

UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE  
Instructions on reverse side

30-015-26786  
Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

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  
105 South Fourth Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface: 660'FNL & 660'FEL, Unit A, Sec. 1-T22S-R31E  
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
37 miles northeast of Loving, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
16. NO. OF ACRES IN LEASE  
159.81

17. NO. OF ACRES ASSIGNED TO THIS WELL  
40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
19. PROPOSED DEPTH  
8500'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
3590' GL

22. APPROX. DATE WORK WILL START\*  
ASAP

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"	54.5#	850'	Circulate - 850 sacks
12 1/4"	8 5/8"	32.0#	4500'	Circulate - 2500 sacks
7 7/8"	5 1/2"	17 & 20#	TD	Adequate cover(tieback)

Yates Petroleum Corporation proposes to drill and test the Delaware and intermediate formations. Approximately 850' of surface casing will be set and cement circulated. Approximately 4500' of intermediate casing will be set and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 850'; Brine to 4500'; cut Brine to TD.

BOP PROGRAM: BOP will be installed at the offset and tested daily for operational.

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 Clifton R. May TITLE Permit Agent DATE 5-22-91

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE 7-8-91

CONDITIONS OF APPROVAL, IF ANY:  
APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS

\*See Instructions On Reverse Side

ATTACHED  
The 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.

Submit to Appropriate  
District Office  
State Lease - 4 copies  
Fee Lease - 3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

**DISTRICT I**  
P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
P.O. Drawer DD, Artesia, NM 88210

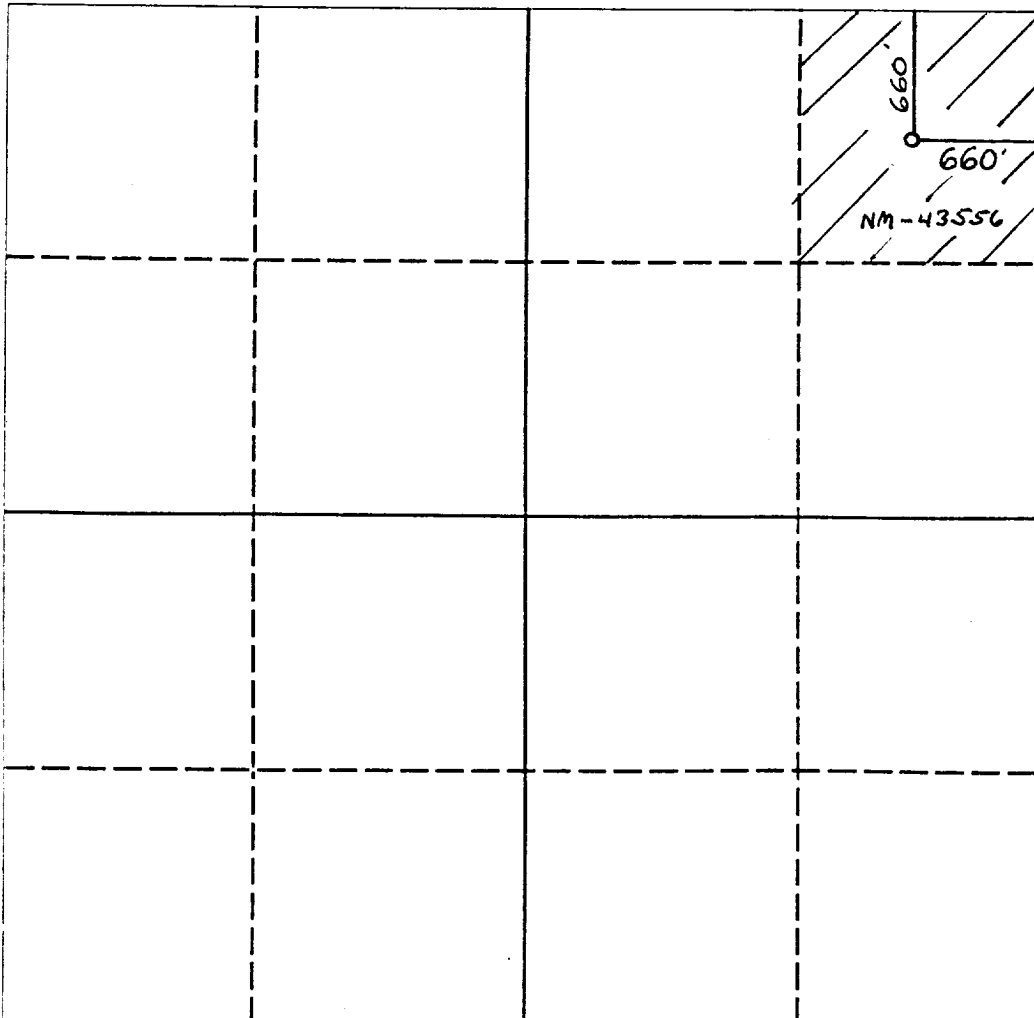
**DISTRICT III**  
1000 Rio Brazos Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>UNOCAL AHU FEDERAL</b>		Well No. <b>2</b>
Unit Letter <b>A</b>	Section <b>1</b>	Township <b>22 SOUTH</b>	Range <b>31 EAST</b>	County <b>NMPM EDDY COUNTY, N.M.</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>EAST</b> line					
Ground level Elev. <b>3590.</b>	Producing Formation <b>DELAWARE</b>		Pool <b>UNDERS LIVINGSTON RIDGE DELAWARE</b>		Dedicated Acreage: <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interest 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 interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

