Form 9-331C
(May 1963)

N. M. O. C. C. COPY

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1425.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

C-025-22139

5. LEASE DESIGNATION AND SERIAL NO.
NM 5664

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

RECEIVED
MAR 18 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ] PLUG BACK [ ]

7. UNIT AGREEMENT NAME

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME
Federal "EF"

2. NAME OF OPERATOR
Yates Petroleum Corporation

9. WELL NO.
2

3. ADDRESS OF OPERATOR
207 South Fourth Street, Artesia, NM 88210

10. FIELD AND POOL, OR WILDCAT
Undesignated

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1980' FNL & 1980' FWL of Section 6-18S-25E
At proposed prod. zone

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Unit F, NMPM
Section 6-18S-25E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
8 miles West of Atoka, NM.

12. COUNTY OR PARISH
Eddy

13. STATE
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

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

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

19. PROPOSED DEPTH
8300'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
64[illegible] GR

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

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17½"	13-3/8" New	48# K-55	Approx. 270'	150 sacks - circulate
12¼-11"	8-5/8" New	24# K-55	Approx.1000'	500 sacks - circulate
7-7/8"	5½" New or 4½" New	15.5-17#K-55 or 10.5-11.6#K-55	Approx.8300'	250 sacks 300 sacks

Propose to drill and test the Morrow and intermediate formations. Approximately 270' of surface casing will be run and cement circulated to shut off gravel and caving. Intermediate casing will be set 100' below the Artesian Water Zone & cemented to the surface. If commercial pay is encountered, will run 5½" or 4½" casing and cement with 600' of cover, perforate & stimulate as needed for production.

MUD PROGRAM: F. W. Gel & LCM to 1000', Fresh Water to 4000', KCL water to 6200', Flosal-Drispak-KCL mud to TD, MW 8.8-9.0, Vis 35-39, WL 10-7.

BOP PROGRAM: BOP's & hydril on 8-5/8" casing & tested, pipe rams daily, blind rams on trips, Yellow Jacket prior to drilling Wolfcamp.

GAS ACREAGE 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 Eddie M. Walker TITLE Engineer DATE 3-15-77

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

WATER BASIN

CASING MUST BE CIRCULATED

*See Instructions On Reverse Side

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	Lease	Well No.
YATES PETROLEUM CORP.	FEDERAL BF	2

Unit Letter	Section	Township	Range	County
F	6	18 South	25 East	Eddy

Actual Footage Location of Well:
1980 feet from the North line and 1980 feet from the West line

Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:
3645	Morrow	Undesignated	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).

