

N.M.O.C.D. COPY

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

30-005-60861

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

2. NAME OF OPERATOR
 Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
 207 S. 4th Street, Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 660' FNL and 660' FEL
 At proposed prod. zone: same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approx. miles N NE of Roswell, NM

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

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. Approx. 4350'

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3710.8 GL

22. APPROX. DATE WORK WILL START* As soon as approved

5. LEASE DESIGNATION AND SERIAL NO.
 NM - 2351

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal HY

9. WELL NO.
 4

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 28, T7S, R25E

12. COUNTY OR PARISH
 Chaves

13. STATE
 NM

RECEIVED

FEB 09 1981

O. C. D.
ARTESIA, OFFICE

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# J-55	approx. 420'	350 sx. circulate
12 1/2"	8 5/8"	24# J-55	approx. 1500'	400 sx. circulate
8 3/4" or 7 7/8"	4 1/2" or 5 1/2"	10.5 or 15.5#	TD	300 sx.

We proposed to drill and test the Penn and intermediate formations. Approximately 420' of surface casing will be set and cement circulated. Casing will be set 100' below the water zone. If commercial, 5 1/2" or 4 1/2" production casing will be run.

MUD PROGRAM: FW Gel and LCM to 1600', Brine KCL to 3200; KCL drispak & starch to 4300' flosal-drispak KCL to TD. MW 10-10.2, Vis. 34-39, WL 14-7.

BOP PROGRAM: BOP's will be installed on 8 5/8" casing and tested daily.

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 [Signature] TITLE Geographer DATE 1-21-81
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY GEORGE H. STUBBS ACTING DISTRICT ENGINEER DATE FEB 02 1981
 CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-101
Effective 1-1-55

All distances must be from the outer boundaries of the Section.

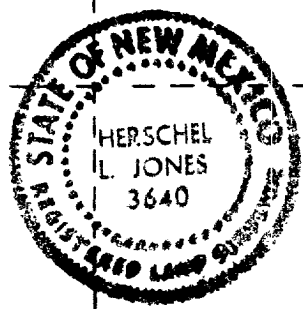
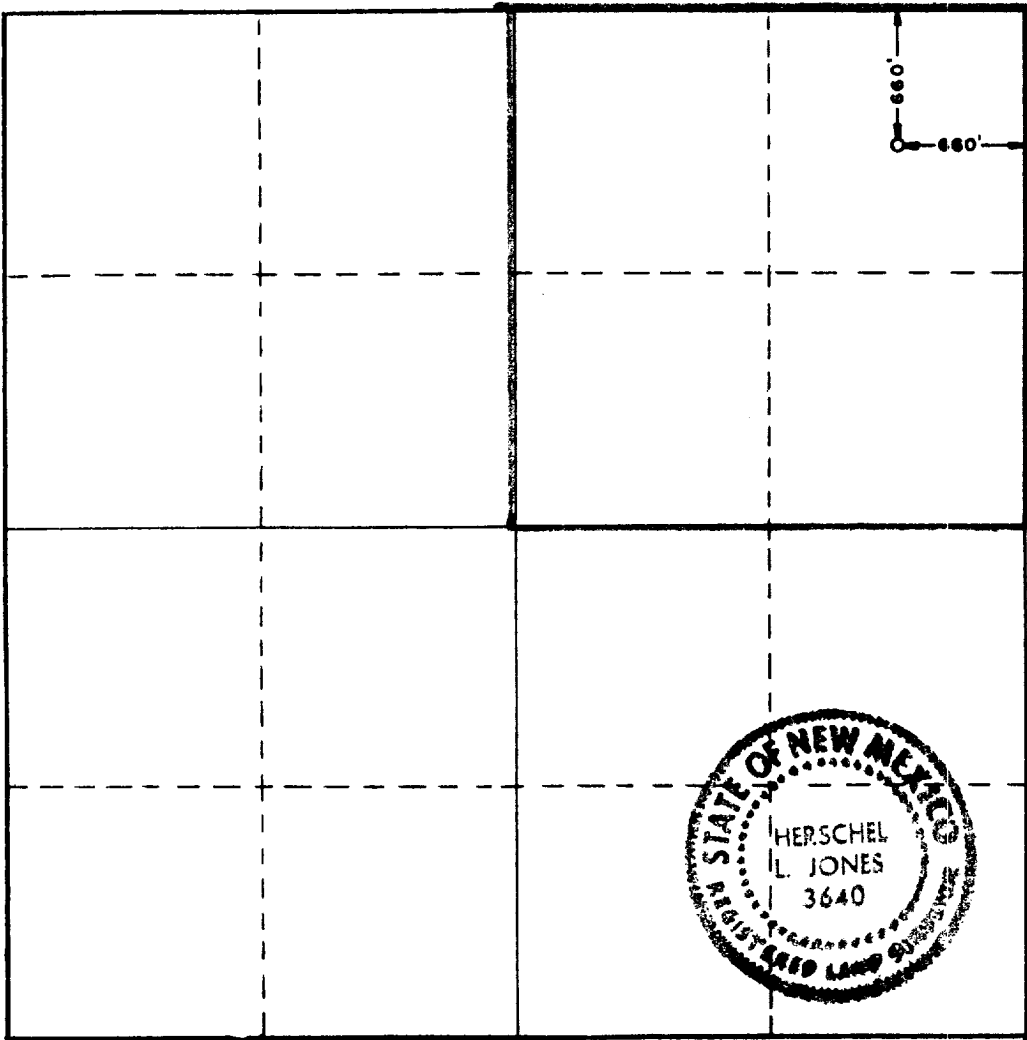
Operator YATES PETROLEUM CORPORATION			Lease Federal HY		Well No. 4
Unit Letter "A"	Section 28	Township 7 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the East line					
Ground Level Elev. 3710.8	Producing Formation ABO	Pool UNDES. ABO	Dedicated Acreage: 160		

