

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P. O. Box 1933, Roswell, N. M. 88201

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

At surface

1980' FSL & 660' FWL

At proposed prod. zone

Same

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

From Carlsbad, N.M. - Rt. #1-32 miles Rt. #2-21 miles

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

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

660'

16. NO. OF ACRES IN LEASE

320

18. DISTANCE FROM PROPOSED LOCATION*

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

19. PROPOSED DEPTH

10,900'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

Rotary

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

3929.65' GL

22. APPROX. DATE WORK WILL START*

12-15-79

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# | 200' | Circulate |
| 12 1/4" | 8 5/8" | 24# | 2500' | Circulate |
| 7 7/8" | 5 1/2" | 17# | 10,900' | Sufficient to cover 600' above pay |

Mud Program: 0' - 200' - Spud mud and LCM as needed
200' - 2500' - Fresh water and LCM as needed
2500' - TD - Fresh water to Wolfcamp. Cut brine
to Top of Morrow. Mud up at Morrow. 30-34 Vis
6-10 cc WLC.

19. 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

TITLE

Vice President

DATE

11-28-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

12-17-79

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form
Superseded
1-1-79

All distances must be from the outer boundaries of the Section

Harvey E. Yates Co.

Last Chance

1

L 28

23 South

24 East

Eddy

1980 South

600 West

3929.65

Morrow

Wildcat

320

1. Outline the acreage dedicated to the subject well and record 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 well and 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, forced-pooling, or otherwise?

☒ Yes ☐ No If answer is "yes" type of consolidation communitization agreement

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.

Harvey E. Yates

Vice President

Harvey E. Yates Company

November 28, 1979

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

11-26-1979

Registration for the State of New Mexico
Oil and Gas Commission

John A. West

John A. West

Ronald Edmon

16

ARCO - WI
HEYCO - WI
U.S.A. - Royalty
O. Ely - Royalty
Central SW Oil Corp. Pens. Tr. - Royalty

AMOCO - WI
U.S.A. - Royalty

660

10861



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 38210

RECEIVED

DEC 18 1979

G. C. D.
ARTESIA OFFICE

December 17, 1979

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Gentlemen:

HARVEY E. YATES COMPANY
Last Chance No. 1
1980 FSL 660 FWL Sec. 28 T.23S R.24E
Eddy County Lease No. NM 22064

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 10,900 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. Special stipulations: Move location 300 feet north. Turn V-door north-east (BLM).
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

APPLICATION FOR DRILLING
HARVEY E. YATES COMPANY
LAST CHANCE #1
Sec. 28, T-23S, R-24E
EDDY COUNTY, N. M.

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 28, Township 23 South, Range 24 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with U. S. G. S. requirements:

1. The geologic surface formation is quaternary alluvium and bolson deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

| | |
|---------------------|--------|
| San Andres | 896' |
| Bone Springs | 2774' |
| 3rd Bone Springs Sd | 7166' |
| Wolfcamp | 7404' |
| Pennsylvanian | 8119' |
| Des M. | 8550' |
| Atoka | 9421' |
| Morrow | 10235' |

3. We do not anticipate finding water but have listed the formations in which we anticipate finding oil or gas.

From 3rd Bonesprings Sd to Morrow

4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Exhibit C.
6. Mud program: See Form 9-331C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, logging and coring programs: Possible DST's in the Bone Springs, Atoka and Morrow. No coring is planned. CNL-FDC and DLL logs will be run.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval but no later than December 15, 1979.

SURFACE USE PLAN

HARVEY E. YATES COMPANY

Last Chance #1

1980' FSL & 660' FWL

Section 28, Township 23 South, Range 24 East

Eddy County, New Mexico

1. EXISTING ROADS:

A. Exhibit A is a portion of highway map showing the location of the proposed well. The location is accessible by two routes and they are as follows:

Route 1:

Leave Carlsbad on U. S. Highway 285 heading northwest. Travel approximately 8 miles or until you come to New Mexico Highway 137. Turn left and continue for about 18 miles on Highway 137. At this point there is a road heading southeast. Turn on this road and travel for about 5.5 miles or until you come to a ranch road that heads southwest. Turn on this road and travel for approximately 1200' and our proposed location is 200' due west. This existing ranch road will have to be improved.

