

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
ZONEMULTIPLE
ZONES

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

207 South Fourth Street, Artesia, NM 88210

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

At surface

2310' FNL & 1650' FEL of Section 26-18S-25E

At proposed prod. zone

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

Approximately 4 miles west of Dayton, NM.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

Approx. 2500'

20. ROTARY OR CABLE TOOLS

Cable Tool or Rotary

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

3472' GR

22. APPROX. DATE WORK WILL START*

May, 1977

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10-3/4" New	32.75# J-55	Approx. 300'	Circulate
9 1/2"	7" New	20# J-55	Approx. 1100'	Circulate
6 1/2"	4 1/2-5 1/2"	10.5-15.5# J-55		

Propose to drill and test the San Andres formation. Approximately 300' of surface casing will be set & cement circulated. Intermediate casing will be set 100' below the Artesian Zone, cement circulated. Production casing will be tapered 4 1/2".

MUD PROGRAM: F. W. Gel & LCM to 1100'; fresh water to TD.

BOP PROGRAM: BOP's will be installed on the 7" casing and tested.

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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 L. Mayfield

TITLE

Engineer

DATE

4-22-77

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

THIS PERMIT IS VALID FOR 3 MONTHS

AUG 1 1977

*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 YATES PETROLEUM CORP.		Lease FEDERAL Yates Federal		Well No. 4
Unit Letter G	Section 26	Township 18 South	Range 25 East	County Eddy
Actual Footage Location of Well: 2310 feet from the North line and 1650 feet from the East line				
Ground Level Elev. 3472	Producing Formation Yeso - San Andres	Pool Penasco Draw	Dedicated Acreage: 40 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 _____

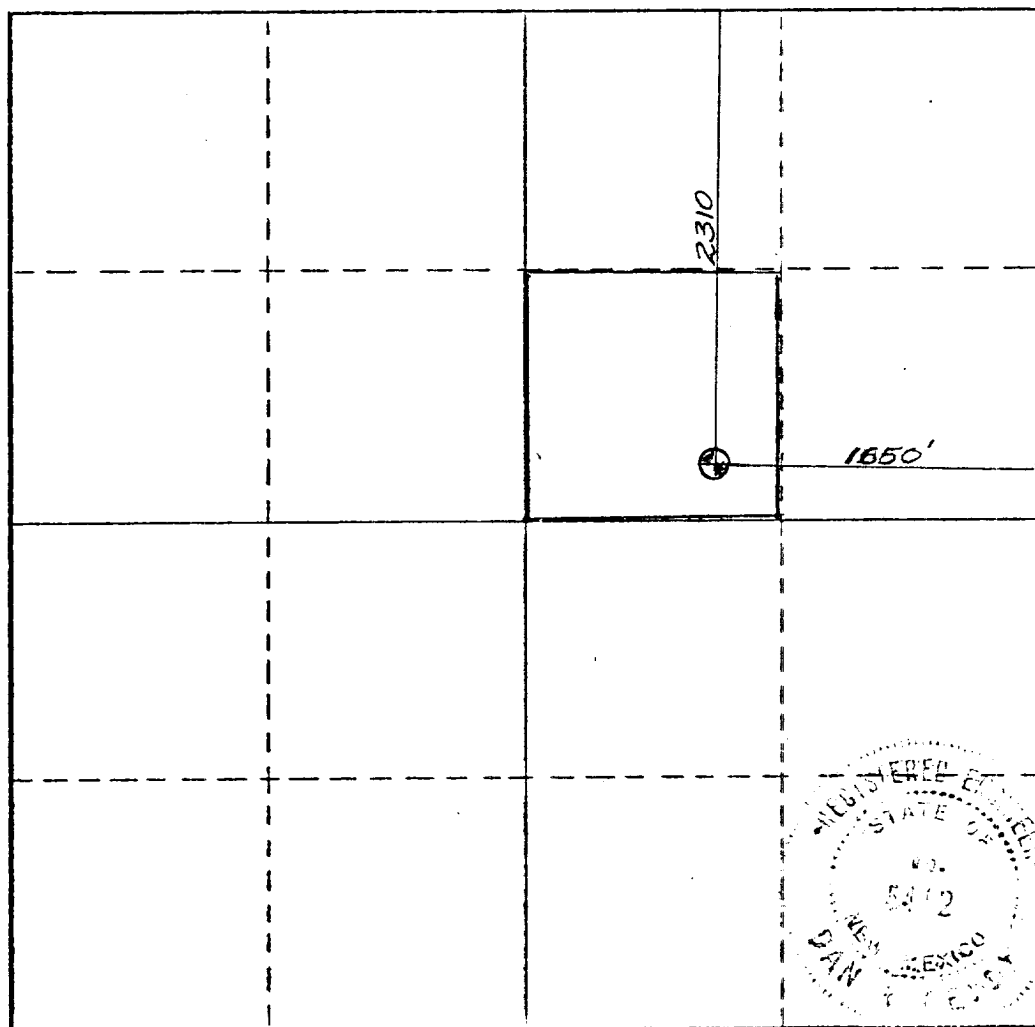
If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

