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Budget Bureau No. 42-R1425.

AUG 18 1976

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

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

990' FNL & 2310' FWL of Sec. 10-24S-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)

990

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

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

19. PROPOSED DEPTH

Approx. 10200

20. ROTARY OR CABLE TOOLS

Rotary

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

OCT 4

1976

4126' GR

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
13/38"	48# H40 New	Approx. 300'	Circulate
12 1/4"	24# K55 New	" 2500'	Circulate
7-7/8"	4 1/2 or 5 1/2"	TD	250 sacks
	11.6# or		
	17# K55 & N80 New		

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 windmill, and intermediate casing will be set in top of the Delaware. If production is encountered, will set 4 1/2 or 5 1/2" casing, perforate and stimulate as needed for production.

Mud Program: - FW Gel & 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.

SEP 07 1976

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 from blowout preventer program, if any.

24.

SIGNED

Eddie M. Lusk

TITLE

Engineer

DATE

8-16-76

(This space for Federal or State office use)

APPROVED

SEP 30 1976

APPROVAL, IF ANY:
I. L. GEEKING
ACTING DISTRICT ENGINEER

APPROVAL DATE

TITLE

NOTIFY DATE

WITNESS CEMENTING THE
8 1/2" CASINGTHIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMMENCED WITHIN 3 MONTHS.
EXPIRES DEC 30 1976
See Instructions On Reverse Side

DECLARED WATER BASIN

SEP 13 1976

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

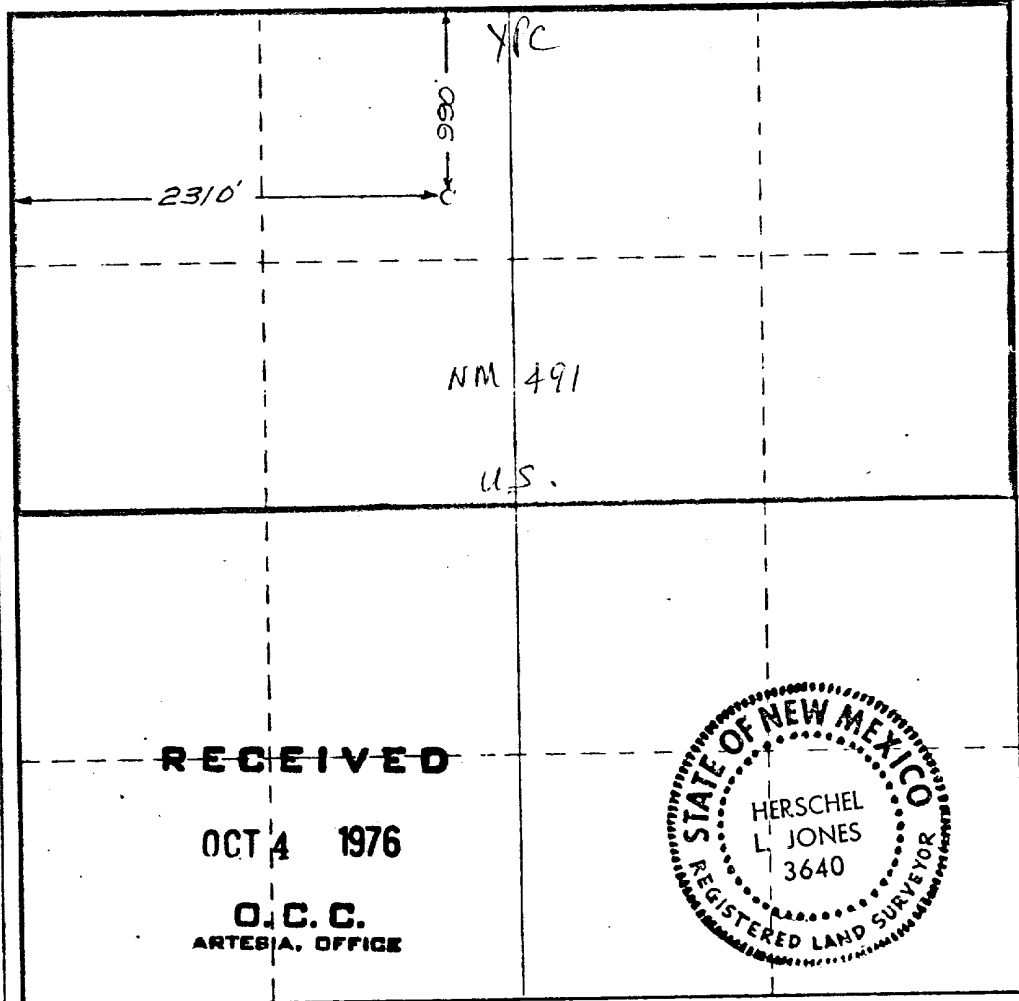
Applicant YATES PETROLEUM CORPORATION			Lease Lechuguilla Canyon Unit		
Unit Letter "A"	Section 10	Township 24 South	Range 24 East	County Artesia	
Actual Location Location of Well: 990 feet from the North line and 2310 feet from the West line					
Ground Level Elev. 4126'	Producing Formation Morrow		Pool Crook & Creek morrow		Dedicated Acreage 320 Acres