Route 2:

Leave Carlsbad and travel southwest on U. S. Highways 62 and 180 for about 5 miles; approximately 1 mile south of the port of entry there is a road that turns west. Take this gravel road and continue for about 15 miles (Wooten Ranch house is about 1/3 mile past the ranch road that heads southwest). Take the ranch road that heads southwest and travel for about 1200'. Our proposed location is due west 200'.

B. Exhibit B is a plat showing the existing roads in the area and the portion of road that will have to be improved and the portion of road that will have to be built.

2. PLANNED ACCESS ROADS:

A. We propose to build 200' of new road from the existing ranch road to our location. The road will be 12' wide and 6" compacted caliche.

3. LOCATION OF EXISTING WELLS:

A. This section has no existing oil or gas wells on it. The one well that was drilled, the China Canyon Arco Federal #1, was converted to a water well.

4. LOCATION OF TANK BATTERIES, ETC.:

A. There are no tank batteries or any other type of oil or gas production facilities on this section. In the event that we drill a producing well, all production facilities will be installed on the existing pad.

Surface Use Plan

Harvey E. Yates Company

Last Chance #1

Page 2

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be obtained from the water well mentioned in 3-A. We will install a totalizing meter and operate it in compliance with the conditions set out by the State Engineers office.

6. SOURCE OF CONSTRUCTION MATERIAL:

A. Caliche will be needed to build the road and pad and to repair the existing ranch road and will be obtained from a federal pit located about 1/2 mile east of our proposed location and on the south side of the road.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Waste will be buried in reserve pits at a depth of 24". The well site will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Exhibit C shows the relative location and dimensions of the well pad, reserve pits and major rig components.

B. There will be some cut and fill from the west to the east; approximately 5' of cut on the west and 5' of fill on the east.

C. The pad and pit area have been staked.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. After finishing drilling and/or other completion operations, all equipment and other material not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite as pleasant in appearance as possible.

B. If the proposed well is non-productive, all restoration and/or vegetation requirements of the Bureau of Land Management and the United States Geological Survey will be complied with and will be accomplished as quickly as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

A. The surface is Federal.

Surface Use Plan

Harvey E. Yates Company

Last Chance #1

Page 3

B. The topography consists of hard sand with native grasses, catclaw etc. No wildlife was observed, but the usual inhabitants of this region are jackrabbits, reptiles, coyotes, etc.

C. There are no ponds, lakes, streams or rivers in the area.

D. There are no occupied dwellings or windmills in the area of the wellsite.

E. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVES:

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

Peck Hardee
Harvey E. Yates Company
P. O. Box 1933
Suite 300
Security National Bank Bldg.
Roswell, New Mexico 88201
Office: 505/623-6601
Home: 505/623-8980
Mobile: 505/623-0989 #4109

Craig Huber
Harvey E. Yates Company
P. O. Box 1933
Suite 300
Security National Bank Bldg.
Roswell, New Mexico 88201
Office: 505/623-6601
Home: 505/746-4239
Mobile: 505/748-1366 #4114

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 Harvey E. Yates Company and its contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved.

