

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 S. 4th Street, Artesia, NM 88210

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

At surface 2970' FSL &amp; 330' FEL

At proposed prod. zone  
Same

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

9 miles north of Loco Hills, New Mexico

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.

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

3828.2 GL

23.

## PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 10 1/2"      | 8 5/8"         | 28#             | 525'          | 225 circulate      |
| 6 1/2"       | 4 1/2"         | 9.5#            | TD            | 320 circulate      |

We propose to drill and test the S.A. and intermediate formations, casing will be set per program above. Will perforate and stimulate as needed for production.

MUD PROGRAM: Fresh Water Gel to 1400', fresh water to T.D.

BOP PROGRAM: BOP will be installed on 4 1/2" casing and tested.

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

TITLE Geographer

DATE 3/11/81

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY  
JAMES A. GILHAM  
DISTRICT SUPERVISOR

**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.

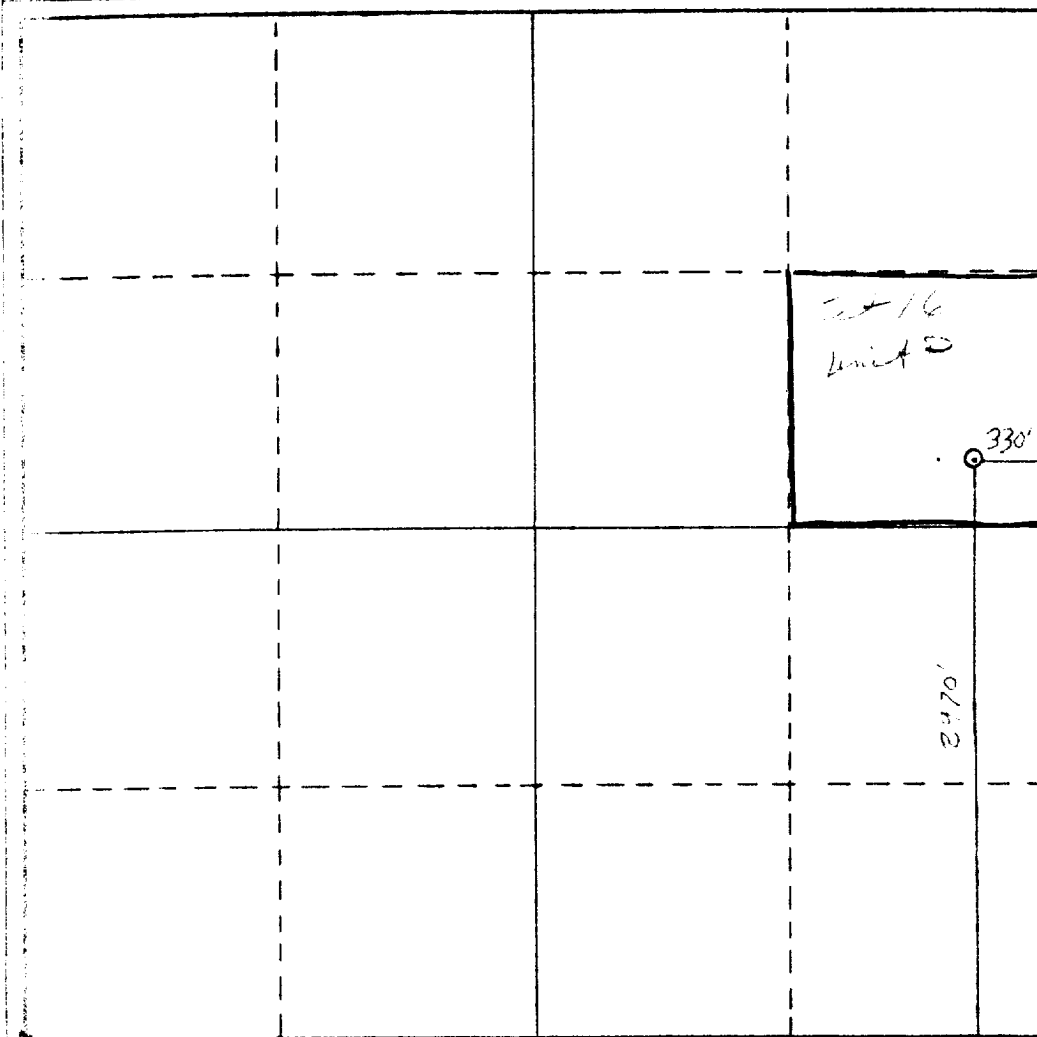
|  |   |                           |                                       |                       |                      |
|--|---|---------------------------|---------------------------------------|-----------------------|----------------------|
| Operator<br><b>VATES PETROLEUM CORPORATION</b>   |   |                           | Lease<br><b>SIVLEY "PY" FED.</b>      |                       | Well No.<br><b>2</b> |
| Map Letter<br><b>HP</b>  | Section<br><b>5</b>                       | Township<br><b>16 S</b>   | Range<br><b>30</b>                    | County<br><b>EDDY</b> |                      |
| Actual Footage Location of Well:<br><div style="display: flex; justify-content: space-between;"> <span><b>2970</b> feet from the <b>SOUTH</b> line and <b>330</b> feet from the <b>EAST</b> line</span> </div> |   |                           |                                       |                       |                      |
| Ground Level Elev.<br><b>3828.2</b>  | Producing Formation<br><b>SAN ANTONIO</b> | Pool<br><b>Wildcat SA</b> | Dedicated Acreage:<br><b>40</b> 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.

