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Form 9-331 C
(May 1963)

AUG 18 1976

N. M. O. C. C. C. C.

SUBMIT IN ☐PLICATE*
Other instructions on
reverse side)

Form approved.
Budget Bureau No. 42-R1425.

30-015-21925

U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

207 South 4th Street - Artesia, NM 88210

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

At surface

1980' FNL and 1980' FEL of Sec. 8-24S-24E

At proposed prod. zone

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

Approx. 12 miles from White City, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

1980'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED

TO THIS WELL
320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR PROPOSED WELL, IN THE AREA, FT.

19. PROPOSED DEPTH

Approx. 10200'

20. ROTARY OR CABLE TOOLS

Rotary

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

OCT 4 1976

22. APPROX. DATE WORK WILL START*

As soon as approved

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13-3/8"	48# H40 New	Approx. 300'	Circulate
8-5/8"	24# K55 New	" 2500'	Circulate
7-7/8"	17# or 11.6# K55 New	TD	250 sacks

Propose to drill a Morrow test and to test all shows in intermediate horizons. Surface pipe will be set at about 300 feet to protect the surface water in the Windmill, and intermediate casing will be set in top of the Delaware. If production is encountered, will set 5½" or 4½" casing, perforate and stimulate as needed for production.

Mud Program: - FW Gel and LCM to 2500'; FW to 5000'; KCL or brine to 9000', Brine mud w/Flosal & Drispak to total depth.

BOP Program: - BOP's will be installed on 8-5/8" casing and tested, pipe rams tested daily, blind rams on trips; Yellow Jacketed prior to drilling into the Wolfcamp.

Gas Acreage is 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 of proposed well without preventer program, if any.

24.

SIGNED

Eddie M. Leach

TITLE

Engineer

(This space for Federal or State office use)

APPROVAL DATE

DECLARED WATER BASIN

CEMENT BOND THE
CASING MUST BE CIRCULATED

*See Instructions On Reverse Side

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SEP 23 1976
U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO
DATE 8-16-76

APPROVED

SEP 20 1976

CONDITIONS OF APPROVAL, IF ANY:

U. S. GEOLOGICAL SURVEY

ACTING DISTRICT ENGINEER

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMPLETED WITHIN 3 MONTHS.
EXPIRES DEC 30 1976

NOTIFY US IN SUFFICIENT TIME TO
DATE 8-16-76

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.

