

Form 9-331 C
(May 1963)SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-015-23079

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

SINGLE
ZONE ☐MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

207 South Fourth Street, Artesia, NM 88210

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

At surface

1980' FSL & 660' FEL

At proposed prod. zone

same

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

4 miles NNW of Carlsbad, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

160

17. NO. OF ACRES ASSIGNED

TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION*

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

19. PROPOSED DEPTH

11,400' TD

20. ROTARY OR CABLE TOOLS

Rotary

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

3153.8 GR

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
17 1/2"	13 3/8"	48# K-55	550'	525 sx-circulate
12 1/2"	8 5/8"	24# K-55	2800'	800 sx-circulate
7 7/8"	5 1/2 or 4 1/2"	17 or 11.6# K-55 or N-80	TD	350 sx

Propose to drill and test the Morrow and intermediate horizons. Will set approximately 550' surface casing to shut off gravel and casing, and will set intermediate casing at 2800', with both strings being circulated. If commercial will run 5 1/2 or 4 1/2 and cement with at least 600 ft. of cover.

Mud Program: F W gel and LCM to 2800'; water to 8200'; Starch-Drispak-KCL to 10,200; and flosal-Drispak-KCL to TD.

BOP Program: BOP's and hydril on 8 5/8" casing and tested, pipe rams tested daily, blind rams on trips; yellow jacket, pit level control and flow sensor on prior to 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

Glenn R. Rodriguez

TITLE Geographer

DATE October 15, 1979

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

11-20-79

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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 CORPORATION		Lease South Avalon MA Federal		Well No. 1
Unit Letter I	Section 14	Township 21 South	Range 26 East	County Eddy
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line				
Ground Level Elev. 3153.8	Producing Formation MORROW	Pool WILDCAT	Dedicated acreage: WILDCAT	Acres

- Outline the acreage dedicated to the subject well by colored pencil or ink 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 **TO BE COMMUNITIZED**

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.

BOND & WILSON FEE	
YPL NM 27918	
	
660' 1980'	

CERTIFICATION

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

Gliserio Rodriguez
Name

GLISERIO RODRIGUEZ
Position

GEOGRAPHER
Company

YATES PETROLEUM CORP
Date

10-15-79

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.

Date Surveyed

October 3, 1979

Registered Professional Engineer and/or Land Surveyor

Dan R. Reddy
Certificate No.



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

RECEIVED

NOV 27 1979

D. G. H.
ARTESIA OFFICE

November 26, 1979

Yates Petroleum Corporation
207 South Fourth Street
Artesia, New Mexico 88210

YATES PETROLEUM CORPORATION
South Avalon MA Federal No. 1
1980 FSL 660 FEL Sec. 14 T.21S R.26E
Eddy County Lease No. NM 27918

Gentlemen:

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 11,400 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 not be 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 No. 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" casing must be circulated.
11. Stipulations: Comply with Multi-Point Surface Use and Operations Plan and drilling activity be confined within the limits outlined in the NMAA Archeological Clearance Report.
12. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

George H. Stewart
Acting District Engineer

Yates Petroleum Corporation
South Avalon "MA" Federal #1
1980' FSL and 660' FEL
Section 14 - T21S - R26E
Eddy County, New Mexico

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

1. The geologic surface formation is tensil.
2. The estimate tops of geologic markers are as follows:

Yates	80'	Strawn	9516'
Capitan Reef	270'	Atoka	10176'
Base of Cap. Reef (Del. Sd. group)	2590'	Morrow	10771'
3rd Bone Springs Sd.	8131'	Chester	11296'
Wolfcamp	8500'	T.D.	11400'
Cisco-Canyon Shale	9200'		

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

Water: Approximately 100'-270'

Gas:	Bone Springs	7880'-8000'	Morrow	10890-11296'
	Strawn	9850'-10150'		
	Atoka	Atoka		

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

DST's: As Warranted
Logging: Intermediate casing to T.D.
Coring: CNL-FDC T.D. to casing with GR-CNL on to surface and
DLL from T.D. to casing with selected min. R O.
X
9. No abnormal pressures or temperatures are indicated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
South Avalon "MA" Federal #1
1980' FSL and 660' FEL
(Exploratory Well)

RECEIVED

OCT 18 1979

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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

1. EXISTING ROADS.

Exhibit A is a portion of a USGS topographic map showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 5 miles north of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed north from Carlsbad on Highway 239 (La Huerta road) for a distance of approximately $2\frac{1}{4}$ miles.
2. Turn NW for approximately $1\frac{3}{4}$ miles. Then west past a dry hole marker.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1 mile in length from point of origin to the edge of the drilling pad. The road will in a east-to-west direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be covered with the necessary depth of caliche. The surface will be crowned, with drainage on one side. Three turnouts will be necessary.
- D. The road will follow the existing ranch road and along side a pipeline R/W.

3. LOCATION OF EXISTING WELLS.

- A. Drilling activity within a one-mile radius of the wellsite is shown on Exhibit A. The nearest production is a gas well in the SE $\frac{1}{4}$ of Section 13 - T21S - R26E.