11/28/79
Date

Peck Hardee

Vice President
Name and Title

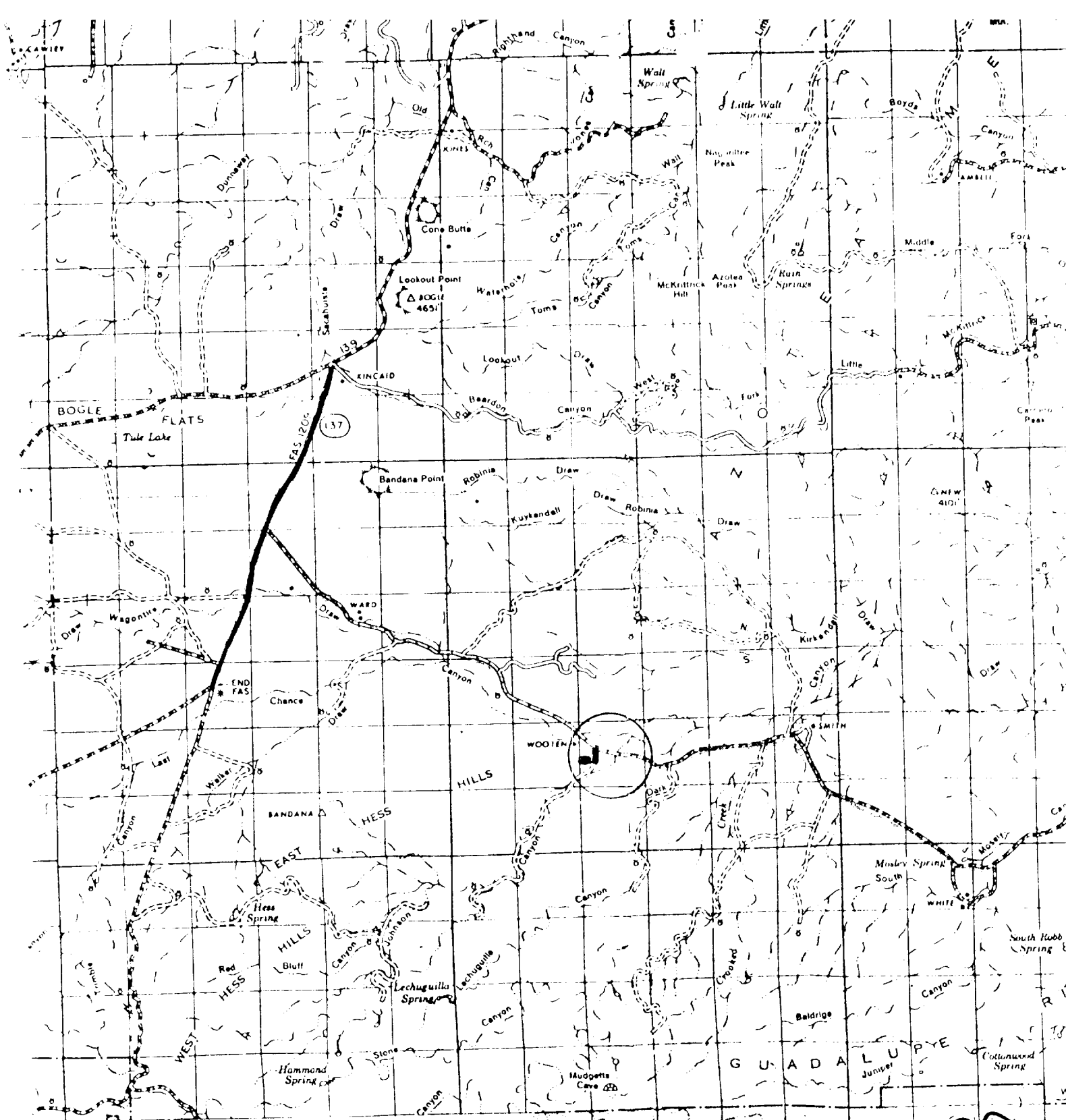
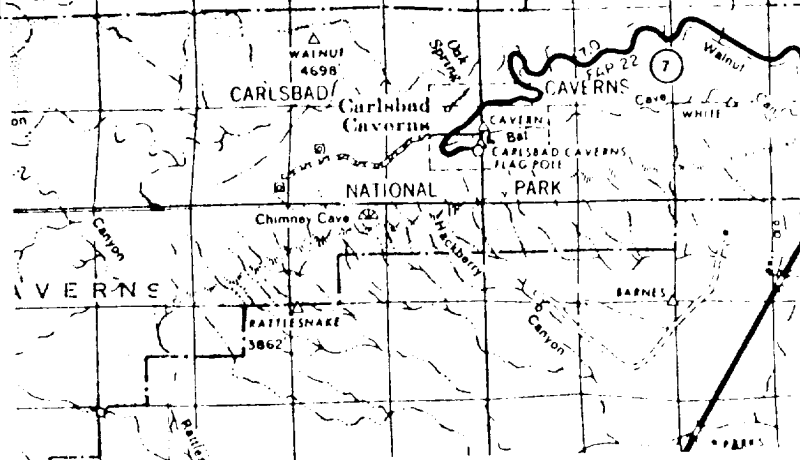