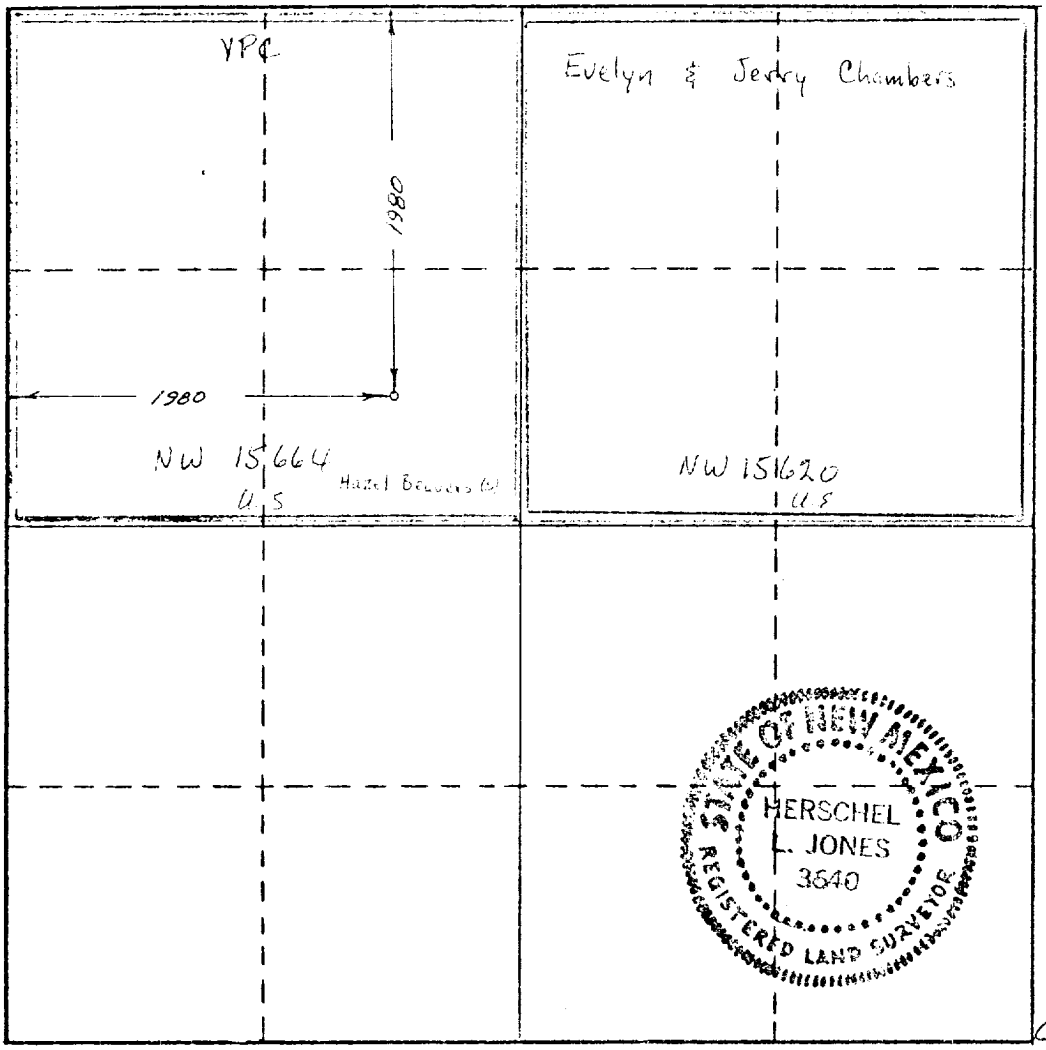
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling. etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Being Communitized

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.

RECEIVED
MAR 18 1977