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

Signature  
*Clifton R. May*  
Printed Name  
Clifton R. May  
Position  
Permit Agent  
Company  
Yates Petroleum Corp.  
Date  
5-22-91

**SURVEYOR CERTIFICATION**

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  
MAY 20, 1991  
Signature & Seal of Professional Surveyor  
*Clifton R. May*  
Certificate No.  
NM DEARS NO. 5412  
Professional Surveyor

330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

**YATES PETROLEUM CORPORATION**

**Unocal "AHU" Federal #2  
660' FNL and 660' 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	604'
Top of Salt	919'
Base of Salt	4,169'
Bell Canyon	4,454'
Cherry Canyon	5,469'
Brushy Canyon	7,234'
Bone Springs	8,364'
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:	7234' 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 #2**  
**660' FNL and 660' 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 600'. 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.

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 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.
  - 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.

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:

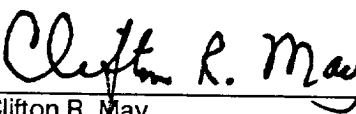
Mike Slater, Operations Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

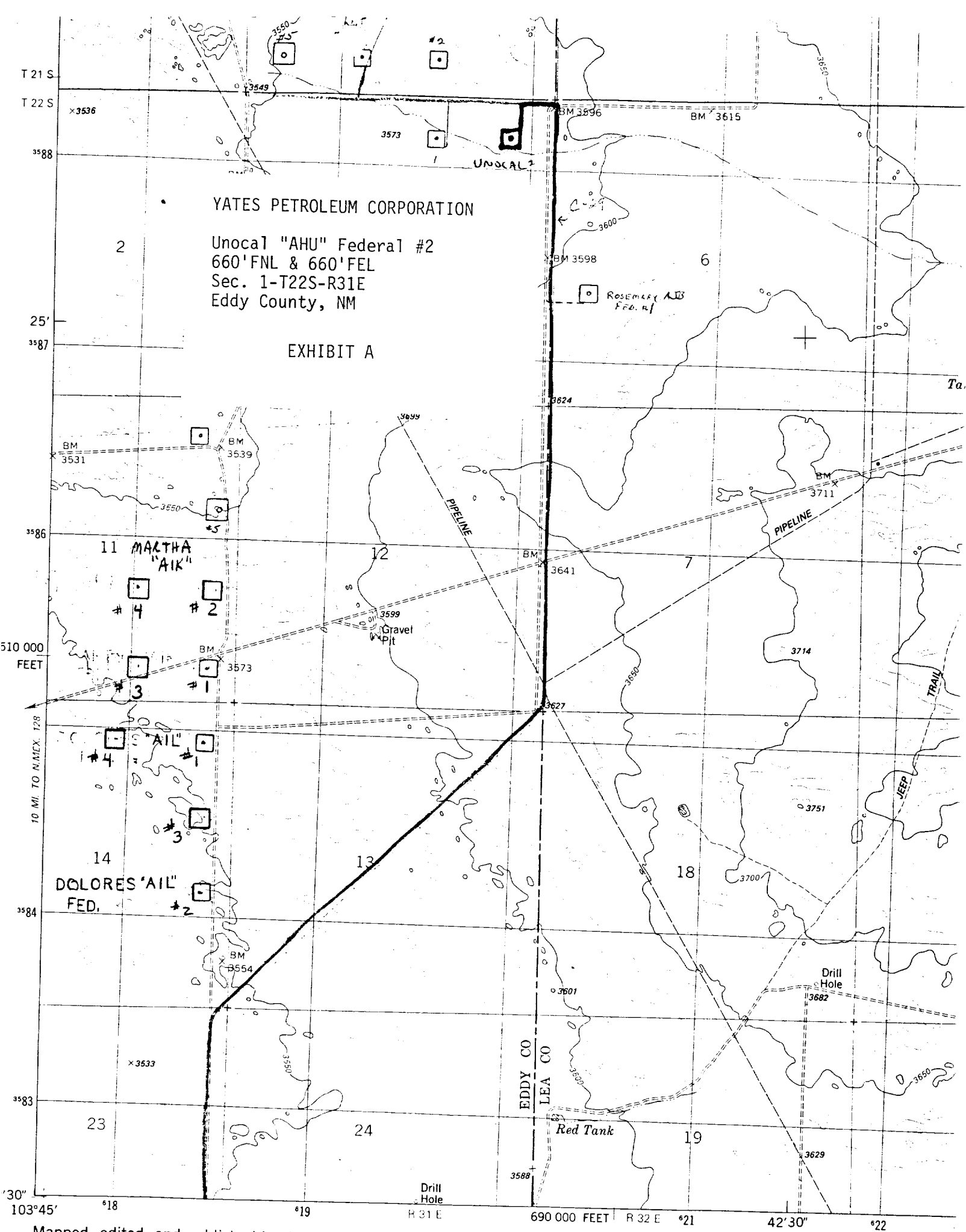
14. CERTIFICATION:

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.

5-22-91

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Clifton R. May  
Permit Agent



YATES PETROLEUM CORPORATION

Unocal "AHU" Federal #2  
660'FNL & 660'FEL  
Sec. 1-T22S-R31E  
Eddy County, NM

EXHIBIT A

510 000  
FEET

10 MI. TO N.MEX. 128

30"