EXHIBIT A
 HARVEY E. YATES COMPANY
 LAST CHANCE #1
 SEC. 28, T-23S, R-24E
 EDDY COUNTY, N. M.

- ✓ PAVED ROADS
- EXISTING ACCESS ROAD
- PORTION OF ROAD TO BE IMPROVED
- PROPOSED NEW ROAD
- PROPOSED DRILLSITE



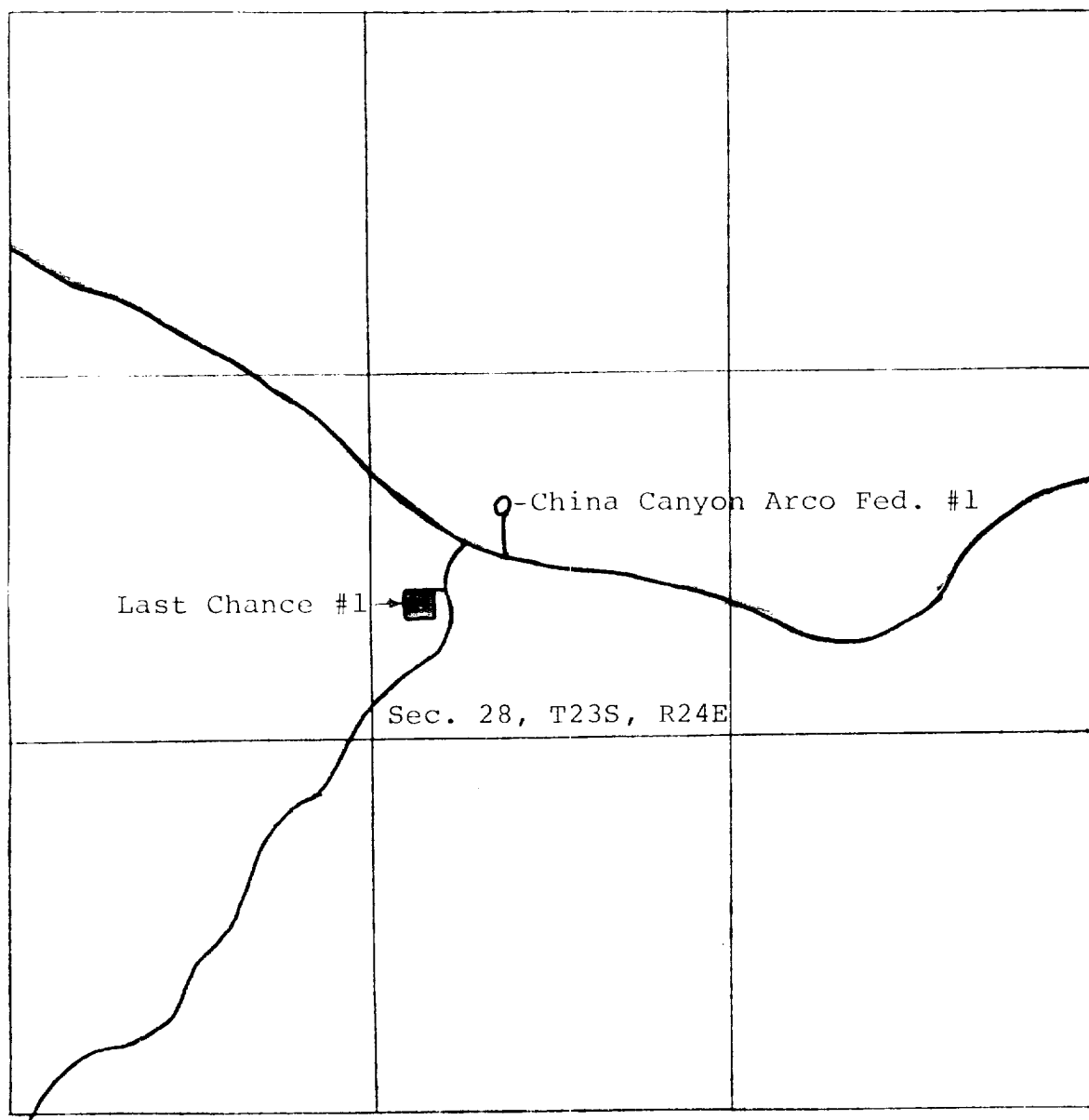


EXHIBIT B
 Harvey E. Yates Company
 Last Chance #1
 Sec. 28, T-23S, R-24E
 Eddy County, N. M.

EXISTING ACCESS ROADS
 PORTION OF ROAD TO BE IMPROVED
 PROPOSED NEW ROAD
 PROPOSED DRILLSITE

DRAWWORKS

Brewster N-7-2W
Drum: 1-1/8" Lebus grooved
Compound: 2-engine oil bath chain drive
Brake: Hydromatic Parkersburg 40" Single

ENGINES

Two 410 H.P. D3531A Caterpillar Diesel.

DERRICK

Lee C. Moore, 127', 440,000 lb. nominal capacity.

SUBSTRUCTURE

Lee C. Moore, 10' high, 440,000 lb. nominal capacity.

MUD PUMPS

Pump No. 1: Emsco DB700, 700 H.P. with steel fluid end, 4 1/2" - 7 1/2" liners, 16" stroke, Compound-driven.
Pump No. 2: National C-250, powered by D353 Caterpillar diesel.

DRILL STRING