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.

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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

4-22-77

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

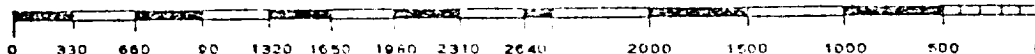
4/20/77

Registered Professional Engineer and/or Land Surveyor

Ryan R. Kibbey
Michael B. Smith

Certificate No.

**5412
6272**



YPC- Yates Federal No. 4, 2310/N 7650/E Sec 26-188-25E, Eddy Co.

Other information to accompany form 9-331-e:

1. Surface formation: Quaternary Alluvium.
2. Geologic Markers Anticipated: San Andres @ 718'
Glorieta @ 2020'
3. Surface Water @ Approx. 180-300' Artesian Water Zone @ 860-1000'
Oil & Gas Shows @ 1230-1650
4. Casing Program: Approx 300' of 10 3/4" 32.75* STT; Approx 1100' of 7" 20" STT.
5. Pressure Control: BOP's on 7" Csg & tested; hydraulic.
6. Mud Program: F.W. Gel & LCM to 1100', Fresh water to TD.
7. Auxiliary Equip: Sub w/ full-opening valve for drill pipe.
8. No testing open-hole, no coting. Samples every 10ft. GR-Neutron logs.
9. No abnormal pressures or temperatures anticipated. Hydrogen sulfide and other toxic gases are minimal or non-existent.
10. Anticipated starting date: Soon as approved or late May 1977.