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.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Any caliche required for construction of the drilling pad and the new access road will be obtained from the nearest existing pit or not used at all.

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 USGS 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 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 C shows the relative location and dimensions of the well pad, the reserve pits, etc.
- B. The location surface is on a slope, cut and fill will be needed in the pad area.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' pad area has been staked and flagged.

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 leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is sloping (base of hill). The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of prairie grass, prairie flowers, mesquite and miscellaneous desert growth. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area did not appear to be used for anything.
- C. There is the Pecos River and a cement canal running north-to-southwest of the location approximately 750'.
- D. There are no inhabited dwellings in the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on federal surface managed by the Bureau of Reclamation, Amarillo, Texas. They have been contacted by phone.
- F. There is no evidence of any archeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

- A. The field representatives responsible for assuring compliance with the approved surface use plan are:

Gliserio "Rod" Rodriguez
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(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 the operations proposed herein will be performed by Yates Petroleum Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10-17-79

Date

Gliserio Rodriguez
Gliserio Rodriguez, Geographer

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

WEST CARLSBAD QUADRANGLE

15-MINUTE SERIES

EDDY COUNTY, NM

49 1/4 SE
1566 R. 26 E. 1567
1568
520 000 FEET
104° 15' R. 26 E.
530 000 FEET
540 000 FEET
550 000 FEET
560 000 FEET
570 000 FEET
580 000 FEET
590 000 FEET
600 000 FEET
610 000 FEET
620 000 FEET
630 000 FEET
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810 000 FEET
820 000 FEET
830 000 FEET
840 000 FEET
850 000 FEET
860 000 FEET
870 000 FEET
880 000 FEET
890 000 FEET
900 000 FEET
910 000 FEET
920 000 FEET
930 000 FEET
940 000 FEET
950 000 FEET
960 000 FEET
970 000 FEET
980 000 FEET
990 000 FEET
1000 000 FEET

