Form 3160-3 (November 1983) (formerly 9-331C)	UNIT DEPARTMEN BUREAU OF	ED STATE			LICAT ructions on side)	E. Budget Bureau No. 1004-0136 Expires August 31, 1985		
APPLICATIO	N FOR PERMIT				BACK	NM-43556 6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
1a. TYPE OF WORK								
DRILL DEEPEN PLUG BACK					7. UNIT AGREEMENT NAME			
OIL     GAS       WELL     GAS       WELL     OTHER       SINGLE     MULTIPLE       ZONE     ZONE					8. FARM OR LEASE NAME			
2. NAME OF OPERATOR APR - 1 1991					Unocal "AHU" Fed.			
Yates Petroleum Corporation V 3. ADDRESS OF OPERATOR					9. WELL NO.			
	ourth Street, Ar				103	10. FIELD AND POOL, OR WILDCAT		
At surface	eport location clearly and					Ø Undes. Livingston Ridge		
Unit B; 66 At proposed prod. zor	50'FNL & 1980'FE ™	ι μ,	B	NWNE		11. SEC., T., R., M., OR BLK. Delaware AND SURVEY OR AREA Sec. 1-T22S-R31E		
	AND DIRECTION FROM NEAD			F *		12. COUNTY OF PARISH   13. STATE		
3/ MILES NE 15. DISTANCE FROM PROP	of Loving, NM		1 10 10			Eddy NM		
LOCATION TO NEARES PROPERTY OR LEASE 1	T Line. FT.	660'	10. NC	D. OF ACEES IN LEASE		OF ACRES ASSIGNED THIS WELL 40		
(Also to nearest drip 18. DISTANCE FROM PROF TO NEAREST WELL, D	OSED LOCATION*		19. PH	OPOSED DEPTH		ARY OB CABLE TOOLS		
OR APPLIED FOR, ON TH	IS LEASE, FT.		8500'			Rotary		
21. ELEVATIONS (Show wh 3574 ' GL	ether DF, RT, GR, etc.)					22. APPROX. DATE WORK WILL START*		
23.		PROPOSED CAS	ING ANI	CEMENTING PROGRA	MSecre	ASAP tary's Potash R-111-P Potash		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER F		SETTING DEPTH	1	QUANTITY OF CEMENT		
17 1/2"	13 3/8"	54.5	#	850'	Circ	ulate - 850 sacks		
<u>12 1/4"</u> 7 7/8"	<u> </u>	32.0			Circi	Circulate - 2500 sacks		
7 770	5 1/2	17 & 2	U#	TD	Adequ	uate cover (tieback)		
Approximatel commercial,	Approximately y 4500' of inte	850' of su rmediate c ng will be	rface asing run	casing will b will be set a	e set a nd ceme	Part $\pm D-1$ h-5-9/ $Mur \pm oc  + HPT$ aware and intermediate and cement circulated. ent circulated. If equate cover, perforated		
MUD PROGRAM:	Native mud to	850'; Bri	ne to	4500'; cut Br	ine to	TD.		
BOP PROGRAM:	BOP will be i	nstalled a	t the	offset and te	sted da	aily for operational.		
zone. If proposal is to o preventer program, if any	drill or deepen directional	roposal is to deep ly, give pertinen	pen or p t data o	lug back, give data on p n subsurface locations a	present proc	ductive zone and proposed new productive ed and true vertical depths. Give blowout		
SIGNED	Etm. R. M	ay m	Г.Б	Permit A	gent	DATE 3-14-91		
(This space for Fede	al or State office use)	<u> </u>						
PERMIT NO				APPROVAL DATE				
Grig S	gred by summer of			STRA RANG PR		3-2991		
APPROVED BY	···	ŤI1	"LE	DARABAD LEADING OF	-1.7 	DATE		
GENERAL REQUIRED	MENTS AND	*See Instru	ctions (	On Reverse Side				

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Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