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO



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: Petroleum Engineer

Company: Yates Petroleum Corp.

Date: March 16, 1977

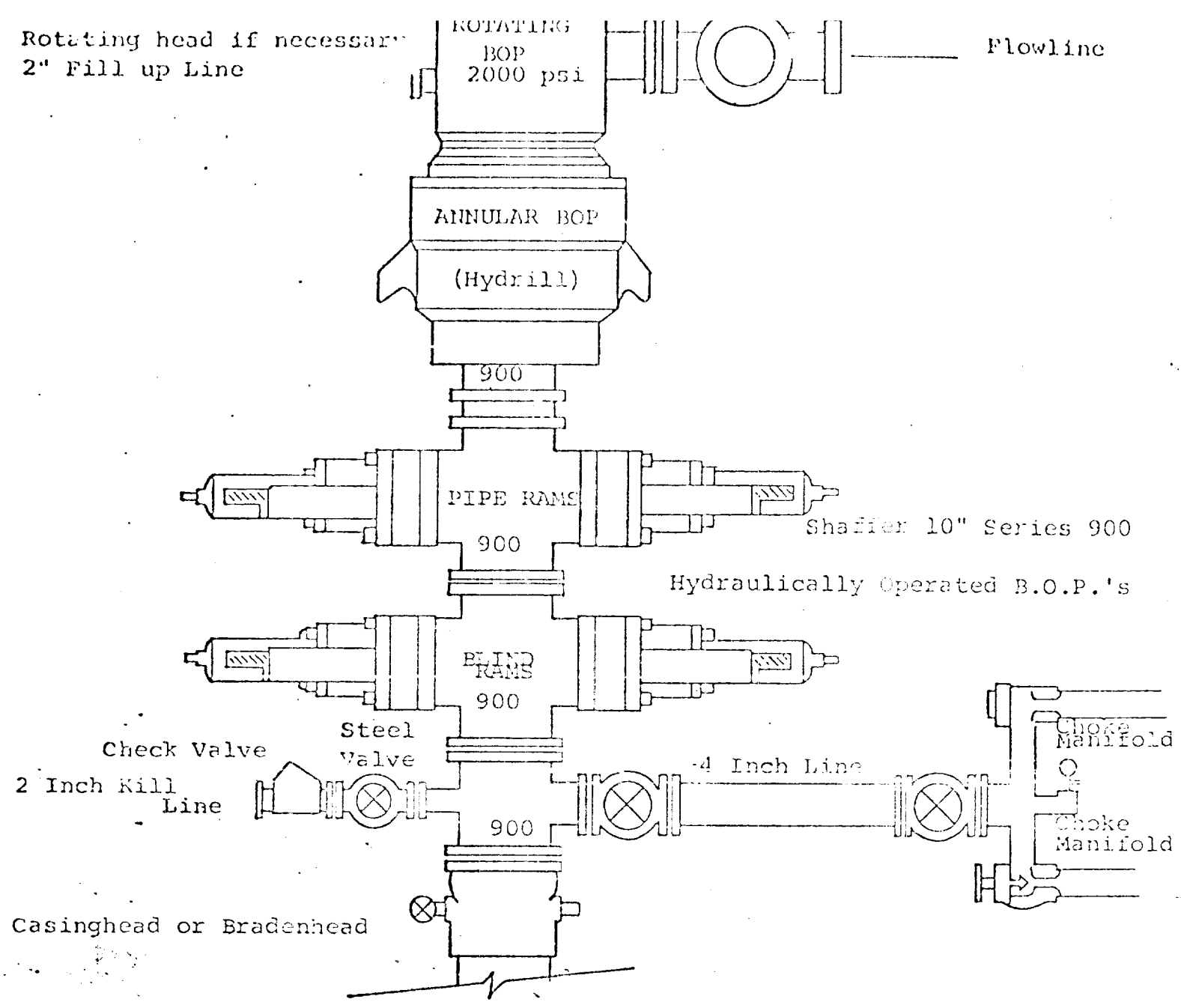
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 3/7/77