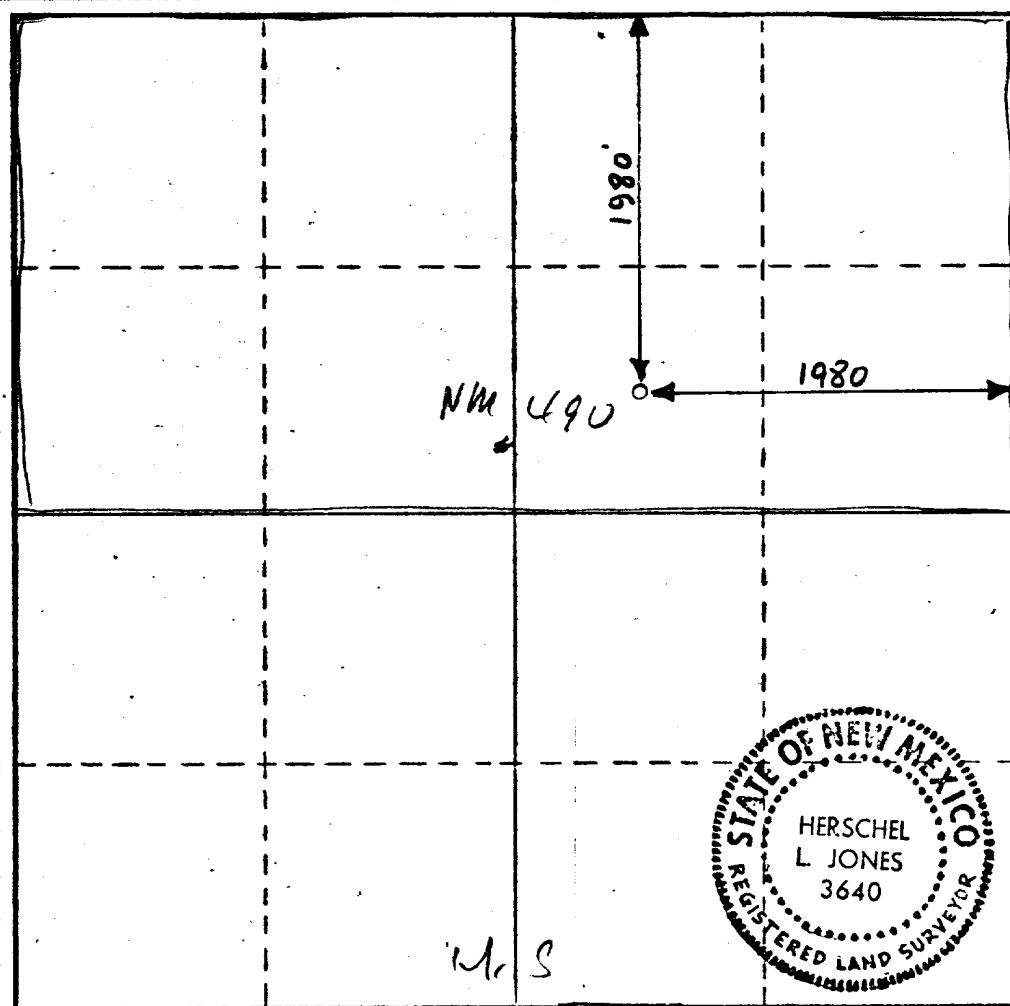
Operator YATES PETROLEUM CORPORATION			Lease Lechuguilla Canyon			Well No. 1976
Unit Letter "G"	Section 8	Township 24 South	Range 24 East.	County Eddy		
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the East line						
Ground Level Elev.	Producing Formation Morrow	Pool Broken Creek Manor Undesignated	Dedicated Acreage: 320 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 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.

Eddie M. Mahfood

Name
Eddie M. Mahfood

Position
Engineer

Company
Yates Petroleum Corp

Date
8-18-76

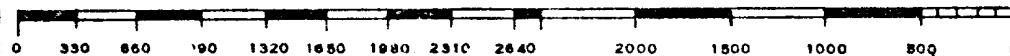
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
August 16, 1976

Registered Professional Engineer and/or Land Surveyor

Herschel L. Jones

Certificate No.
3640



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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

YPC- Lechuguilla Canyon Unit #2

1980/N 1980/E Sec 8-24S-24E, Eddy County, N.M.

Other information to accompany form 9-331-C.

1. Surface Formation is: Seven Rivers Lime
2. Geologic Markers are: San Andres @ 727 GR Anticipated

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Capitan ls	1547	-
Delaware Sd	2157	-
Bone Springs	3267	-
3rd Bone Springs	6881	-
Wolfcamp ls	7244	-
Strawn	8032	-
Atoka	8972	-
Morrow Clastics	9561	-
Lower Morrow	9857	-

3. Surface Water: Approx 300' GR Head: -250 or -300 ft
Capitan Reef: 1550-2150 Head: -500 or -600 ft
Oil & Gas Pay: Strawn poss. @ 8100-8250'; Anticipate 3300 psi
Morrow poss. @ 9800-10000'; Anticipate 4100 psi
4. Casing Program: See Form 9-331-C
5. Pressure Control: See Form 9-331-C and Exhibit "D"
6. Mud Program: See Form 9-331-C; Mud wt 9.6 - 9.9 lb/gal.
7. Auxiliary Equipment: Kelly cock; pit level indicators & flow sensor;
sub w/ full-opening valve on flow, drill pipe connection.
8. Drill Stem Testing as warranted; Mud logger for sample analysis and gas detection; no coring.
9. Development well: pressures & temperatures from previous drilling indicate normal bottom hole conditions; hydrogen sulfide and other toxic gases are minimal or non-existent, mud is inhibited for corrosion control and is checked continuously for fluid loss & other mud properties, 2-3 times per tow for mud weight (overbalance).
10. Anticipated starting date: Will spud with cable tools prior to expiration date, will move in Rotary Tools as soon as available. Need approval by Sept 20th so can improve road, move in Cable Tools and be drilling before Sept 29th 1976.