1. Outline the acreage dedicated to the subject well by colored 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 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?

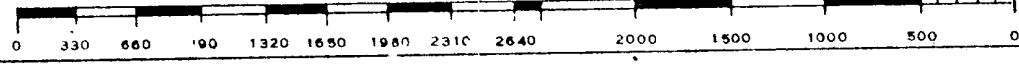
☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.	
Name	<i>Eddie M. Mahfood</i>
Position	Engineer
Company	Yates Pet. Corporation
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	
<i>Herschel L. Jones</i>	
Certificate No.	3640



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**U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO**

YPC - Lechuguilla Canyon Unit #3

990/N 2310/W Sec 10-24S-24E, Eddy Co.

Other information to accompany form 9-331-C.

1. Surface formation is: **Seven Rivers lime**

2. Geologic Markers Anticipated are:

San Andres	@ 1046
Capitan ls	@ 1866
Delaware Sd	@ 2476
Bone Spring	@ 3586
3rd Bone Spring Sd	@ 7200
Wolfcamp	@ 7563
Strawn	@ 8351
Atoka	@ 9291
Morrow Clastics	@ 9880
Lower Morrow	@ 10176

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U. S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

3. Surface Water Anticipated at: Approx. 200 ft Head: -150 ft
Capitan Reef - Approx. 1900-2300 ft Head: -850 ft
Oil & Gas Pays - Strawn poss. @ 8420', 3300 psi
Morrow poss. @ 10170-10300', 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 Equip: Kelly cock; pit level indicators & flow sensor;
Sub. w/ full-opening valve on floor, drill pipe connection
8. Drill Stem Testing, as warranted: Mud-logger for sample analysis
and gas detection. No coring.
9. This is a Development Well; pressure & temperature data
from previous drilling - normal Bottom Hole conditions indicated;
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 properties.
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. 29, 1976

Perm 9-3-76

YATES PETROLEUM CORPORATION - LECHUGUILLA CANYON UNIT #3
990' FNL & 2310' FWL, Section 10-24S-24E, Eddy County, New Mexico

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

1. EXISTING ROADS: See Plat (Exhibit A) From Carlsbad City limits go South on U.S. 62 for 7 miles, then West 13.5 miles on F-M 118, then Southwest on Smith Ranch road for 2 miles to Amoco Gas Well (Sec. 2-24S-24E), then West for 0.1 mile and Southwest 0.9 mile on water-line road to windmills, then follow game trail West 0.3 mile to gate, through gate for 0.5 mile to location.

2. PLANNED ACCESS ROADS: See Plat (Exhibits A & B) None; Plan to improve last 1.8 miles of existing game trail from Amoco Well along water-line road, west to windmill, to location. Will caliche as needed, but mostly blade and water.

3. LOCATION OF EXISTING WELLS: See Plat (Exhibit A) Several gas wells & dry holes in area; nearest producers 1.2 miles SW & NE.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) On Southwest corner 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 Company; material from road bed & pad. Surface for most part is caliche and broken rock. Approximately 200 feet road will need caliche. Caliche pit just West of Amoco well.