Registered Professional Engineer and/or Land Surveyor

Herschel Jones

Certificate No. 3640



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

YPC- Federal ET No. 2, 1980/N 1480/W, Sec 6-18S-31E, Eddy Co.

Other information to accompany Form 9-331-C:

1. Surface Formation: Quaternary Alluvium.
2. Geologic Markers anticipated:

San Andres	@	566'
Glorieta	@	1860'
Abo	@	3952'
Wolfcamp ls	@	5087'
Cisco	@	6231'
L. Canyon	@	7195'
Strawn	@	7654'
Atoka	@	7926'
Morrow Clastics	@	8106'
Chester ls	@	8251'

3. Surface Water anticipated @ 290-340'; Artesian Water @ 600-900'
   Oil & Gas Pays: Possible Basal Abo @ 5050-5087'; approx BHP- 2020 psi
   Possible Cisco @ 6300-6700'; approx BHP- 2680 psi
   Possible Morrow @ 8150-8250'; approx BHP- 3500 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
7. Auxiliary Equipt.: Kelly cock; Pit level indicators & flow sensor; Sub with full-opening valve on floor.
8. Drill stem tests as warranted; Mud-logger on @ 4800'; no coring; CNL-Density log and Dual Laterolog.
9. Pressure and temperature data is from previous drilling experience in the area. Hydrogen sulfide and other toxic gases are minimal or non-existent. Mud is checked closely and inhibited for corrosion control.
10. Anticipated Starting Date: 4-7 weeks

3-14-77

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

1. EXISTING ROADS: See Plat (Exhibits A & B) From Artesia go 4 miles south on U.S. 285, (north of Ranch-house) then west on black-top 1 mile to 13th Street. Continue west on caliche road (county maintained road) for 4.2 miles to Kennedy Ranch house, then south 0.1 mile and southwest on lease road 2.5 miles, then north for 1.2 miles, then southwest for 0.6 mile to access road.

2. PLANNED ACCESS ROADS: See Plat (Exhibits A & B) Approximately 600 feet of new road, 12 feet wide running southeast to location, requiring no turnouts & no fence cuts. Road will be caliched and watered. Access road is flagged with orange tape.

3. LOCATION OF EXISTING WELLS: See Plat (Exhibits A & B) There are several producing gas wells in the area to the south, east and northeast. There are 2 dry holes to the west, one converted to a water source well. The nearest windmill is ½ mile northwest.

4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) The tank battery will be on the south side of the pad. Flowlines will be 2 inch steel and will be above ground. A fiberglass tank will collect produced water for subsequent disposal by trucking to a suitable disposal system.