YATES PETROLEUM CORPORATION - LECHUGUILLA CANYON UNIT #2
1980' FNL & 1980' FEL, Section 8-24S-24E, Eddy County, New Mexico

Surface Use Plan to accompany "Applications to Drill, Federal Lease".

1. EXISTING ROADS: See Plat (Exhibit A) Seven miles south from Carlsbad City Limits on U.S. 62, then west 14.7 miles on improved county road F-M 118 to SW/4 Sec. 27-23S-24E, then south on Dark Canyon Road (C & K sign) for 2.2 miles, then west 1.2 miles to YPC Lechuguilla Canyon Unit #1 location, then south on trail up the ridge for approximately 3000' to location.

2. PLANNED ACCESS ROAD: See Plat (Exhibit A & B) Location is on an existing road, 12' wide, 3000' long and accessible to 4-wheel drive; will require good rolling and some minor cut and fill to accomodate other vehicles. There are several places on this road that would provide caliche for road repairs and these cuts would provide necessary turn-outs. No fence-cuts, gates or cattleguards required.

3. LOCATION OF EXISTING WELLS: See Plat (Exhibit A) Several gas wells & dry holes in area; nearest producers are 1 mile Southeast. Wind-mill (100' deep) in Lechuguilla Canyon, approximately 3200' north and east of location, west of drilling well.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) On Southeast side of pad.

5. LOCATION AND TYPE OF WATER SUPPLY: To be trucked from any available commercial source.

6. SOURCE OF CONSTRUCTION MATERIAL: Construction work to be done by Sweatt Construction Co.; material from road and turn-out cuts; will confirm with Agency on inspection tour.

7. METHODS FOR HANDLING WASTE DISPOSAL: See Sketch (Exhibit C) Steel pits for mixing mud; reserve pits for drilling mud & cuttings; burn pit for trash & garbage; jet sump for engine oil & cellar mud; barrel for house-keeping & garbage; small sump for portable commode. Well-site leveled & cleaned up after rig moved out.

8. ANCILLARY FACILITIES: Not applicable.

9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) Fairly level plateau, negligible cut & fill for pad & pipe racks, pits padded w/hay & plastic lined. Rig V-door to north.

10. PLANS FOR RESTORATION OF SURFACE: Pits fenced until dry, then leveled. Upon abandonment, surface will be restored to satisfaction of BLM and rancher, David Kincaid. Will spud hole with cable tool prior to Sept. 30, expiration date & set surface pipe before moving in Rotary Tools.

11. OTHER INFORMATION: Rocky ridge w/fair to steeply dipping hillside; sparse prairie grass & desert flora, scattered greasewood & black walnut; sheep grazing. BLM surface. Telephone high-line at north end of pad, no other improvements, historical, cultural or otherwise.

