyp. The surface of the road will be crowned in the center, with drainage on both sides of the road. No turnouts or culverts will be necessary. No fences are involved and no cattle guards will be installed.
- D. The route of the proposed new road has been staked and flagged, and each flag is clearly visible from the flag nearest to it.

3. LOCATION OF EXISTING WELLS.

- A. Existing wells in the area of the wellsite are shown on Exhibit C.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are no existing 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 privately owned or commercial sources and will be hauled to the location over the existing and proposed roads described in paragraphs 1 and 2, above.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche for road and drilling pad surfaces will be obtained an existing caliche pit, located adjacent to Monsanto Honda Federal Well No. 1 (plugged and abandoned) at 1280' FNL and 660' FNL in Section 14-T20S-R23E. This pit is a driving distance of about 4/10 of a mile from the beginning point of the proposed new access road.

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 disposed of in the reserve pits. Oil produced during operations will be stored in 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.
- G. All pits will be fenced with normal fencing material to prevent livestock from entering.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits and major rig components.
- B. The ground surface at the wellsite is comparatively level, with only minor undulations, and a very gentle downward slope toward the north and east. Minor cut and fill will be required to level the location. Measured from the southwest corner of the pad, the northeast corner of the pad area shows the greatest variation in elevation, being about 4-1/2 feet lower than the southwest corner.

- C. The reserve pits will be plastic-lined.
- D. The pad and pit area and the proposed route of the new access road have been staked and flagged.

10. PLANS FOR REHABILITATION OF THE SURFACE.

- A. After completion of drilling and/or completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk, so as 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 Reclamation and the United States Geological Survey 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 area surrounding the wellsite is relatively level, with only minor undulations in elevation.
- B. The topsoil at the wellsite is moderately hard sandy loam over gyp.
- C. Flora and fauna: The vegetation cover is typical for semi-arid desert land, including growth such as creosote bush, broomweed, thistle, a few cactus and tucce plants, and miscellaneous prairie weeds and flowers. No wildlife was observed, but there were indications of the presence of rabbits and badgers, and it is likely that other typical semi-arid desert wildlife inhabit the area, which is used for cattle grazing.
- D. There are no occupied dwellings in the area of the wellsite. The nearest windmill is located approximately two miles to the southeast.
- E. There are no ponds, lakes, or flowing rivers or streams in the immediate vicinity of the wellsite. Lake McMillan is about two miles to the north.
- F. Surface ownership: The wellsite is on "Reclamation and Water Power Projects Withdrawal" surface.
- G. There is no evidence of any archeological, historical, or cultural sites in the area. An archeological survey has been conducted by New Mexico Archaeological Services, Inc., P. O. Box 1341, Carlsbad, New Mexico, and their report has been submitted to the government agencies concerned.