5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit B) Drilling water will be piped from source water well in NE/4 of NW/4, Section 1-18S-24E.

6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit B) There is an open caliche pit in the NE/4 of NW/4 of Section 1-18S-24E, just west of the water well.

7. METHODS FOR HANDLING WASTE DISPOSAL: See Plat (Exhibit C) Well cuttings will be disposed of in reserve pits; mud sacks, paper & garbage will be burned; garbage will be accumulated in trash barrels and disposed of by burning or buried three feet in the burn pit. If productive, produced water will be collected in a tank and hauled away.

8. ANCILLARY FACILITIES: None.

9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit C) Exhibit C shows position of drill pad, rig, reserve pits, burn pit, mud pits, jet pump, pipe racks, pumps, water tanks. Pad size - 270' X 220'; Cut and fill - negligible cut & fill; Surfaced with caliche, watered & compacted; Reserve Pit - 80' X 120', plastic-lined. Pad is flagged with red tape, pit area is flagged with blue tape.

10. PLANS FOR RESTORATION OF SURFACE: If well is productive, pits will be fenced until dry, then back-filled and levelled as soon as practical. Location will be cleaned, all excess material removed from location. Upon abandonment location will be cleaned and levelled or restored in compliance with BLM stipulations.

11. OTHER INFORMATION: (a) Terrain is gently rolling with rock.
(b) Soil is a sandy loam.
(c) Vegetation consists of Prairie Grass, Fileree, Yucca, broomweed, greaswood & cactus.
(d) There are no ponds or streams in the area. The nearest windmills or water wells are located 0.5 mile northwest and one mile west.
(e) The nearest residences or building are located 3 to 4 miles to the north & to the east.
(f) Surface use is grazing.
(g) The effect on the environment will be minimal; drillsite is in semi-arid desert country, wind-blown and natural re-seeding.
(h) Surface ownership is Mrs. Hazel Beavers of Sweetwater, Texas, and Mr. Fred Collins of Artesia, New Mexico.

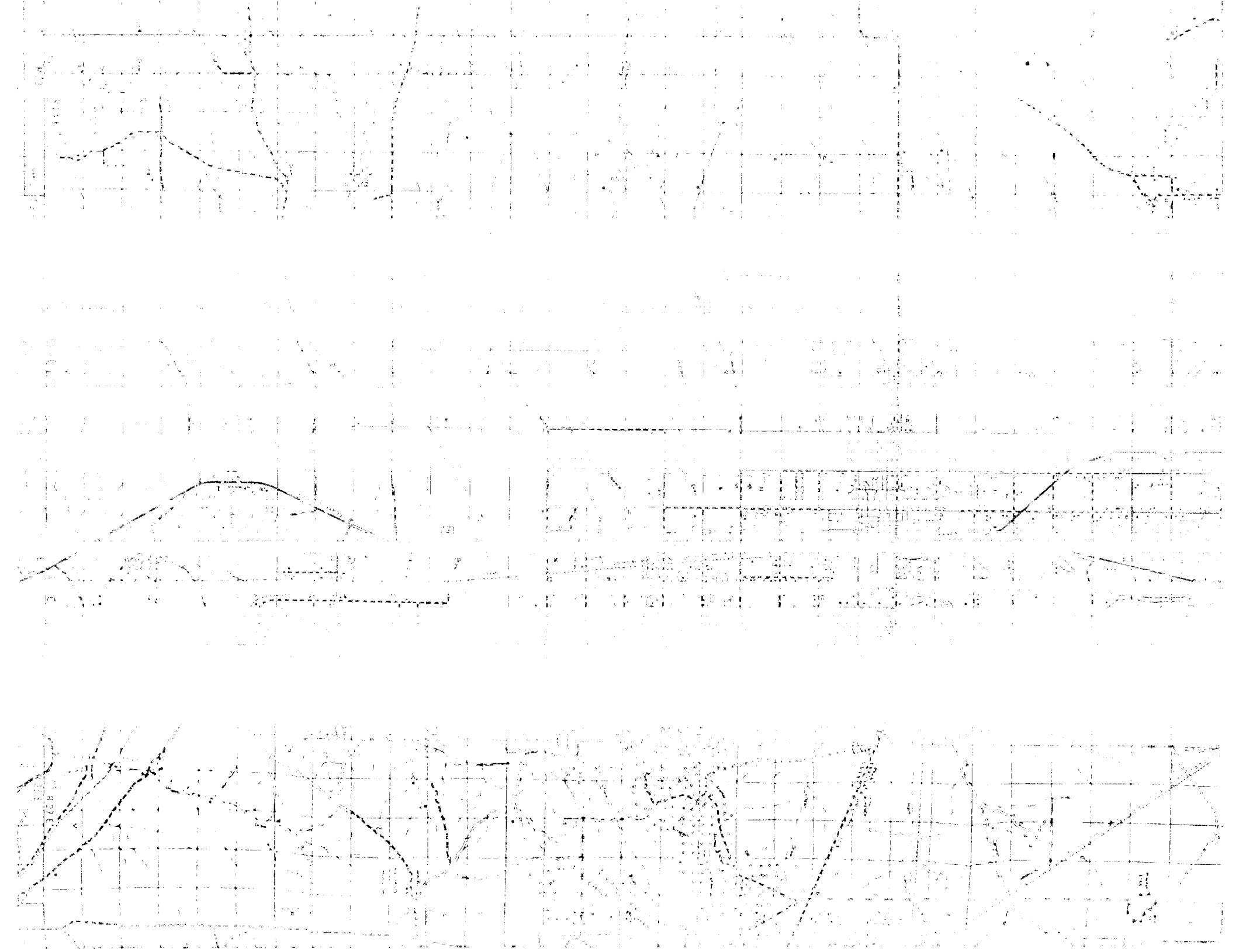
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood, Leon Bergstrom, or James Jonas, 207 South Fourth Street, Artesia, NM, phone: 746-3558.