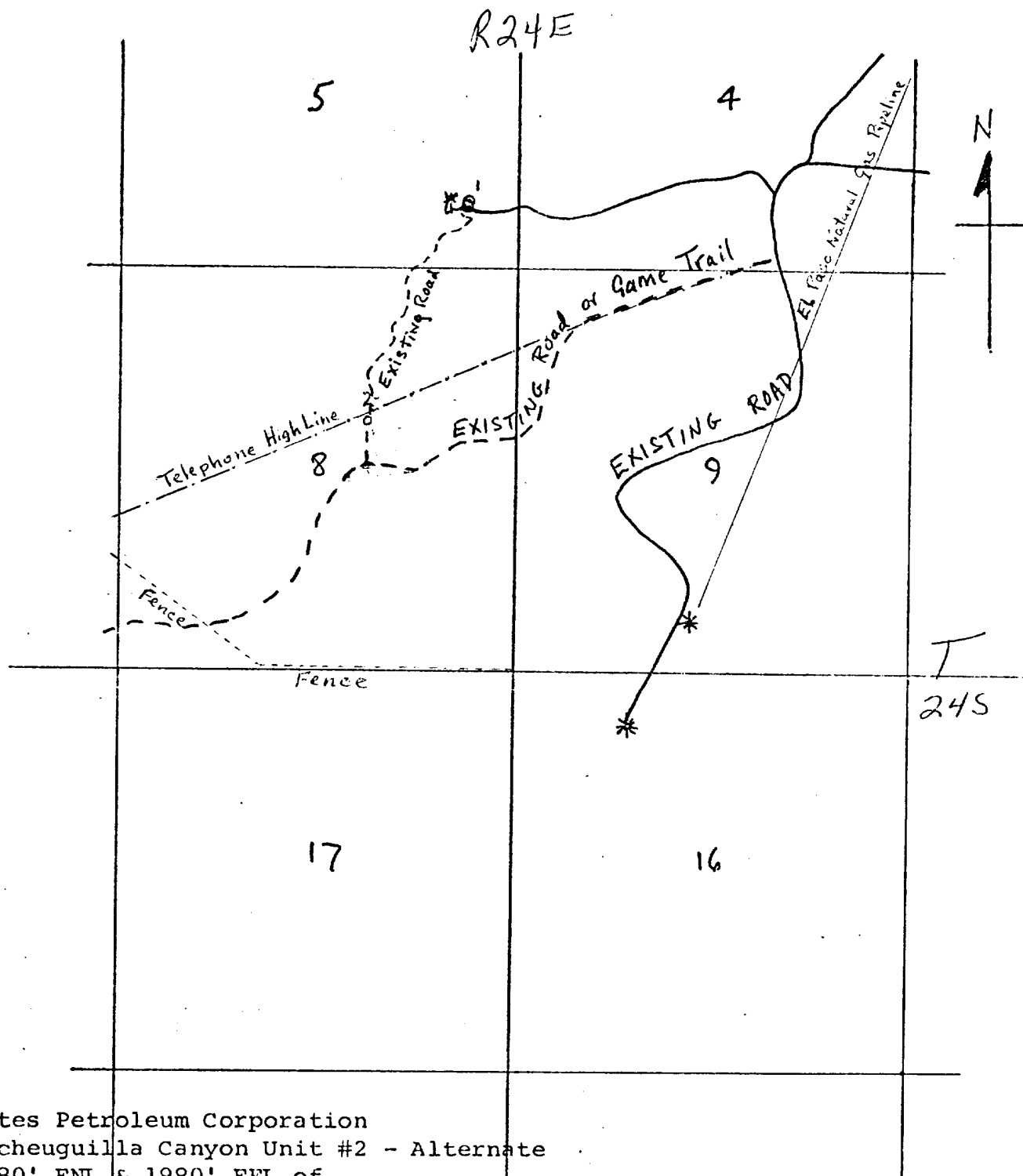
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood, Leon Bergstrom, or Jerry Book, 207 South Fourth Street, Artesia, NM 746-3558.

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 Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

9-2-76
Date

Eddie M. Ingham
Name and Title



Yates Petroleum Corporation
 Lecheuguilla Canyon Unit #2 - Alternate
 1980' FNL & 1980' FEL of
 Section 8-24S-24E
 Eddy County, New Mexico

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U. S. GEOLOGICAL SURVEY
 ARTESIA, NEW MEXICO

Exhibit "B"

YPC - Lechuguilla Canyon Unit No. 2
 1980/N 1980/E Sec 8-24s-24E, Eddy Co.