John W.
4-22-77

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

1. EXISTING ROADS: See Plat (Exhibits A & B) From Artesia go south on U.S. 285 for 9 miles then left on blacktop for 3 miles, then north on caliche county road for 0.65 mile (north side of Rio Penasco), then west on gravel road for 1/4 mile to gravel pit.
2. PLANNED ACCESS ROADS: See Plat (Exhibits A & B) From gravel pit west - southwest to location approximately 900' and 12' wide. Will be gravel, gravel or caliche and water road (flagged with red tape).
3. LOCATION OF EXISTING WELLS: See Plat (Exhibits A & B) Will be a development well in Penasco Draw Yeso-San Andres field. There are also several water wells and windmills in the area.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit C) Existing tank battery in SW NW of Sec. 25-18S-25E. Flowline will be 2" steel, above ground along side of road, except will be buried in gravel at crossing in Rio Penasco.
5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit B) Drilling water will be piped from Yates source water well in NE SE SE of Sec. 26-18S-25E.
6. SOURCE OF CONSTRUCTION MATERIAL: See Plat (Exhibit B) Gravel & caliche from gravel pit between county road and location (SE NE Sec. 26-18S-25E).
7. METHODS FOR HANDLING WASTE DISPOSAL: See Plat (Exhibit C) Well cuttings will be disposed of in the 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 sump, pipe racks, pumps and water tanks. Pad size - 140' X 90', cut and fill will be negligible. Surfaced with gravel or caliche & watered. Reserve Pit - 30' X 60'. Pad is flagged with red tape; Pit area is flagged with blue tape.
10. PLANS FOR RESTORATION OF SURFACE: Pits will be fenced until dry, then backfilled 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 BLW stipulations.
11. OTHER INFORMATION: (a) Terrain is gentle slope draining SE into Rio Penasco.
(b) Soil is sandy loam.
(c) Vegetation consists of prairie grass, filaree, cactus, greasewood.
(d) There are no streams in the area. The nearest windmill is 1/4 mile NE of location w/dry water well 600' NW, a good water well and earthen reservoir 2000' SE of location.
(e) The nearest residences or buildings are located 1.6 miles SW; compressor stations and treating facilities 1 mile SE.
(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 BLM with grazing privileges to Hugh Kincaid.
12. LESSEE'S OR OPERATOR'S REPRESENTATIVES: Eddie Mahfood or Jim Jonas, 207 South Fourth Street, Artesia, New Mexico. Phone: 746-3558.
13. CERTIFICATION:

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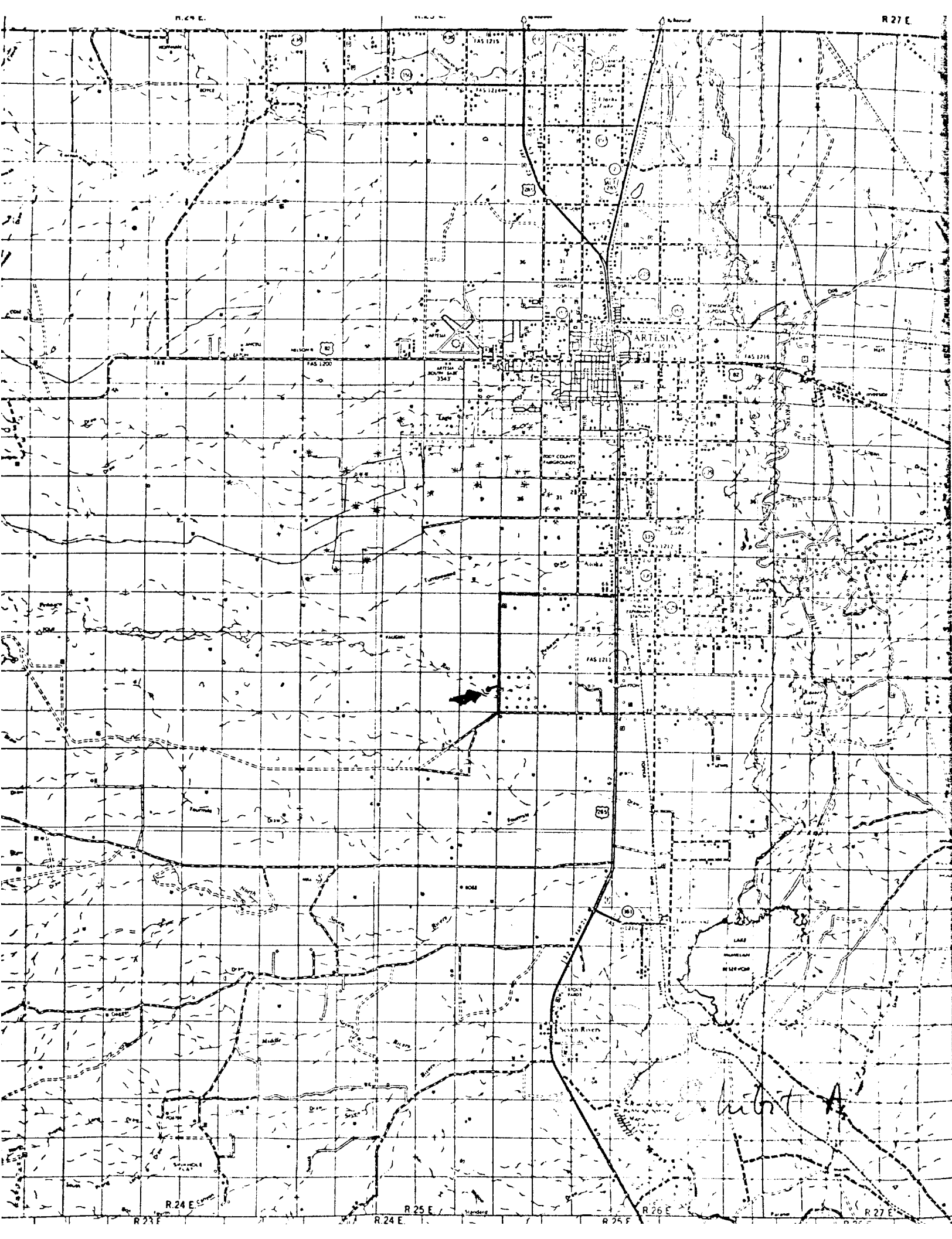
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated 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.