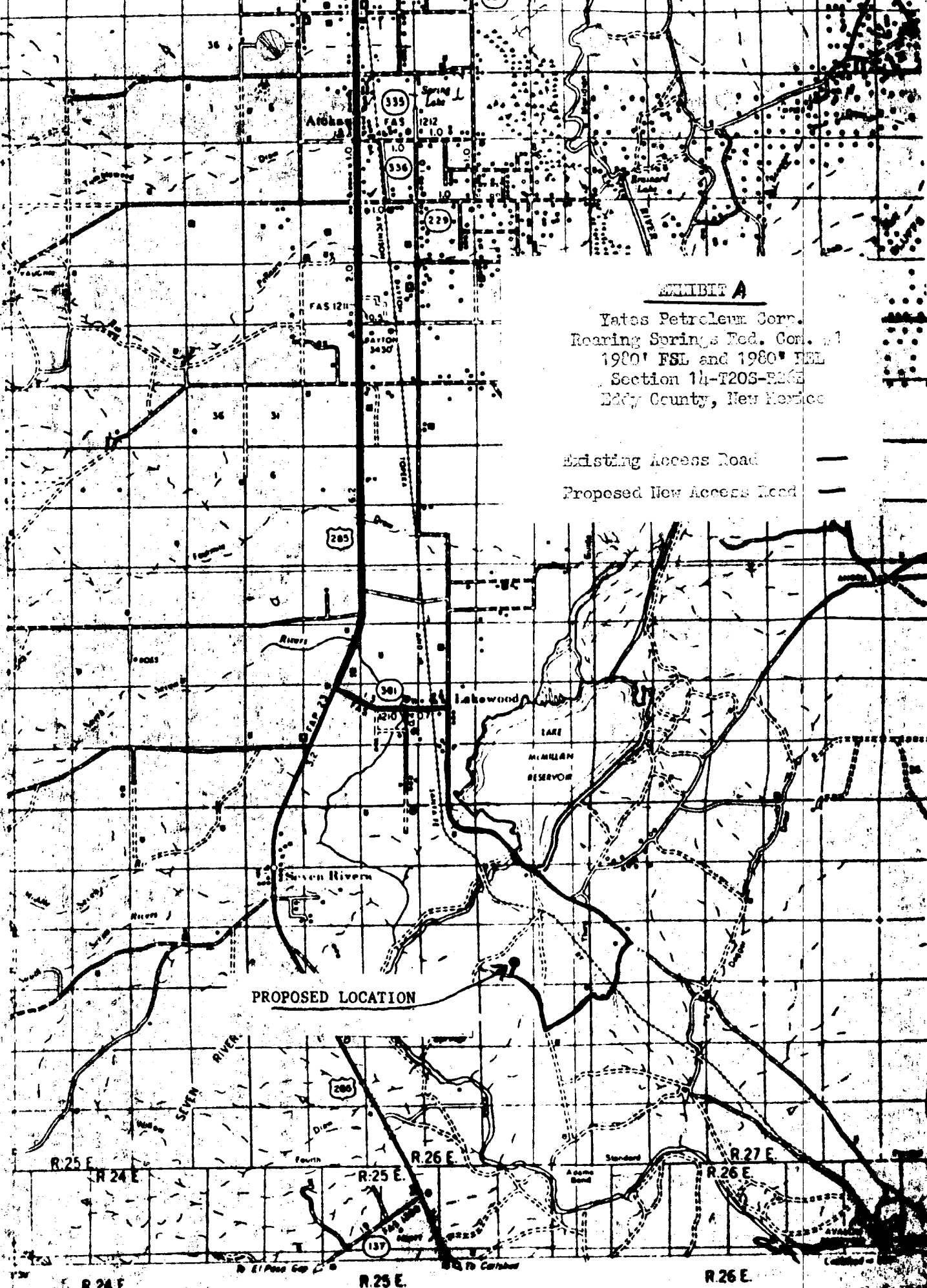
EXHIBIT A

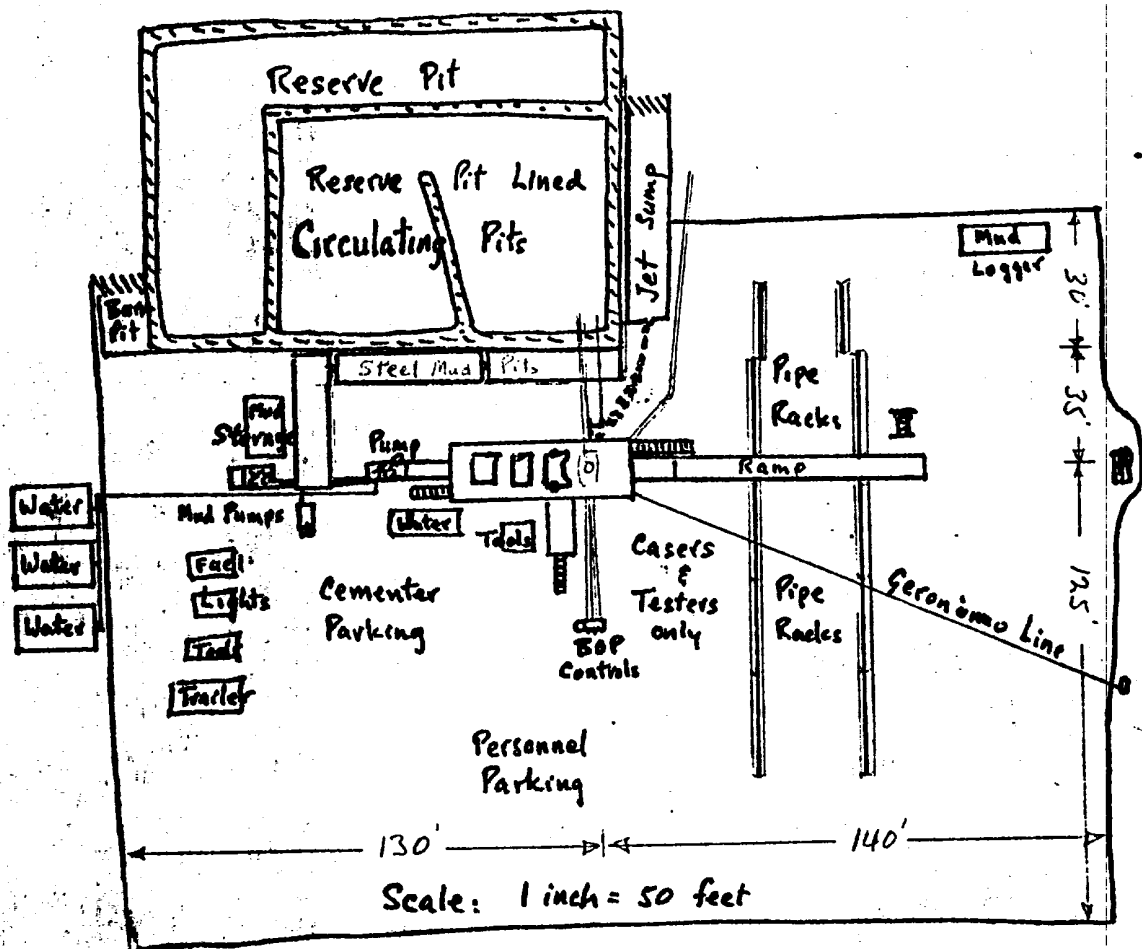
Yates Petroleum Corp.
Roaring Springs Fed. Con. #1
1980' FSL and 1980' FSL
Section 14-T20S-R26E
Baker County, New Mexico