8400' - 4 1/2" Grade E, 16.60 lb.
3000' - 4 1/2" Grade E, 20 lb.
Tool Joints: 4" H-90, 6" OD
Thirty Drilco spiral-grooved 6 1/2" OD, 2 1/4" ID, With 4" H-90 Joints.
Other sized drillpipe & drillcollars available.

BLOWOUT PREVENTERS

One Shafter LWS hydraulic double 10" x 900 series. One Hydral 10" x 900 series.
Choke manifold 4" x 900 series flanged connections.
Payne 4 valve accumulator closing unit.

MUD SYSTEM

3 - 30 x 7 1/2 x 6 steel pits, with 700 Bbl. capacity. Complete low pressure circulating system, consisting of four submerged mud guns and two counter sunk jets in each pit. System utilizes a 6 x 8 centrifugal pump, powered by diesel.

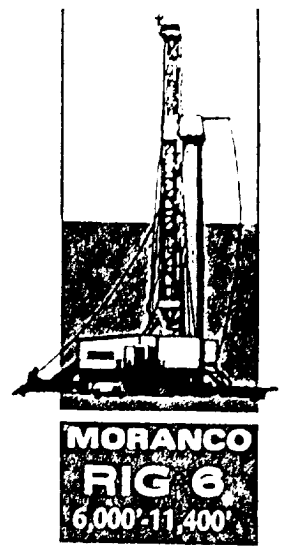
EXHIBIT C

HARVEY E. YATES COMPANY

LAST CHANCE #1

SEC. 28, T-23S, R-24E

EDEY COUNTY, N. M.



MUD HOUSE

One - 8' x 30' Steel Storage House.

COMMUNICATIONS

24-Hour direct telephone interconnection through Hobbs (A.C. 505-397-3291) or Midland - Odessa (A.C. 915-563-0562).