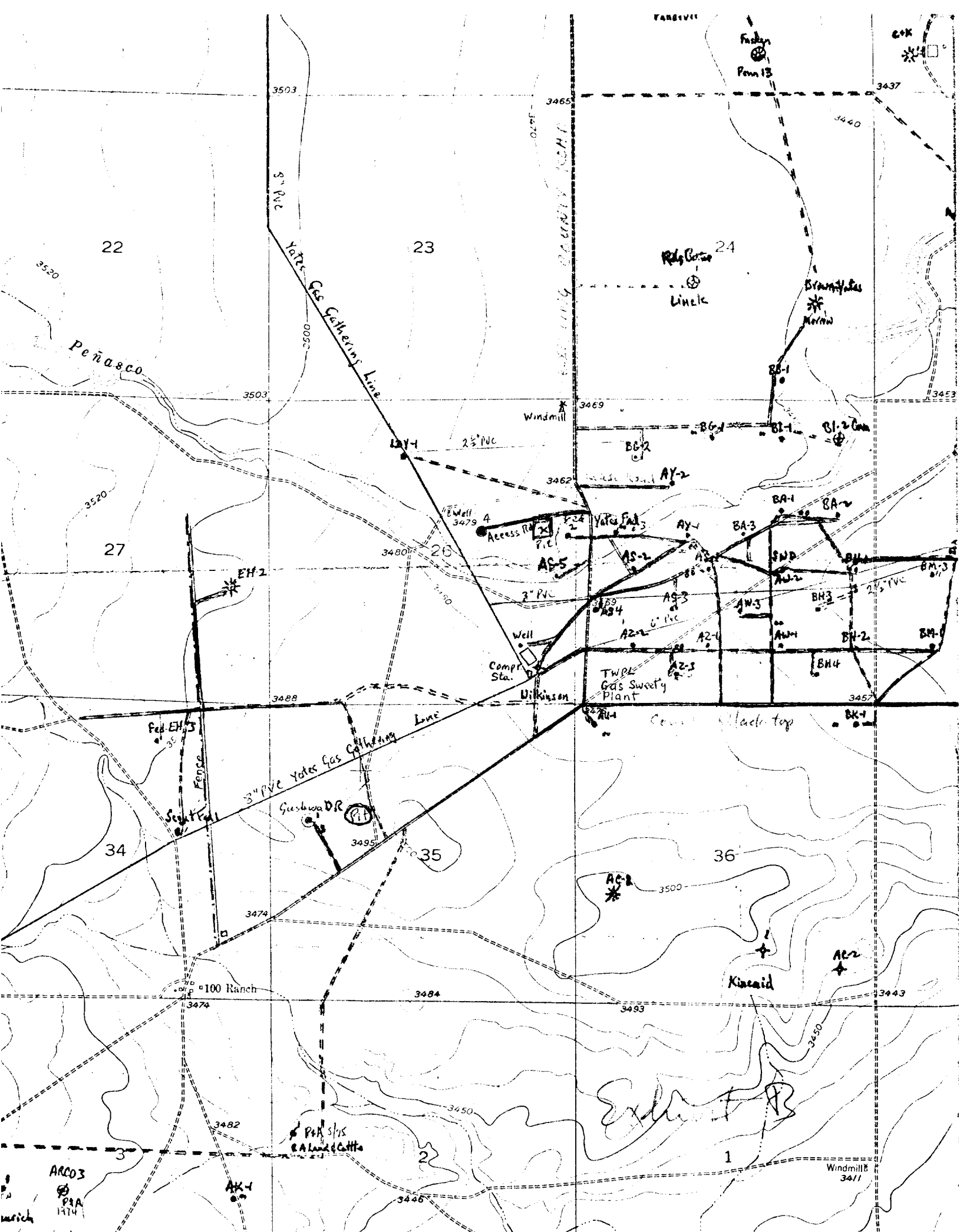
Date

4-22-77

Name and Title

Eddie Mahfood, Engineer





YPC- Yates Federal No.4, 2310/N 2310/E, Sec 26-18s-25E, Eddy Co.