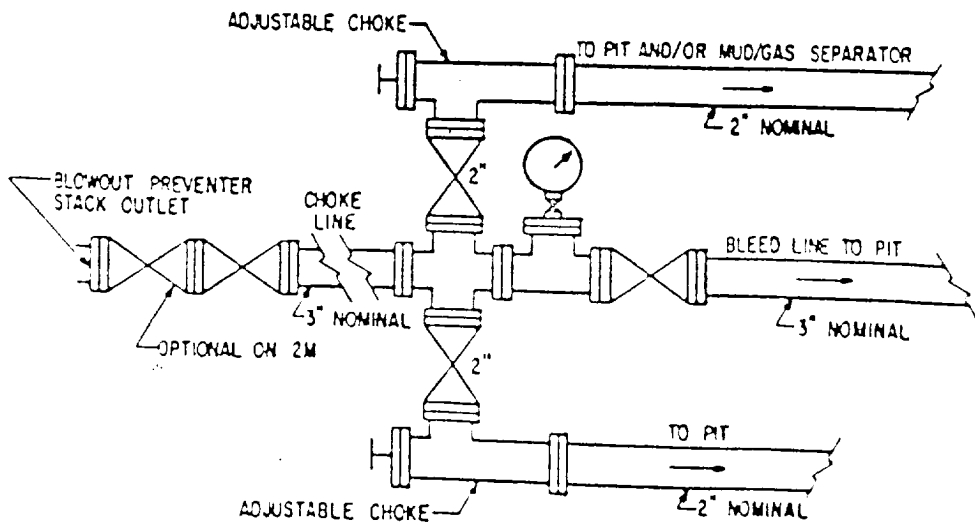
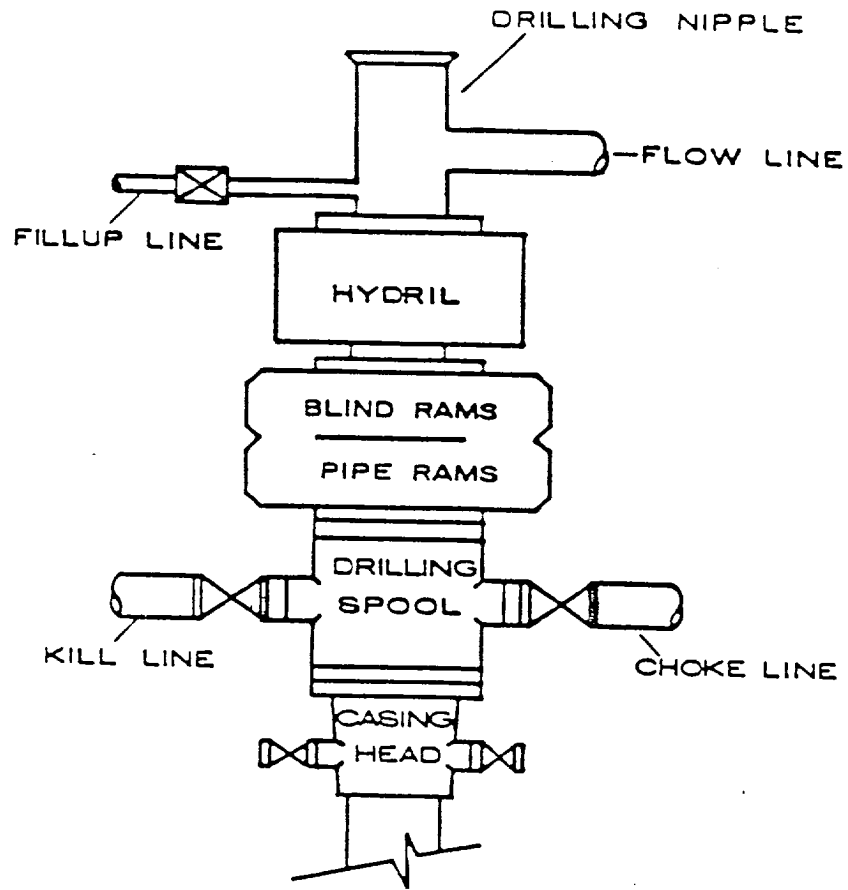
103°45' 18 19 R 31 E

690 000 FEET R 32 E 21 22 42'30"