WEXICO OIL CONSERVATION COMMIS N 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.							
Operator Lease					Well No.		
	YATES PETROLEUM CORPORATION		Unocal AHU	Federal	1		
Unit Letter	Section	Township	Range	County			
B	L	22 South	31 East	Eddy Co	unty, N.M.		
Actual Footage Loc	ation of Well;						
1980	feet from the	East line and		from the North	line		
Ground Level Elev.	Producing For		Pool		Dedicated Acreage:		
3574.	DELAW	AKE	HADES. LIVINGSTON	LIGE DELAUME	40 Acres		
1. Outline th	e acreage dedica	ited to the subject we	ell by colored pencil or	hachure marks on the	plat below.		
2. If more th	<ol> <li>Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.</li> <li>If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).</li> </ol>						
3. If more that dated by c	3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consoli- dated by communitization, unitization, force-pooling.etc?						
Yes	No If a	nswer is ''yes,'' type o	f consolidation				
If answer i this form if	is "no," list the [ necessary.)	owners and tract desc	riptions which have ac	tually been consolidat	ed. (Use reverse side of		
No allowab	le will be assign	ed to the well until all or until a non-standard	interests have been c d unit, eliminating such	onsolidated (by comm 1 interests, has been a	unitization, unitization, approved by the Commis-		
r							
	l l				CERTIFICATION		
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### YATES PETROLEUM CORPORATION

#### Unocal "AHU" Federal #1 660' FNL and 1980' FEL Section 1-T22S-R31E Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

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

Rustler	589'
Bell Canyon	4,469'
Cherry Canyon	5,499'
Brushy Canyon	7,224'
Bone Springs	8,369'
TD	8,500'

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

Water:	150'
Oil or Gas:	7224' and 8369'

- 4: Proposed Casing Program: See Form 3160-3.
- 5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
- 6. Mud Program: See Form 3160-3.
- 7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connections.
- 8. Testing, Logging and Coring Program:

Samples: Out from under surface casing to TD.

DST's: As warranted.

Coring: None anticipated.

- Logging: Dual Induction Laterolog, Gamma Ray/Litho Density, Gamma Ray/Compensated Neutron with Caliper Log.
- 9. No abnormal pressures or temperatures are anticipated.
- 10. Anticipated starting date: As soon as possible after approval.

### MULTI-POINT SURFACE USE AND OPERATIONS PLAN Yates Petroleum Corporation Unocal "AHU" Federal #1 660' FNL and 1980' FEL Section 1-T22S-R31E Eddy County, New Mexico

This plan is submitted with Form 3160-3, 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 the 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 effect associated with the operations.

# 1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 37 miles northeast of Loving, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

#### **DIRECTIONS:**

Go southeast out of Carlsbad, New Mexico on Highway 285 to 31. Go east on 31 to 128 (Jal Hwy). Go approximately 16 miles to Red Road (County Road 802). Turn north and go approximately 9 miles on the pavement. Will be a Lea County 29 sign. Follow pavement right for approximately 3 miles. Turn left thru cattleguard and go 1800'. New access will start here and go south.

# 2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 600' in length from the point of origin to the southeast edge of the drilling pad. The new road will lie in a southerly direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides. No traffic turnout will be built.
- D. The route of the road is visible.

# 3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

# 4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are 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.
- C. Will want to run flowline to the #1 well. See Exhibit A.

# 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.

## Unocal "AHU" Federal #1 Page 2

6. SOURCE OF CONSTRUCTION MATERIALS:

Pit located E/2SW/4 of Section 12-T22S-R31E on BLM lands.

- 7. METHODS OF HANDLING WASTE DISPOSAL:
  - A. Drill cuttings will be disposed of in the reserve pits.
  - B. Drilling fluids will be allows 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.
  - D. Oil produced during operations 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 C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. A cross section of a drill pad with approximate cuts, fills and pad orientation is shown on Exhibit E.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

# 10. PLANS FOR RESTORATION

- 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 dried and been levelled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.
- 11. SURFACE OWNERSHIP: Federal Surface administered by BLM (Carlsbad, NM)

### 12. OTHER INFORMATION:

- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.

#### Unocal "AHU" Federal #1 Page 3

### 13. OPERATOR'S REPRESENTATIVE

A. Through A.P.D. Approval:

Clifton R. May, Permit Agent Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471 B. Through Drilling Operations, Completions and Production:

> Mike Slater, Operations Manager Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210 Phone (505) 748-1471

#### 14. 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

3-14-91

Date

alt R. May Clifton R. May

Permit Agent





EXHIBIT C

# YATES PETROLEUM CORPORATION



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