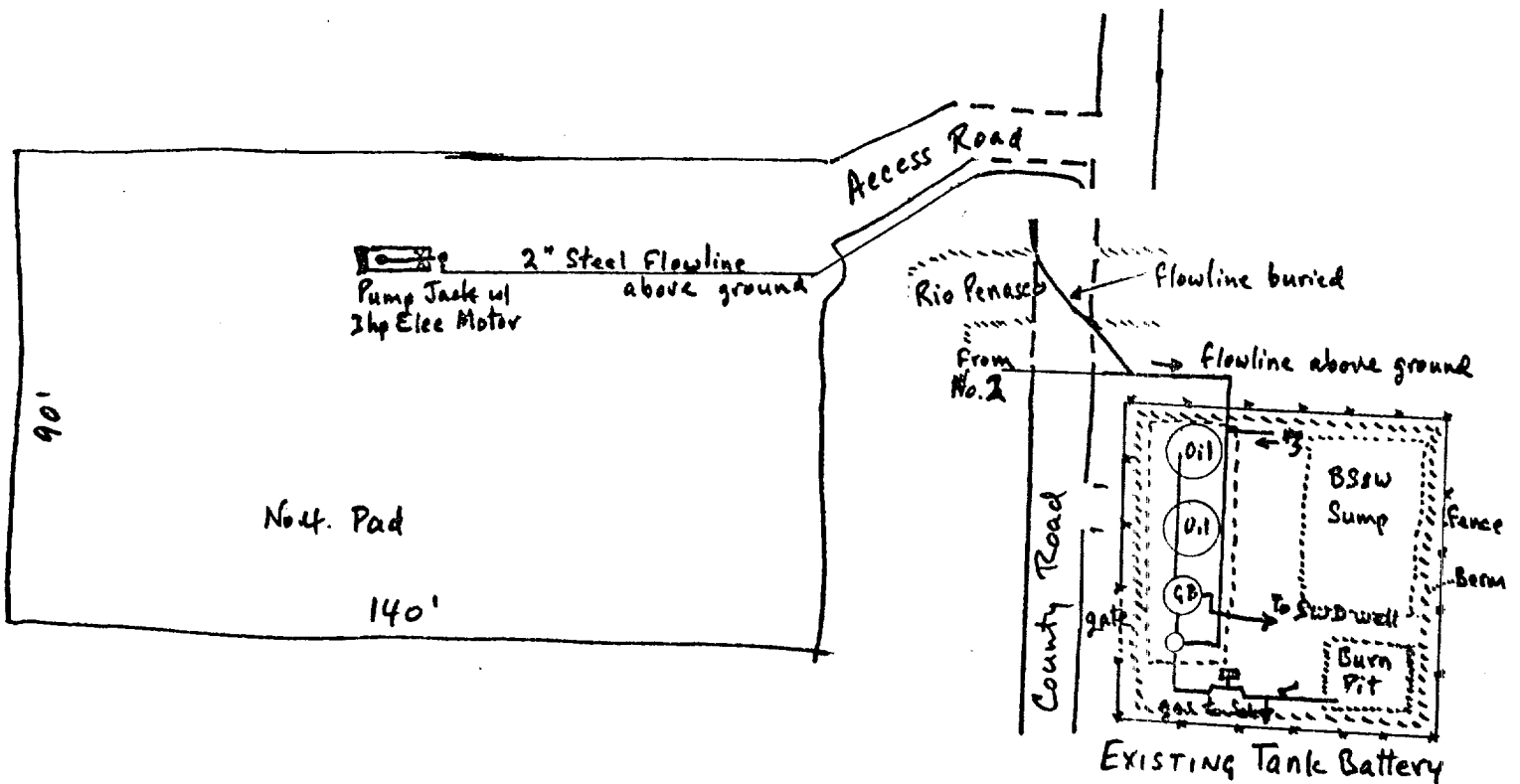
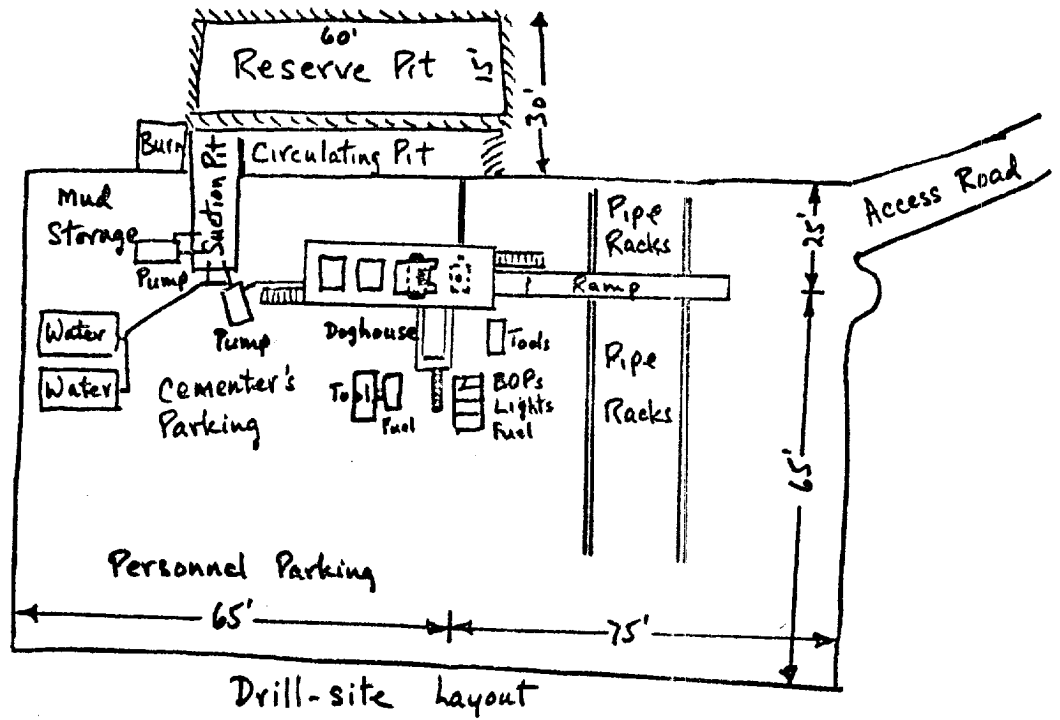