EXHIBIT A
YATES PETROLEUM CORP.
SOUTH AVALON "MA" FED. #1
1980' FSL - 660' FEL
SEC 14-T21S-R26E
EDDY COUNTY, NM

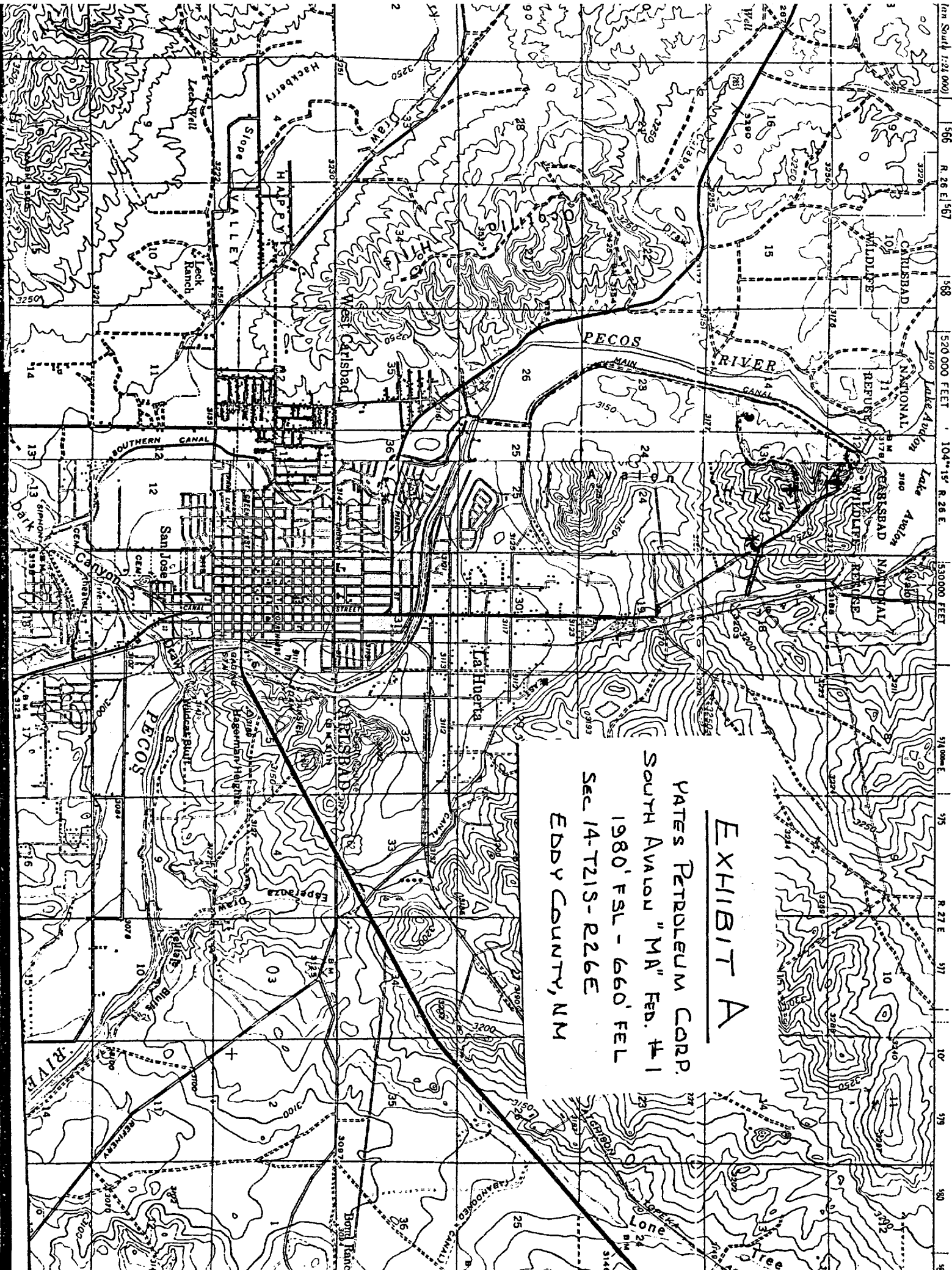
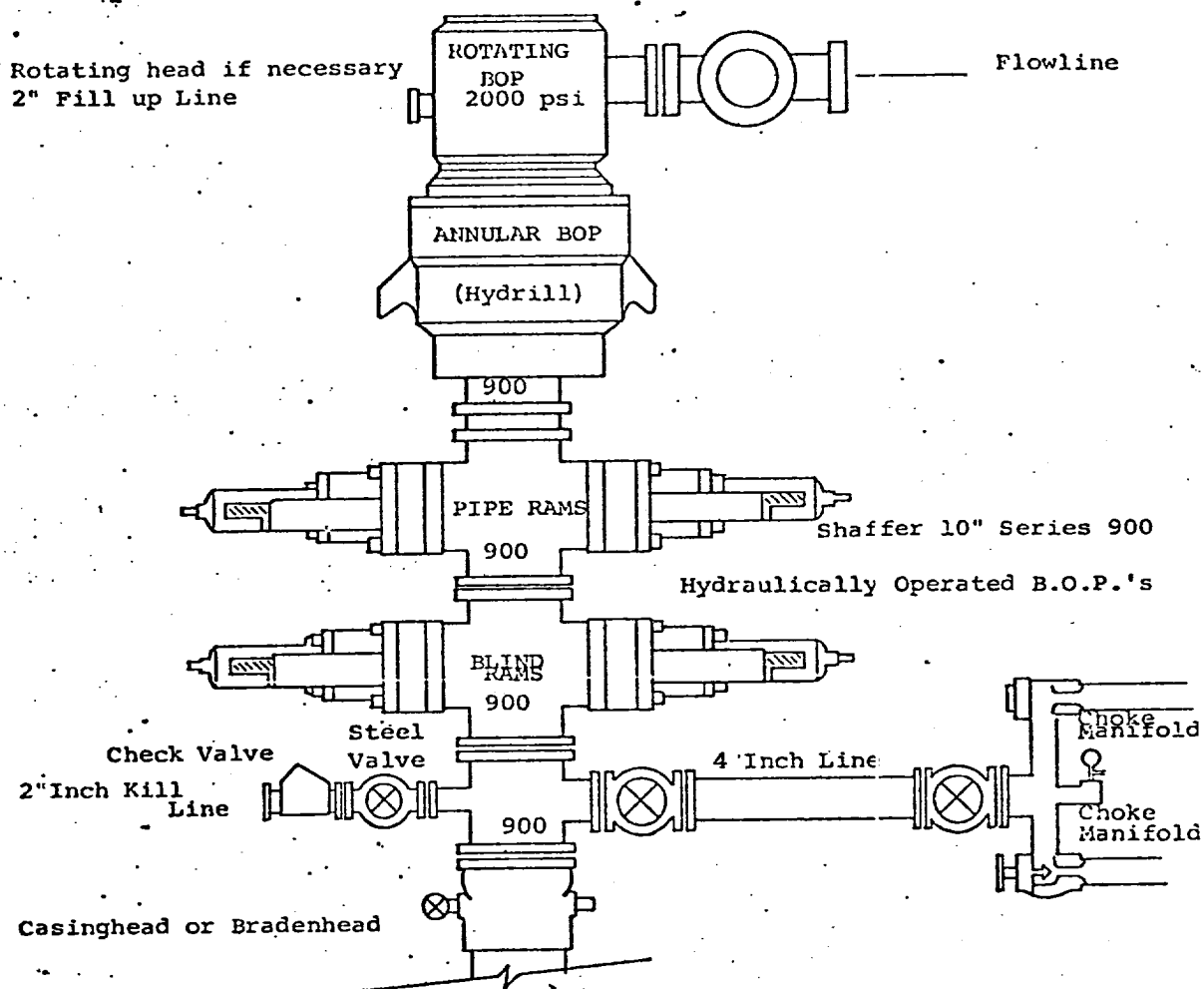


EXHIBIT B



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.