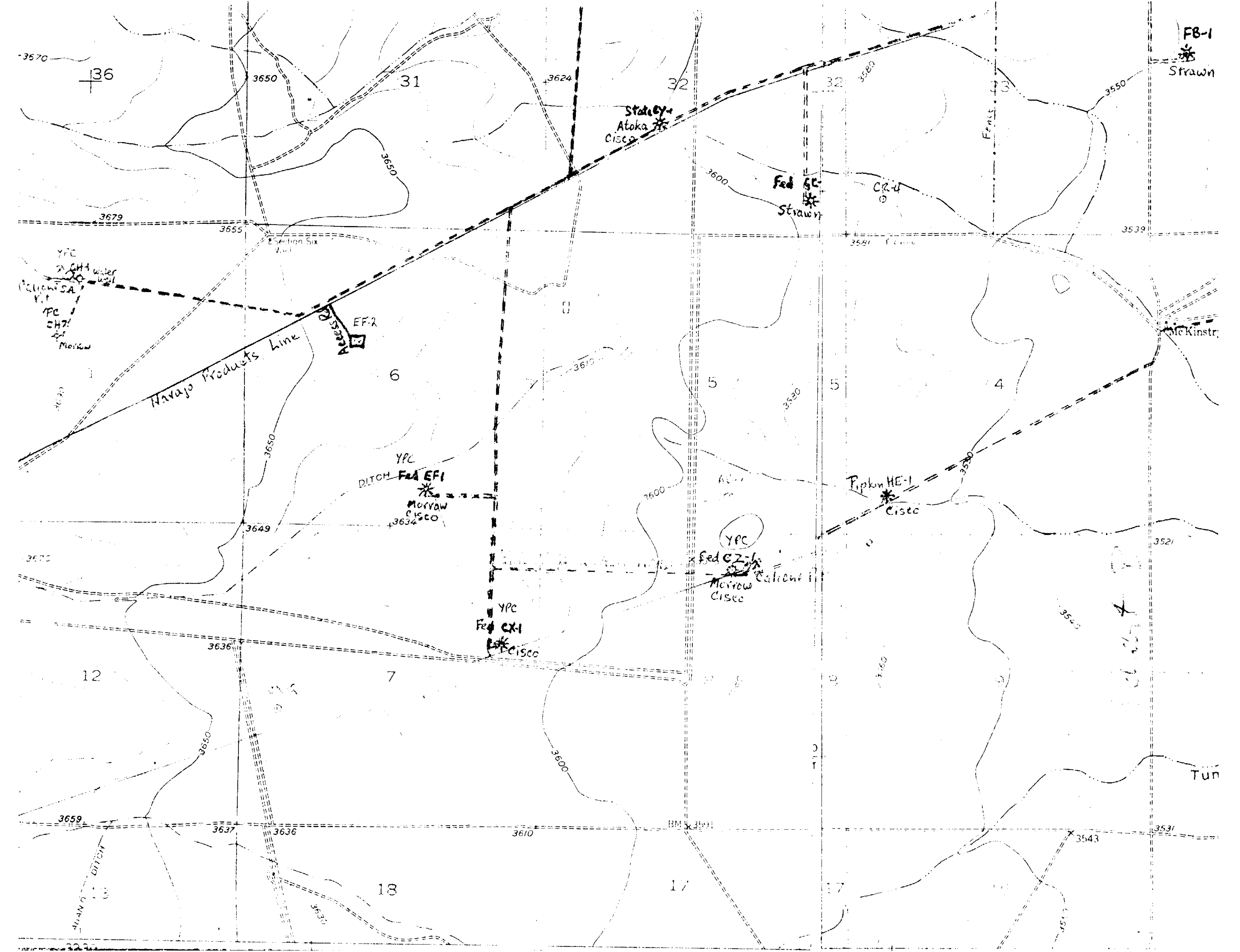
13. CERTIFICATION:

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

March 15, 1977
Date

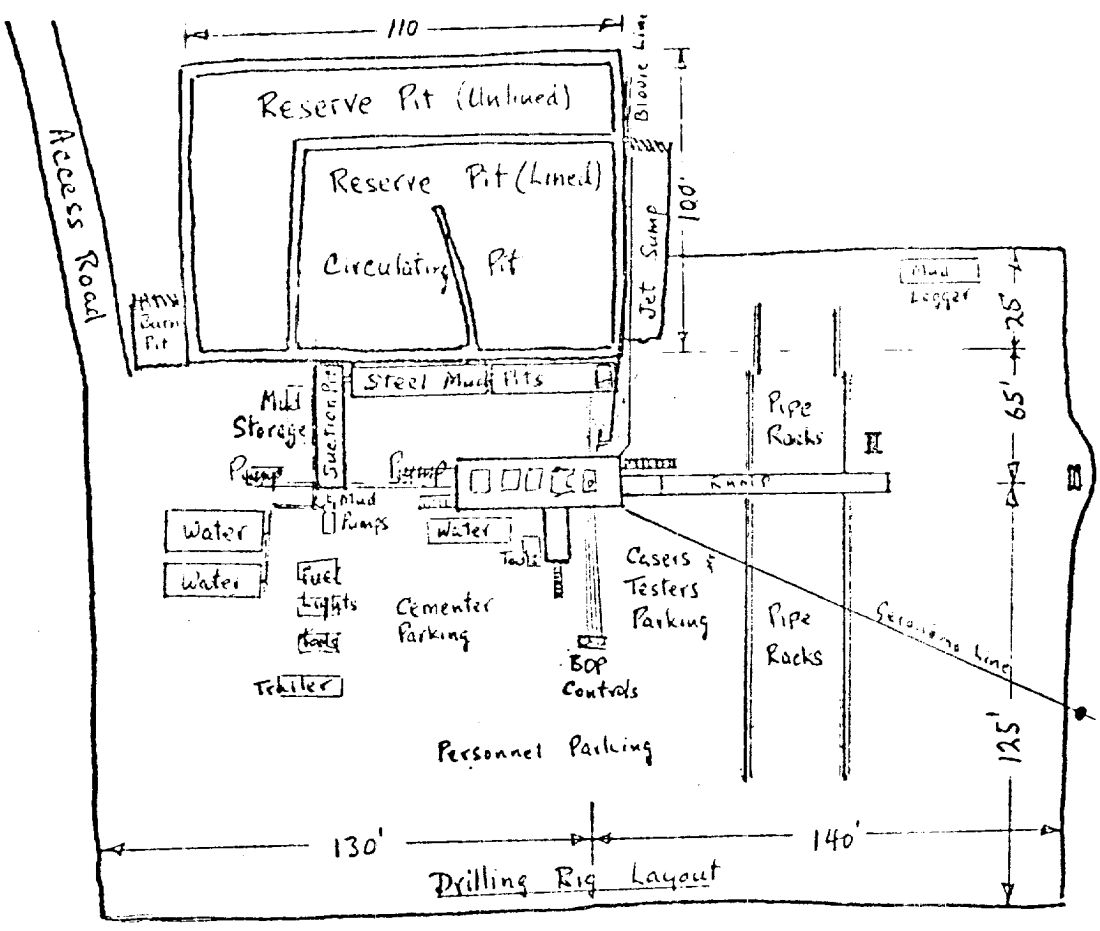
Eddie Mahfood, Prod. Engineer



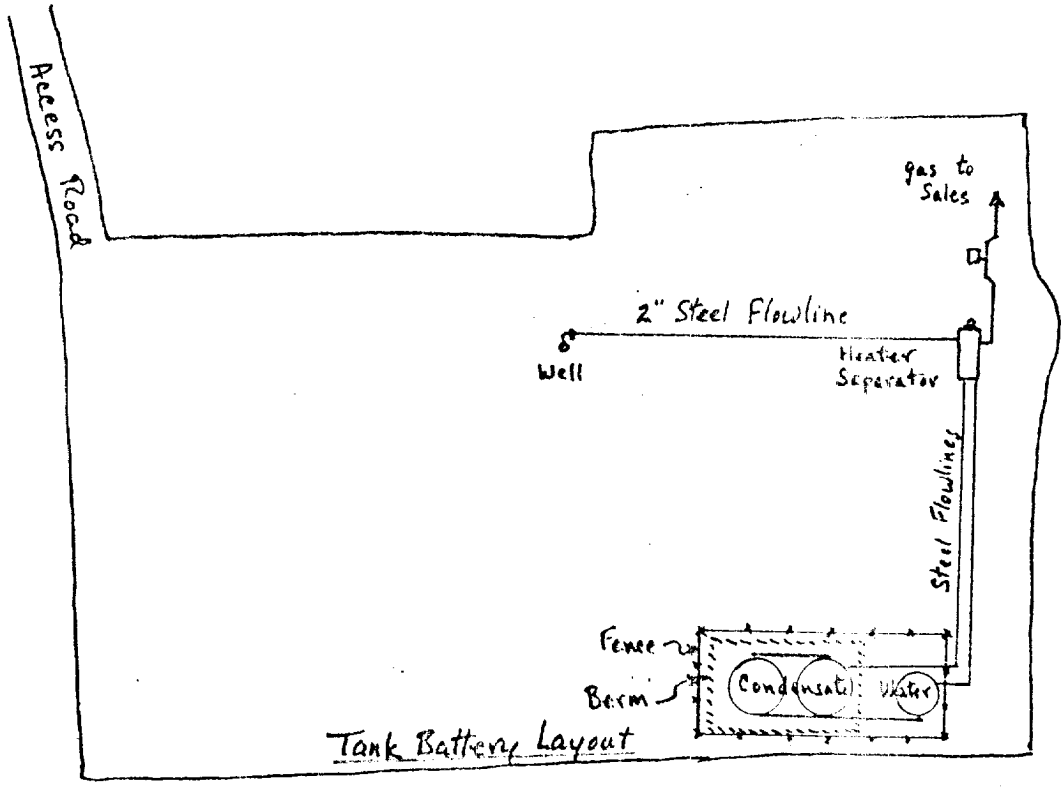


36
31
32
33
FB-1
Strawn
State EY-1
Atoka
Cisco
Fed GC-
Strawn
CR-4
Fence
Section Six Well
YPC
CH-1
Water Well
Caliente SA
YPC
CH-?
Morrow
EF-2
Access Rd
Navajo Products Line
6
5
5
4
McKinstry
YPC
Ditch
Fed EF1
Morrow
Cisco
Tipkin HE-1
Cisco
YPC
Fed CZ-1
Morrow
Cisco
YPC
Fed CX-1
Cisco
12
7
18
17
17
13
Ditch
Tun
3570
3650
3624
3580
3550
3679
3655
3600
3539
3581
3610
3530
3649
3634
3521
3636
3659
3637
3636
3610
BM 3591
3543
3531

YPC - Federal EF No. 2



Drilling Rig Layout



Tank Battery Layout

Exhibit "C"