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

8. ANCILLARY FACILITIES: None.

9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) Approximately 2½' cut from west side and 2½' fill on east side for pad & pipe racks, pits padded w/hay and plastic lined. Rig V-door faces east.

10. PLANS FOR RESTORATION OF SURFACE: Pits fenced until dry, then leveled. Upon abandonment, surface will be restored to the satisfaction of BLM and rancher, Jerry Smith.

11. OTHER INFORMATION: Rocky ridge w/slightly dipping hillside; sparse prairie grass & desert flora, scattered greasewood & black walnut; sheep grazing. Will spud hole with Cable Tools prior to September 20, expiration date & set surface pipe before moving in rotary tools.

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.

9-3-76
DATE

Eddie L. Mahfood Engr.
NAME AND TITLE

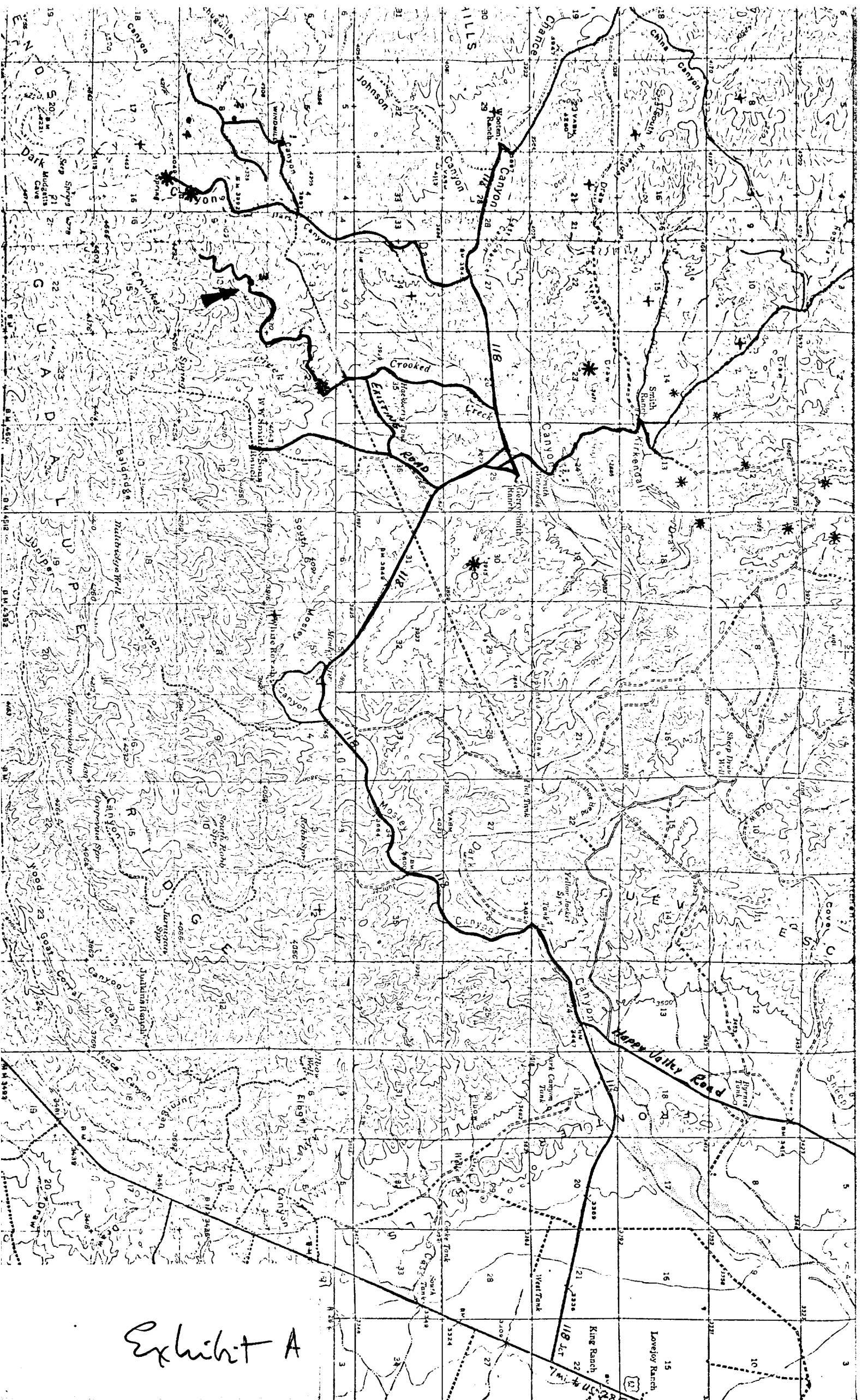
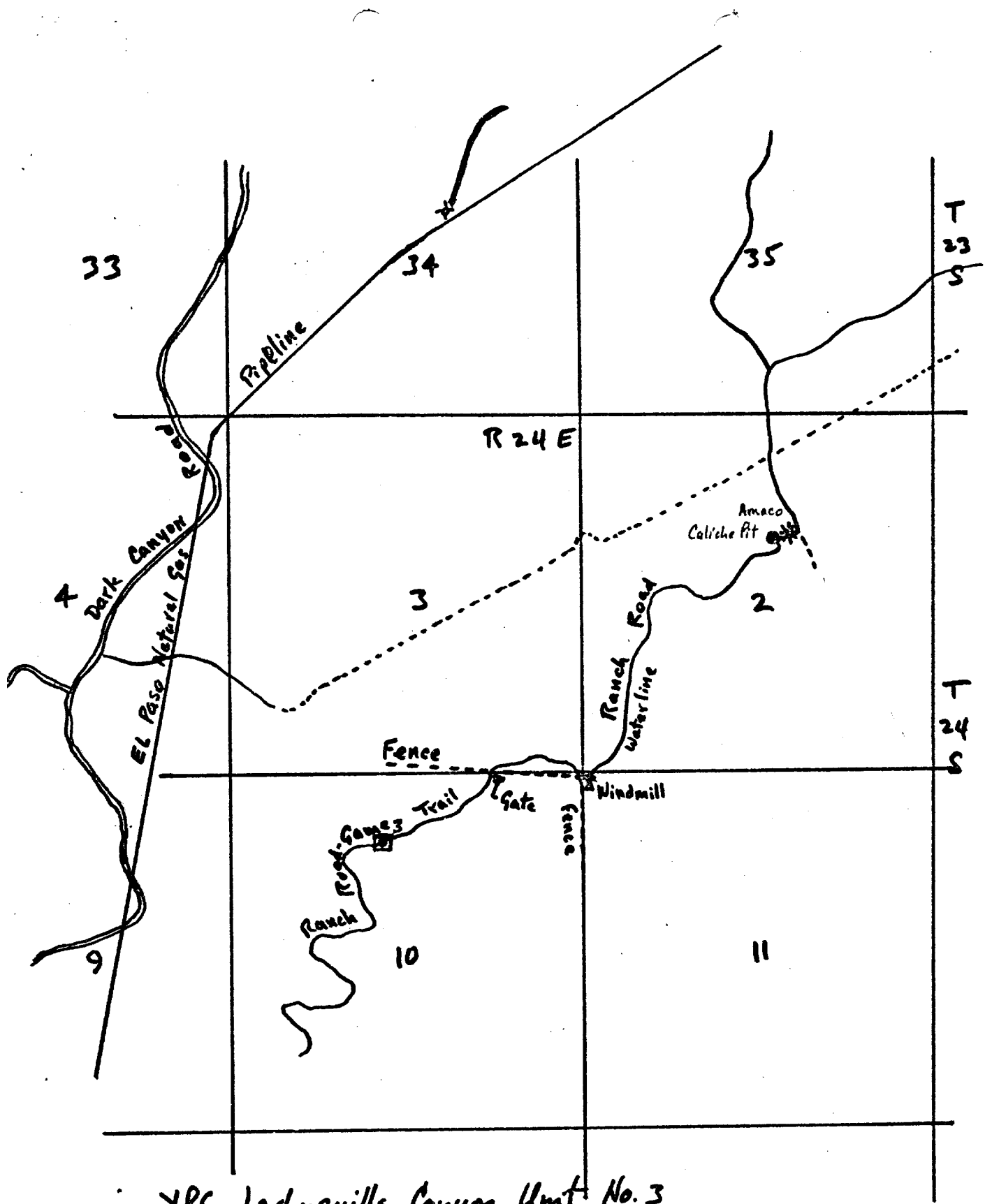