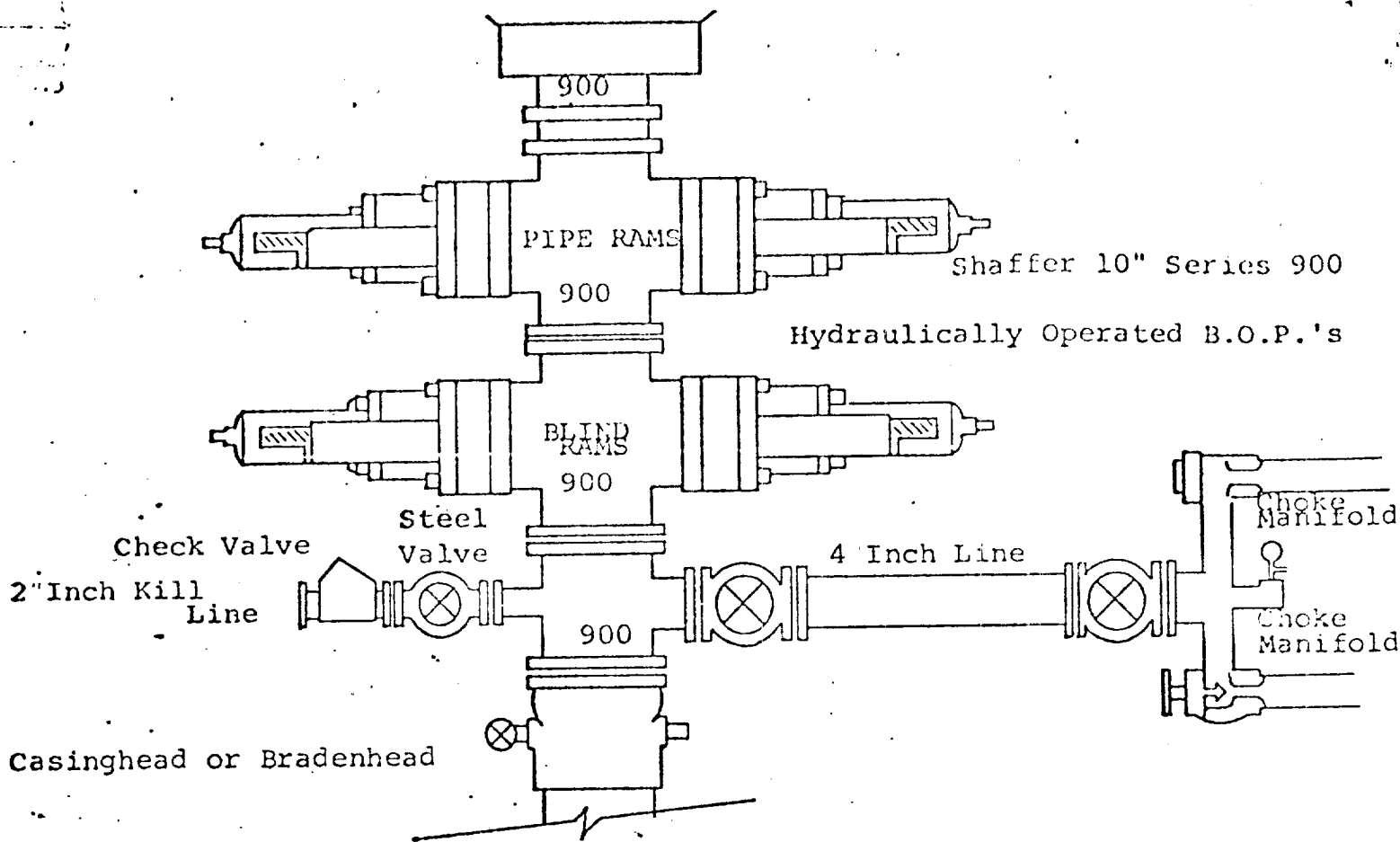


Exhibit "C"



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"