Existing Access Road

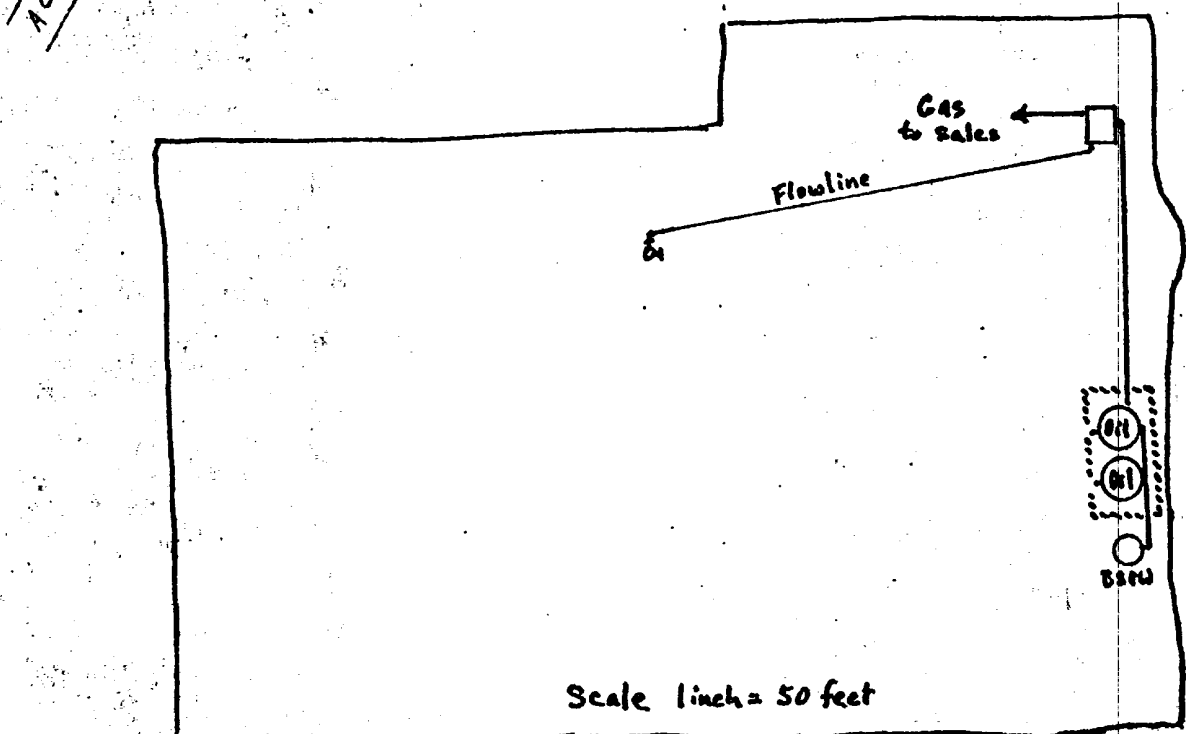
Proposed New Access Road

PROPOSED LOCATION





Drilling Rig Layout



Tank Battery Layout

EXHIBIT D

Yates Petroleum Corp.
 Roaring Springs Fed. Con. #1
 1980' FSL and 1980' FSL
 Section 14-T20S-R26E
 Eddy County, New Mexico