Exhibit A



YPC- Hedugulla Canyon Unit No. 3
 990 FNL 2310 FWL Sec 10-24S-24E
 Eddy County, New Mexico

Exhibit "B"

YPC-Lechuguilla Canyon Unit No. 3
 990 FNL 2310 FNL Sec 10-24s-24E, Eddy Co.

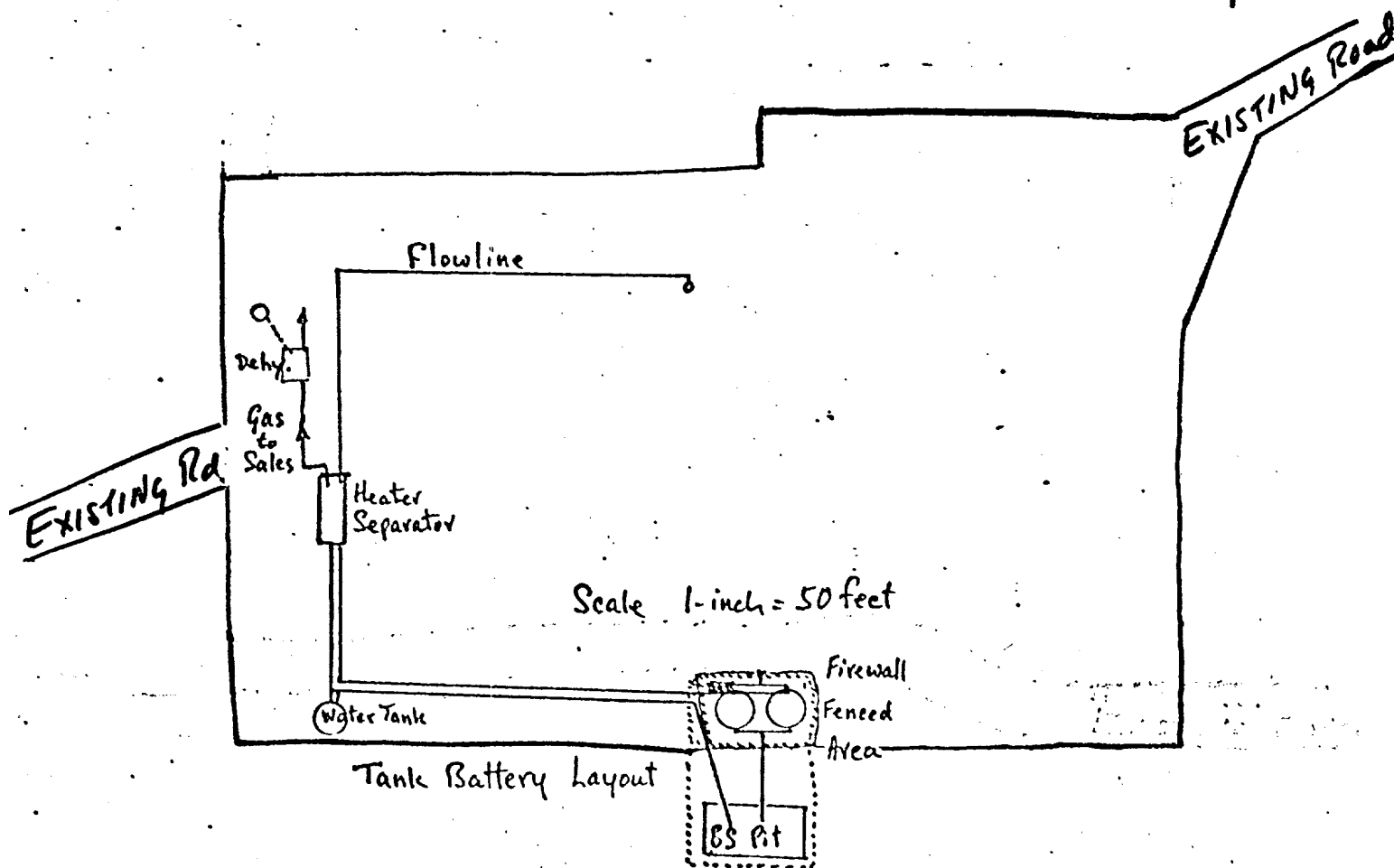
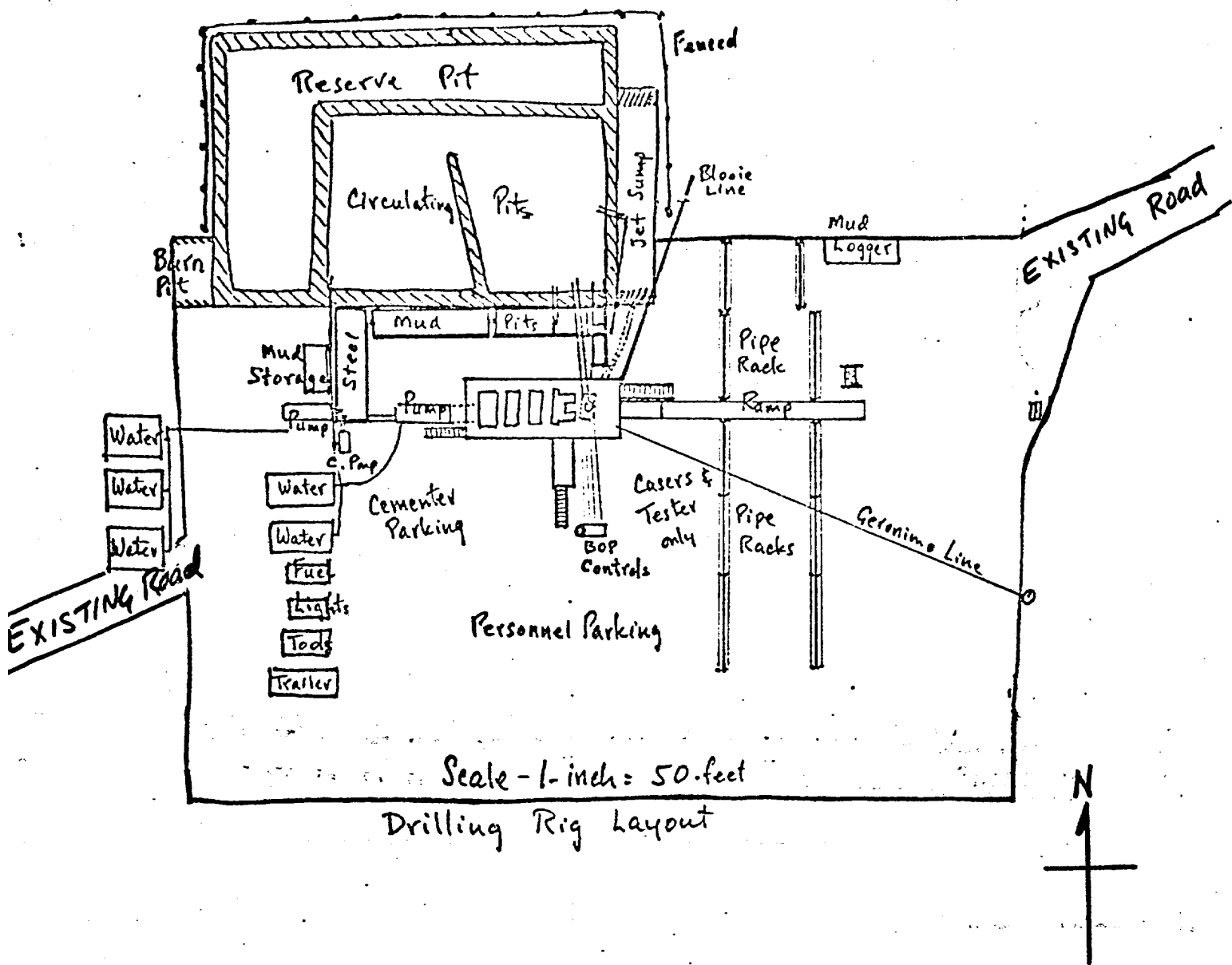