OTHER EQUIPMENT

BLOCKS - McKissick 350 Ton

HOOK - BJ4300 350 Ton

SWIVEL - NAT N47 200 Ton

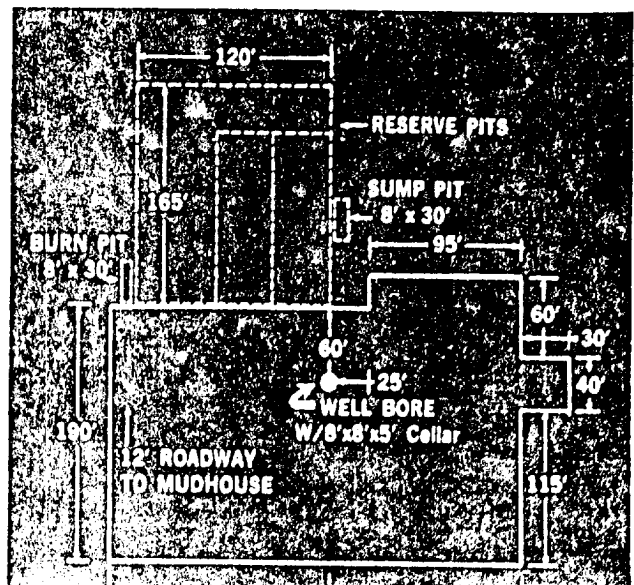
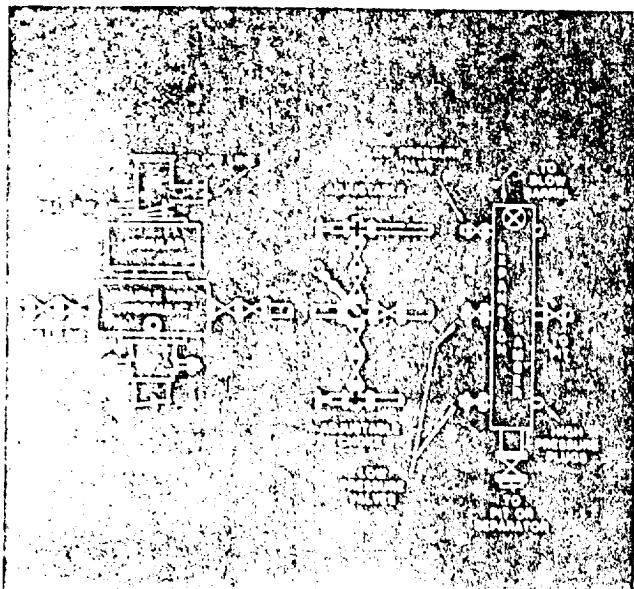
LIGHT PLANTS - Two 15 KW AC generators, powered by diesel engines.

LIGHTS - AC fluorescent or mercury - All vapor proof.

SHALL SHAKER - Link belt, single screen.

FRESH WATER STORAGE - two 500 Bbl., horizontal tanks.

HOUSING - 1 - 8' x 36' airconditioned trailer house, with sleeping and cooking facilities.