*Gliserio Rodriguez*  
Name

**GLISERIO RODRIGUEZ**  
Position

**GEOGRAPHER**

Company  
**VATES PETROLEUM CORP.**

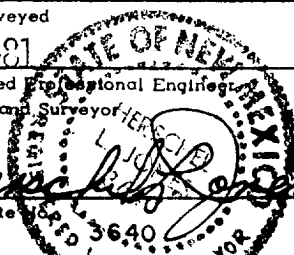
Date  
**3-1-81**

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  
**2-24-81**

Registered Professional Engineer  
and/or Land Surveyor

*Gliserio Rodriguez*  
Certificate No. **3640**



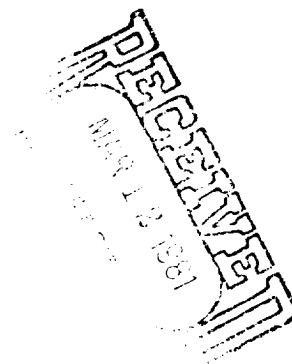
330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

Yates Petroleum Corporation  
Sivley "PY" Fed #2  
2970' FSL 330' FEL  
Section 5 T16S30E  
Eddy County, New Mexico

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 sandy alluvium.
2. The estimate tops of geologic markers are as follows:

|              |       |            |       |
|--------------|-------|------------|-------|
| Yates        | 1453' | Grayburg   | 2540' |
| Seven Rivers | 1712' | San Andres | 3109' |
| Queen        | 2292' | TD         | 3200' |
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:  
  
Water: Approximately 130'  
Oil: San Andres 3109-3150'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: As required.
8. Testing, Logging and Coring Program:  
  
Samples: Surface casing to TD  
DST's: None  
Logging: GRN surface to TD  
Coring: None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as approved.



Yates Petroleum Corporation  
Sivley "PY" Fed #2  
Section 5-T16S-R30E  
2970' FSL and 330' FEL  
(Developmental 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, the construction activities and operations plan, the 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 drilling of this well.

1. EXISTING ROADS.

Exhibit A is a portion of a county map showing the roads in the vicinity of the proposed location. The proposed wellsite is located approximately 9 miles north of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north from Loco Hills on black top to transformers approximately 9 to 10 miles. Turn west to location approximately  $\frac{1}{2}$  mile on north side of road. ~~Lease~~ road will be upgraded. No new road will be needed to location.

2. LOCATION OF EXISTING WELL.

A. See exhibit A.

3. 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.

4. LOCATION AND TYPE OF WATER SUPPLY.

A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from the ranches and will be trucked to the location.

5. SOURCE OF CONSTRUCTION MATERIALS.

A. Materials will come from a pit  $\frac{1}{2}$  mile north of the location. N/E, S/E  $\frac{1}{4}$  of Section 5, T 16S, R30E or the location itself.

6. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drilling 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 operations 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 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.

7. ANCILLARY FACILITIES.

- A. None required.

8. WELLSITE LAYOUT.

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, etc.
- B. The location surface will be caliched.
- C. A 400' X 400' area and road has been staked and flagged.

9. 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 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 requirements of the USGS-BLM stipulations.

10. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is fairly sandy and covered with dunes.
- B. Flora and Fauna: The vegetation cover consists of shrubs, clump grass and mesquite. No wildlife was observed.
- C. Surface Ownership: The wellsite is on federal surface and minerals.
- D. There is no evidence of any archaeological, historical or cultural sites in the area.