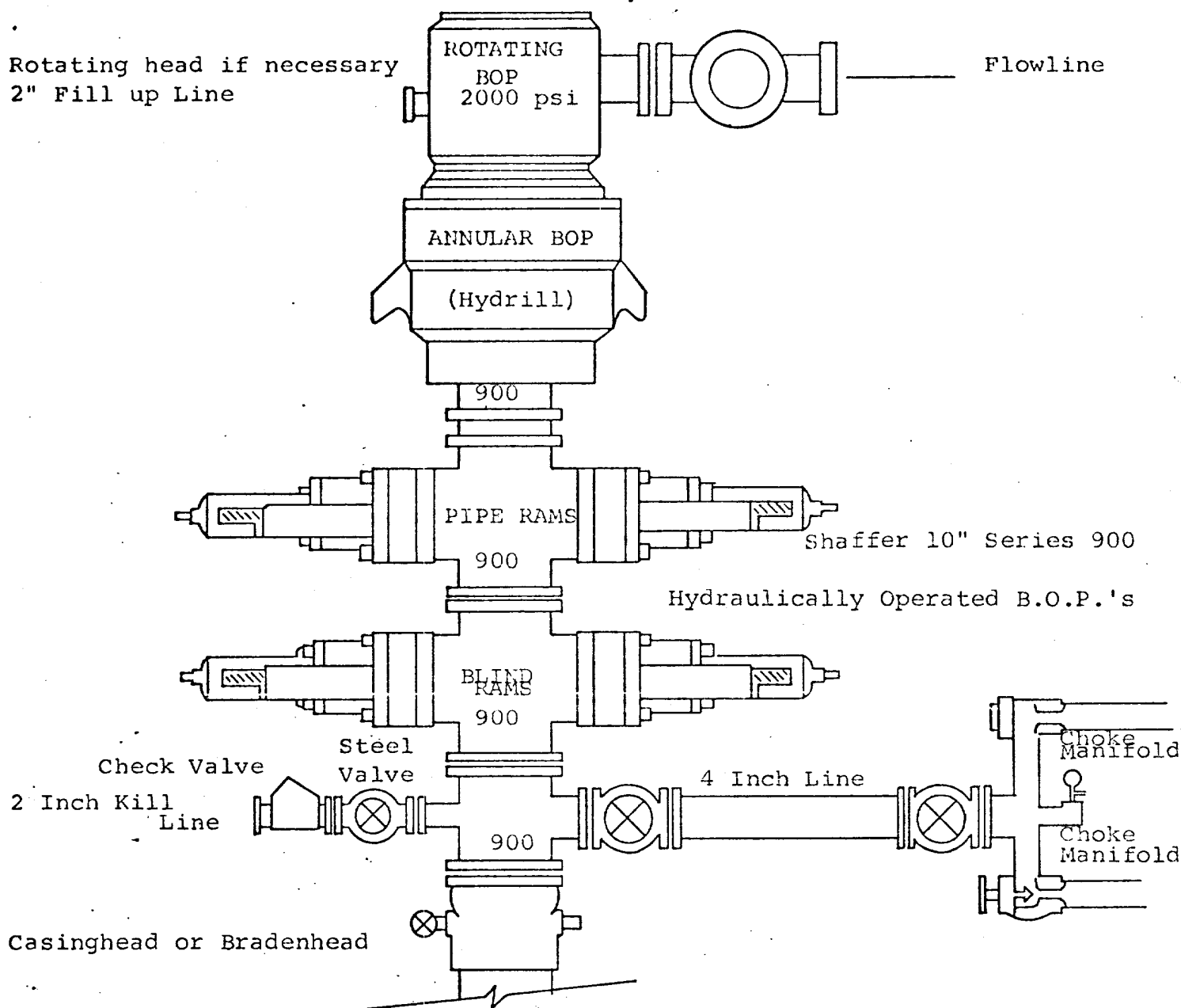


Exhibit "C"



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