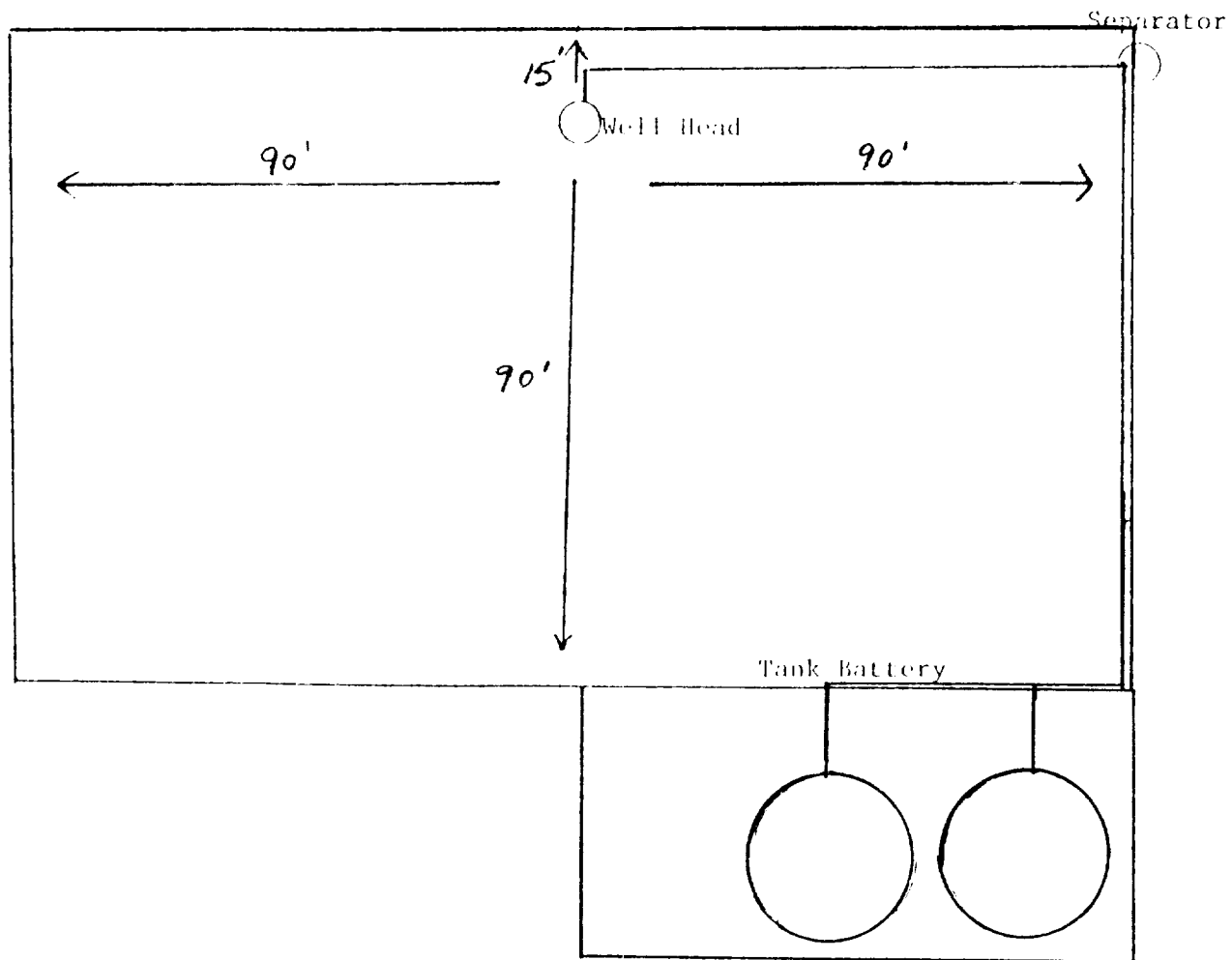


EXHIBIT D

Harvey E. Yates Company

Last Chance #1

Sec. 28, T-23S, R-24E

Eddy County, N. M.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.
5. LEASE DESIGNATION AND SERIAL NO.

NM-22064

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Last Chance

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec. 28, T-23S, R-24E

12. COUNTY OR PARISH

13. STATE

Eddy

N. M.

1.

OIL WELL ☐ GAS WELL ☒ OTHER

2. NAME OF OPERATOR

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P. O. Box 1933, Roswell, N. M. 88201

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

2280' FSL & 660' FWL

14. PERMIT NO.

15. ELEVATIONS (Show whether DE, RT, GR, etc.)

3929.66' GL

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐
☐
☐
☐

PULL OR ALTER CASING

☐
☐
☐
☐

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐
☐
☐
☐

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) Location change

☐
☐
☐
☒

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

We are moving the location at the request of the Bureau of Land Management to avoid obstructing drainage in the area.