Mapped, edited, and published by the Geological Survey

EXHIBIT B

3M  
BOP STACK





# YATES PETROLEUM CORPORATION

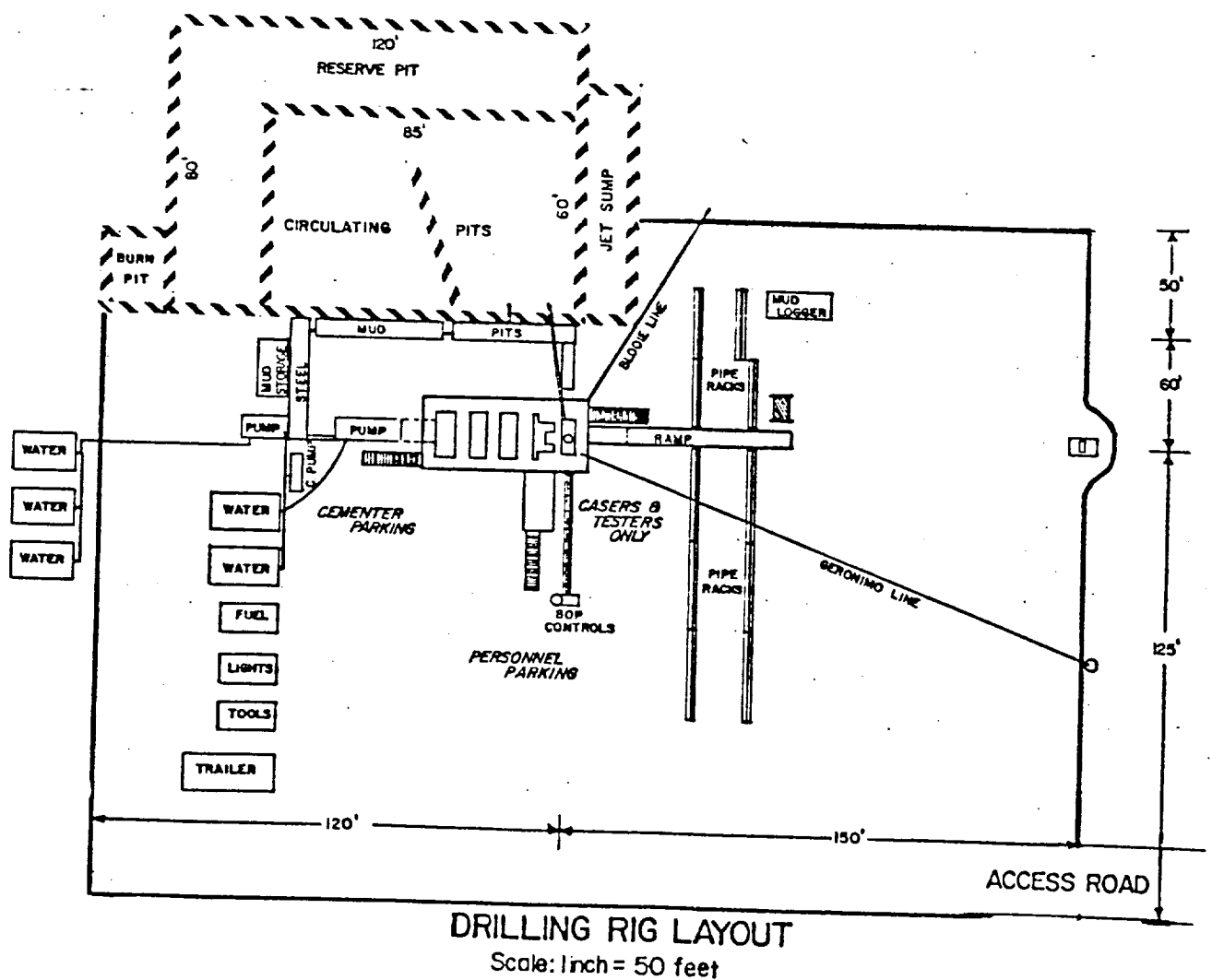