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 interests 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 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.

Glisero Rodriguez
Name

GLISERIO RODRIGUEZ
Position

GEOGRAPHER
Company

YATE PETROLEUM CORP
Date

1-14-81

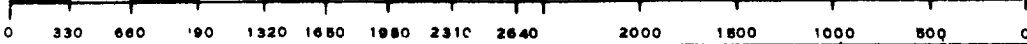
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
December 13, 1980

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones
Certificate No.

3640



Yates Petroleum Corporation
Federal HY #4
660' FNL and 660' FEL
Section 28, T7S - R25E

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 quaternary alluvium.

The estimate tops of geologic markers are as follows:

San Andres Por.	- 841'
Glorieta	-1431'
Abo	-3551'
Wolfcamp	-4301'
TD	-4350'

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

Water: approximately 340' - 360', poss. 630' - 660'

Oil or Gas: Abo - 3575'

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:

Samples: Surface casing to TD
DST's: As Warranted
Logging: Intermediate casing to TD
CNL-FDC T.D. to casing with GR-CNL on to surface and
DLL from T.D. to casing with selected min. R_xO.
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
Federal HY #4
Section 28, T7S - R25E
660' FNL and 660' FEL
(Exploratory Well)

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 a complete appraisal can be made of the environmental effect associated with the operation.

1. EXISTING ROADS.

Exhibit A is a portion of a county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 21 miles NNE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed north from Roswell on Highway 285 for a distance of approximately 13 miles.
2. Turn east for approximately 2½ miles and continue NE for about 9½ miles.
3. The access road will begin here going west for approximately 3400 feet to wellsite.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 3400 in length from point of origin to the southeast edge of the drilling pad. The road will lie in a east-to-west direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed and crowned, with drainage on one side. Two turnouts will be built.
- D. The new road has been flagged and the route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is no drilling activity within a one-mile radius of the wellsite.

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 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. There is no existing pit of construction material so none will be used.

7. METHODS OF HANDLING WASTER 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 of 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 fairly flat, minor cut and fill will be required on location.

C. The reserve pits will be plastic lined.

D. A 400' X 400' 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 dried and leveled.
- 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 consists of sloping dunes. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of 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 is used for cattle grazing.
- C. The Pecos River is approximately 3 miles east of wellsite.
- D. There is an inhabited dwelling in the vicinity of the proposed well. Crawford Ranch is about 1½ miles southeast from the wellsite.
- E. Surface Ownership: The wellsite is on federal surface with federal minerals.
- F. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

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

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.