RECEIVED

DEC 11 1979

U.S. GEOLOGICAL SURVEY
ARTEJIA, NEW MEXICO

18. I hereby certify that the foregoing is true and correct

SIGNED

Craig Duber

TITLE Drilling Assistant

DATE 12-11-79

(This space for Federal or State office use)

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

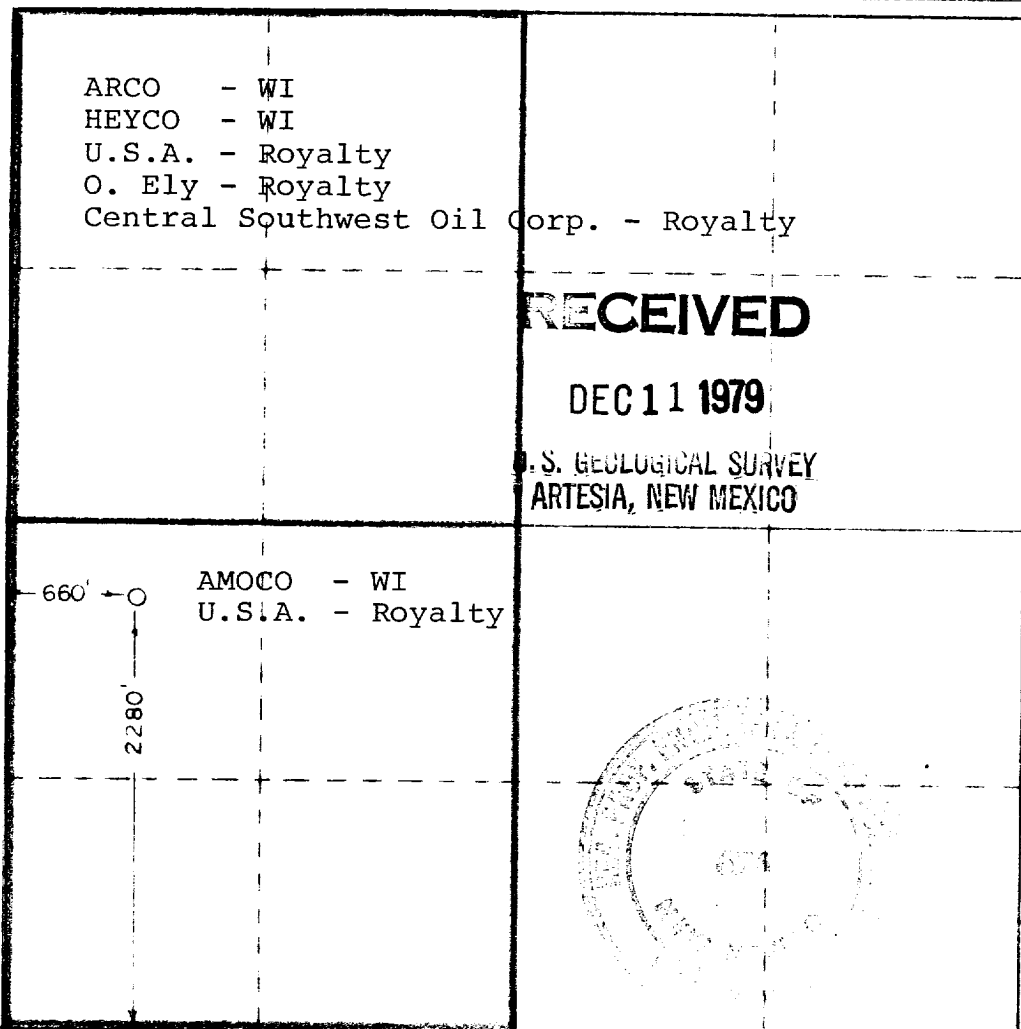
| | | | | | |
|--|--------------------------------------|-----------------------------|-----------------------------|---------------------------------|----------------------|
| Operator HARVEY E. YATES CO. | | | Lease Last Chance | | Well No. 1 |
| Section L | Section 28 | Township 23 South | Range 24 East | County Eddy | |
| Actual Footage Location of Well: | | | | | |
| 2280 feet from the | | South | line and | 660 feet from the | West |
| Ground Level Elev. 3929.66 | Producing Formation Morrow | | Pool Wildcat | Dedicated Acreage 320 | |

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 communitization agreement

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.

Craig Suben

Drilling Assistant

Harvey E. Yates Company

12-11-79

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.

Dec. 3, 1979

Registered Professional Engineer and Land Surveyor

John W. West

Certificate No. **John W. West 676**
Ronald J. Eidson 3239

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600