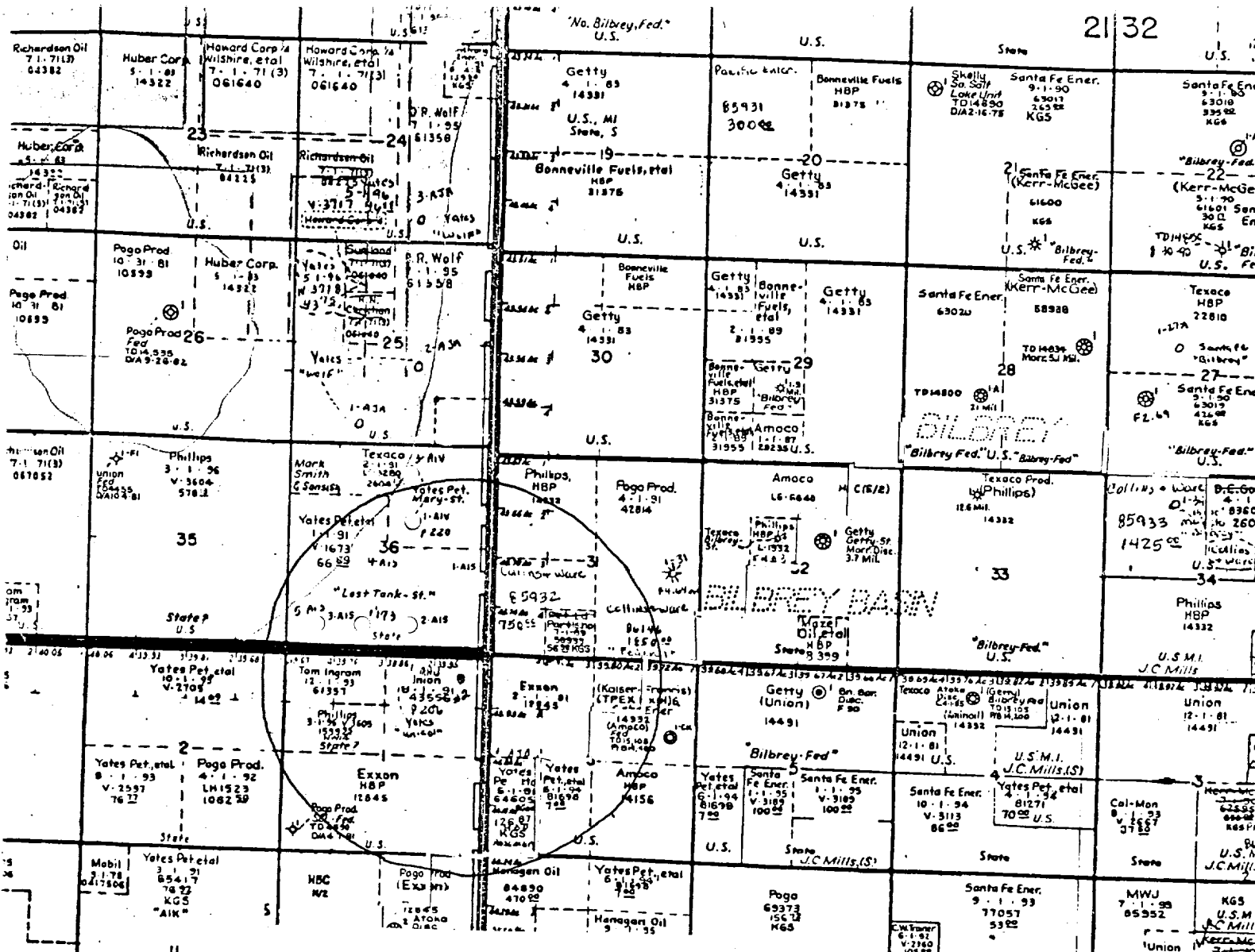


EXHIBIT C



YATES PETROLEUM CORPORATION

Unocal "AHU" Federal #2  
660'FNL & 660'FEL  
Sec. 1-T22S-R31E  
Eddy County, NM

EXHIBIT D