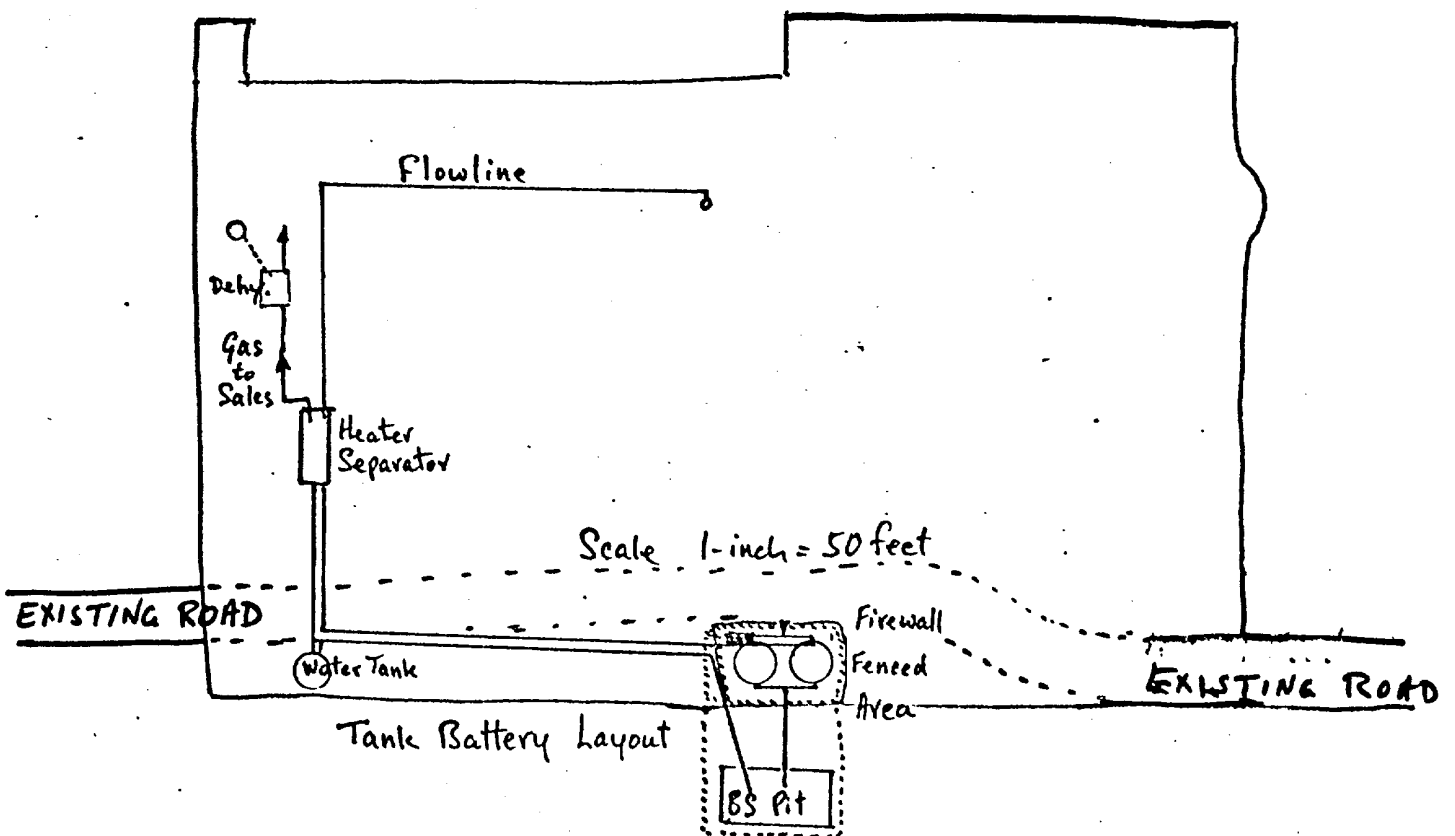
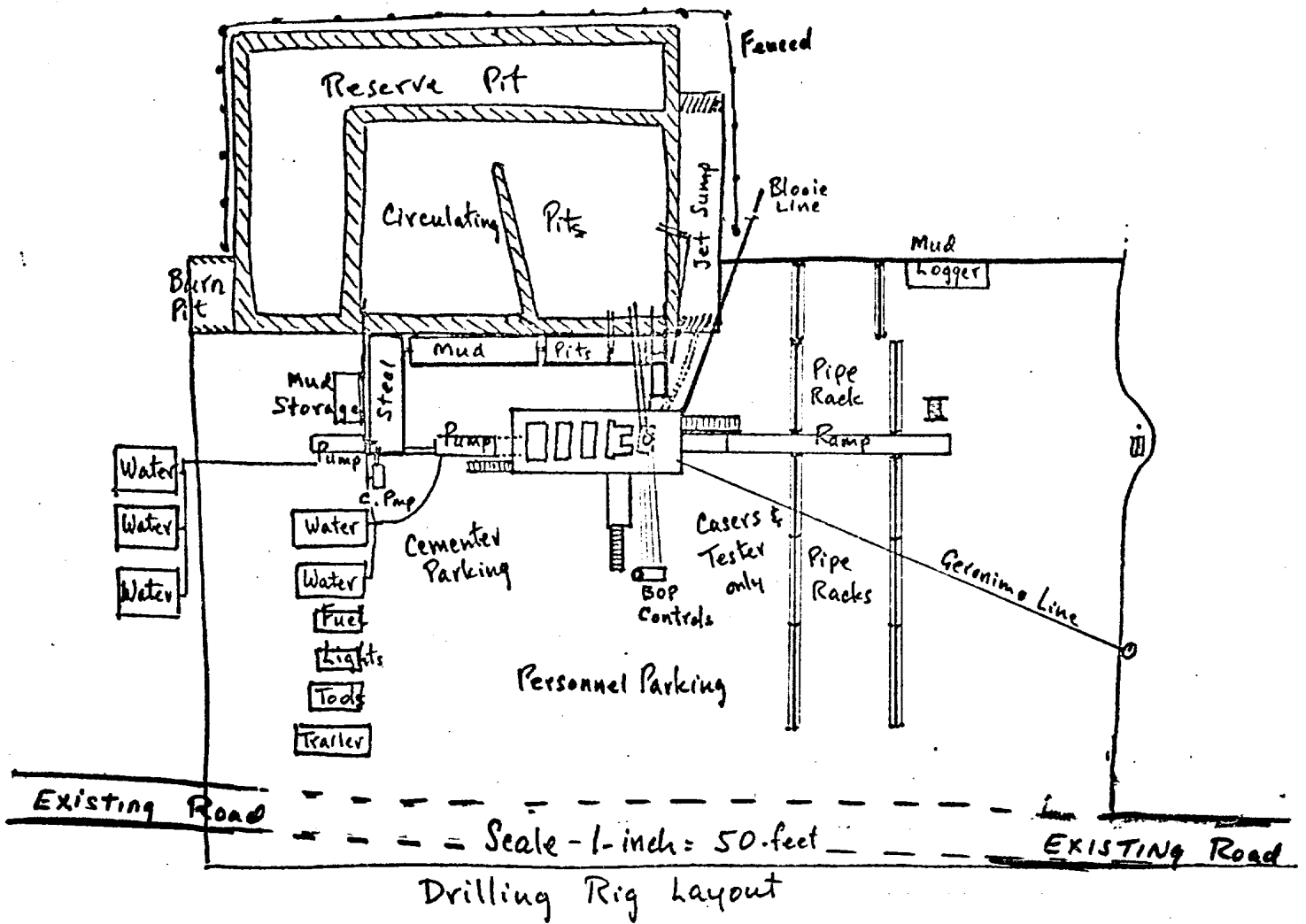