11. OPERATOR'S REPRESENTATIVE.

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

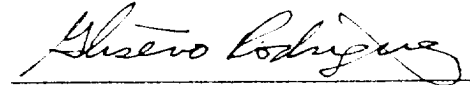
Gliserio "Rod" Rodriguez or Cy Cowan  
Yates Petroleum Corporation  
207 South 4th Street  
Artesia, New Mexico 88210  
(505) 746-3558

12. 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.

3-10-81

Date



Gliserio Rodriguez, Geographer

## BUREAU OF PI

ROADS  
R.30E.

R.29E.

R.31E. To Hogerman

115 S.

7.165.

7.17 S.

T. 18 S.

SIVLEY "PY" FED #2  
2970' FSL 330' FEL  
SEC 9, 16 S - 30 E

L. Vincent A.

HOLEMAN

R. 32 E.

ASCO

PLAN) TAYLOR

2} Maljannur

FAS 1270

NEW WELL  
13647'

|   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |     |
|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |

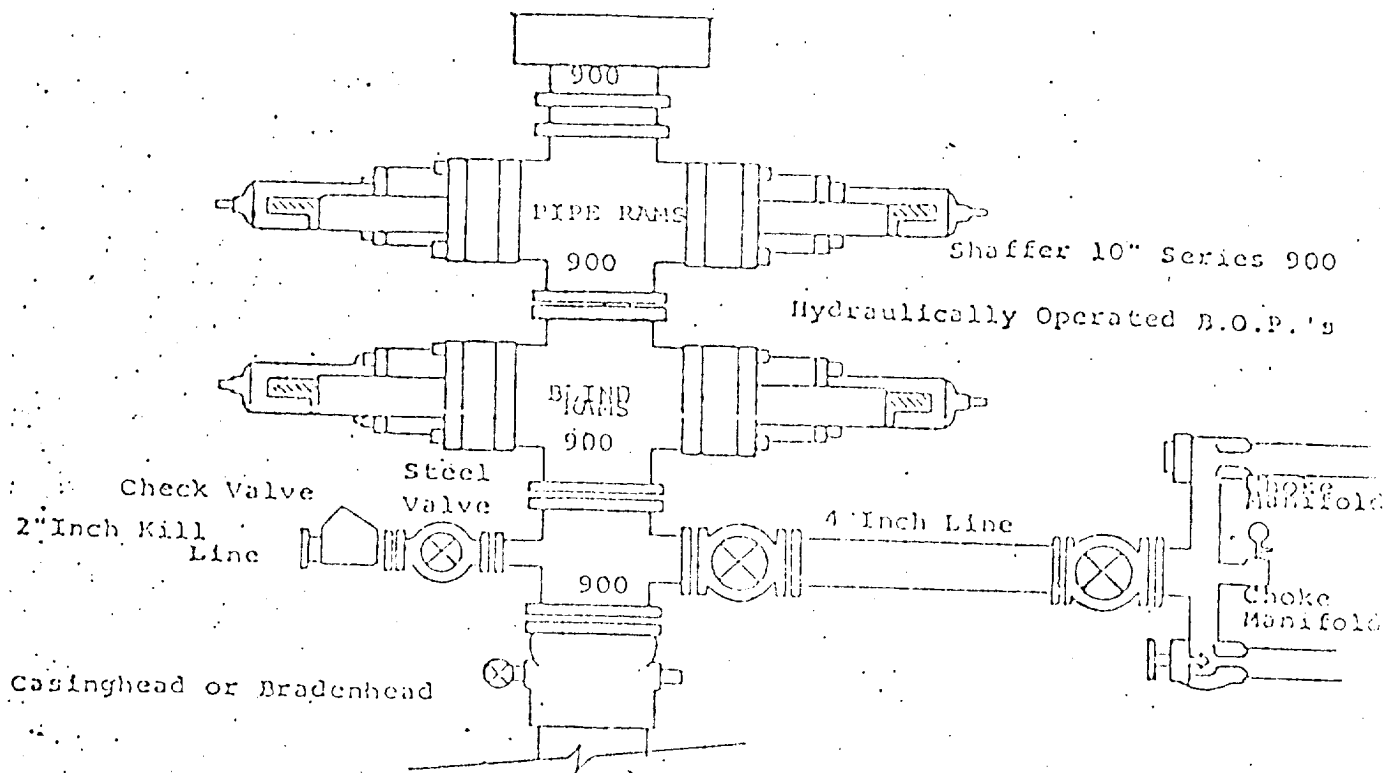
IFXA

NEW  
MEXICO

PIPELINE  
MALJANAR

MALIANAR

# Exhibit B



## 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.



YATES PETROLEUM CORPORATION