1-24-81
 Date



EXHIBIT A

YATES PETROLEUM CORP.
FEDERAL HY #4
SEC 28-T7S-R25E
660' FNL-660' FEL
CHAUVES CTY. NM

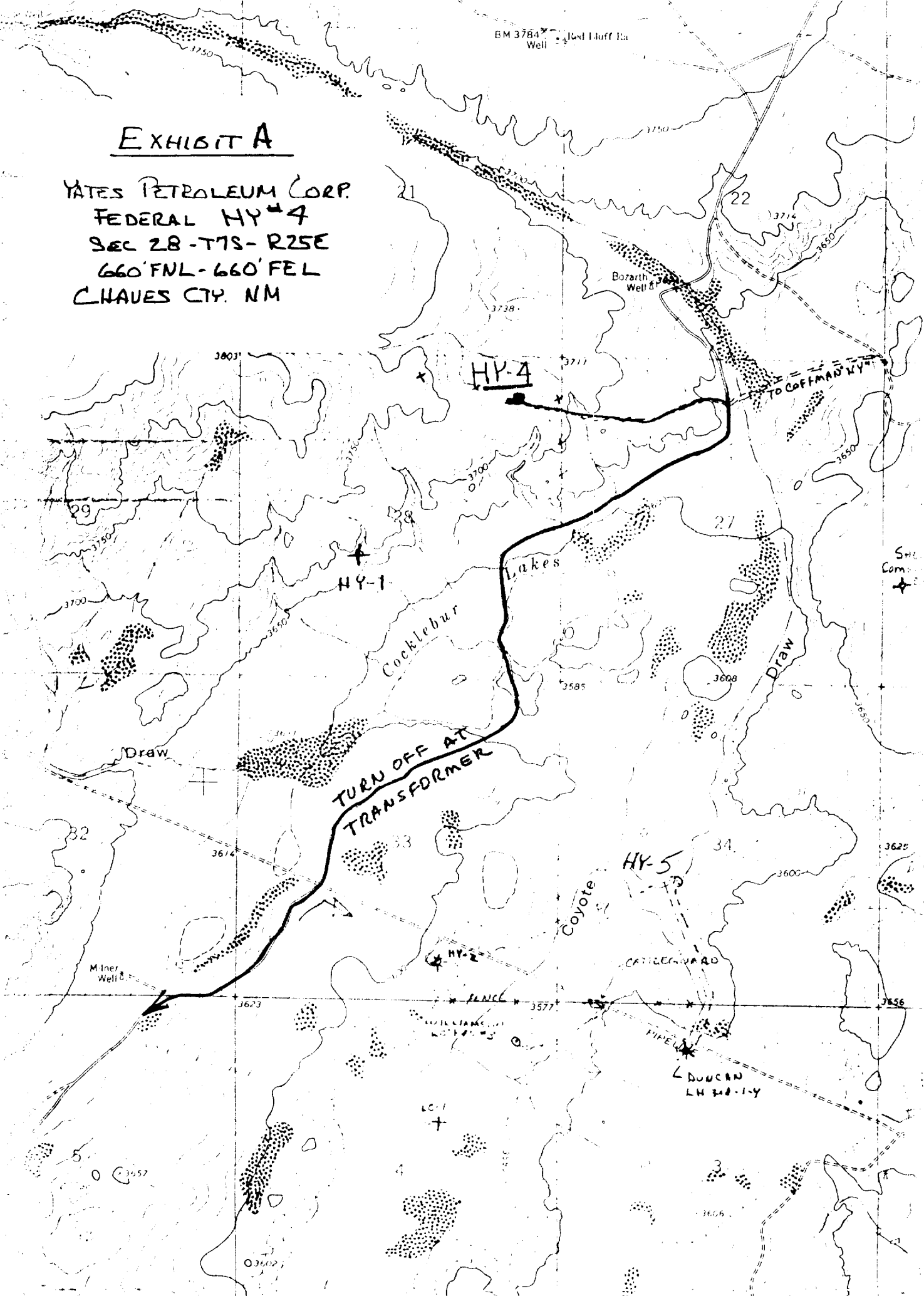
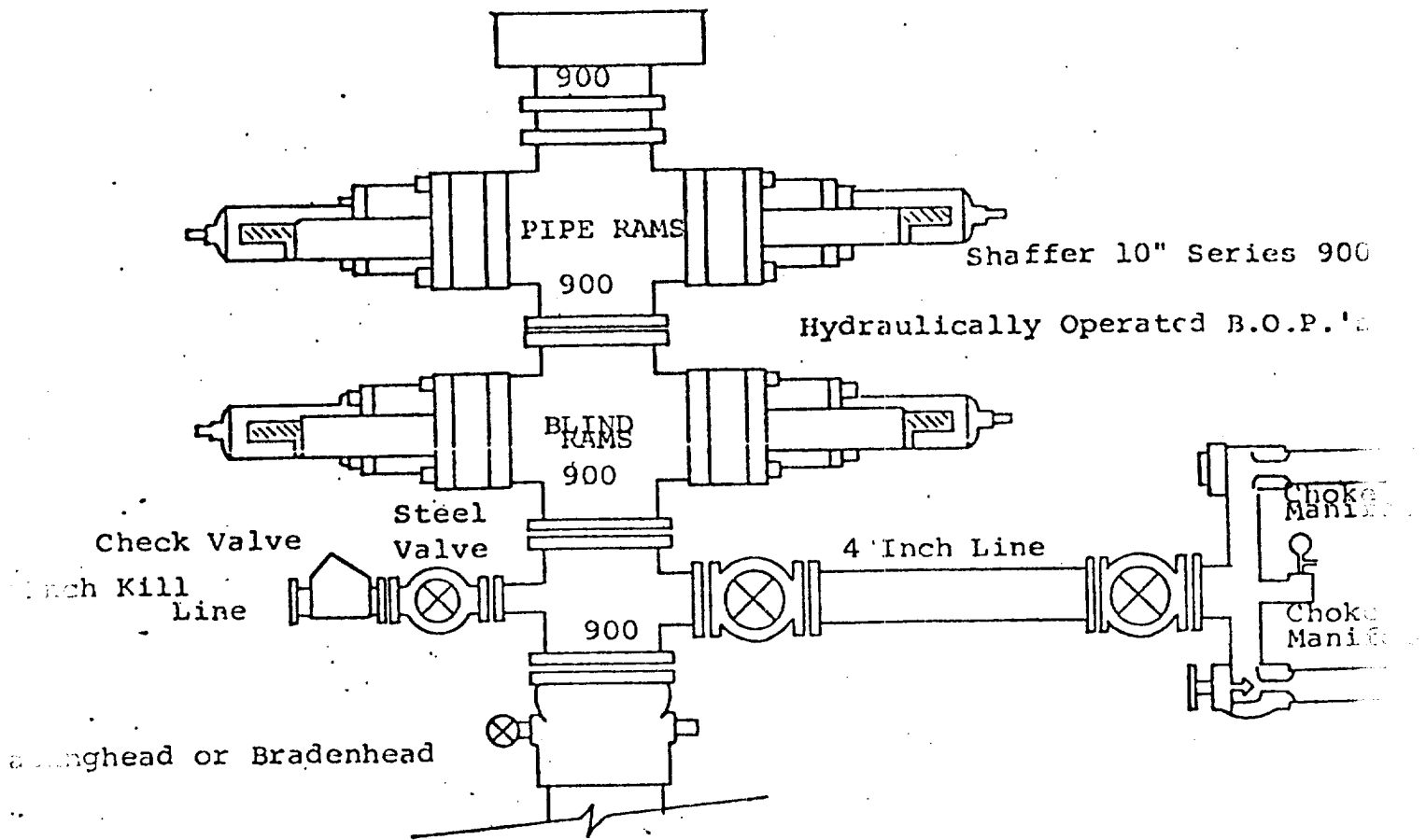


EXHIBIT B



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual control 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.

EXHIBIT C

YATES PETROLEUM CORPORATION