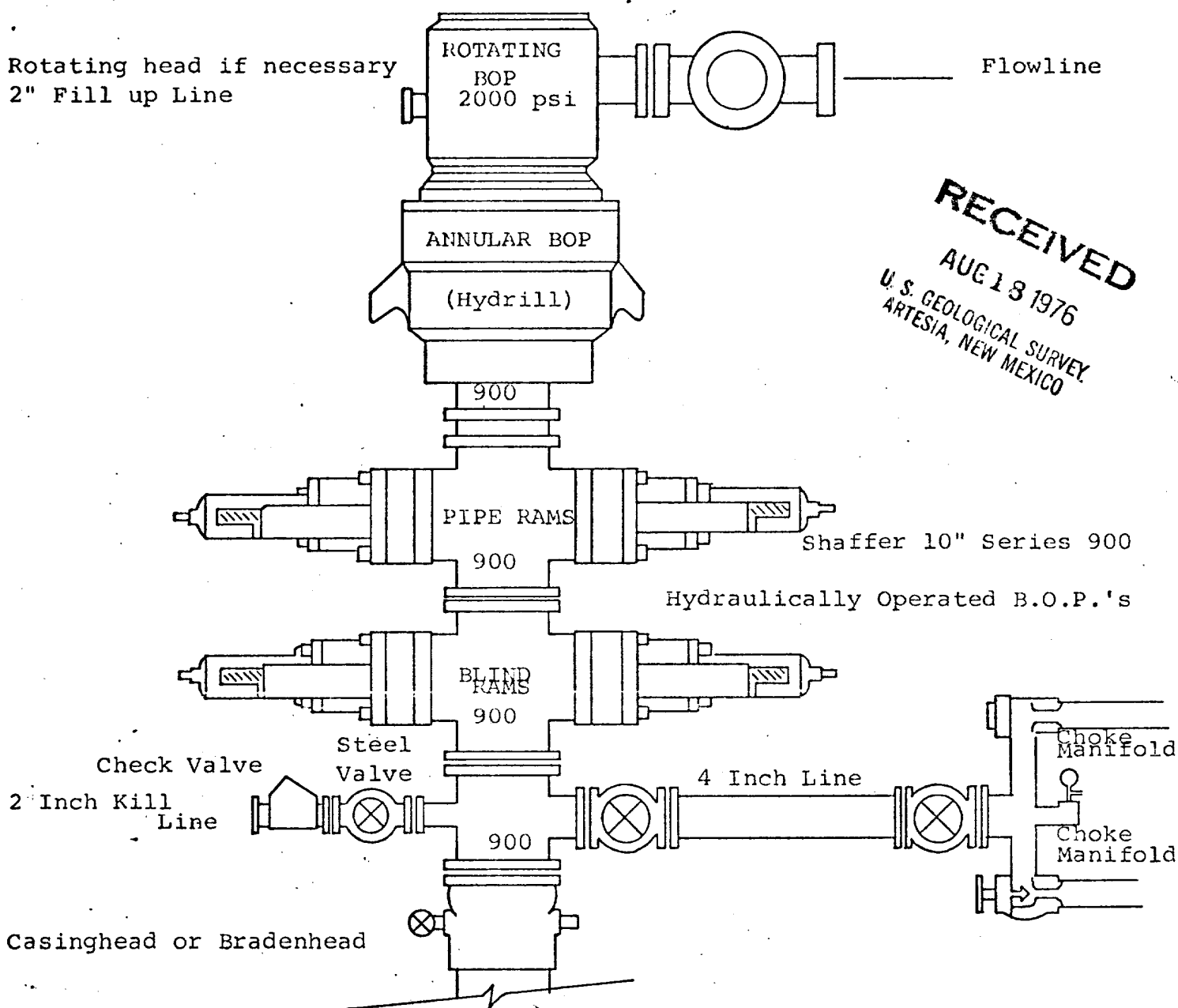


Exhibit "C"



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.

Exhibit "D"