

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 990' 1550'
990' FNL & 1650' FWL

At proposed prod. zone

same

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

Approx. 8 miles SE of Loco Hills, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT. 990'
(Also to nearest drilg. unit line, if any)18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

660'

16. NO. OF ACRES IN LEASE

19. PROPOSED DEPTH

3700'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3520' GL

22. APPROX. DATE WORK WILL START*

ASAP

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10"	8 5/8"	24# K-55	780'	circulate
7 7/8"	4 1/2"	15.5# K-55	3700'	100 sx. circulate

Propose to drill a 10" hole into the top of the salt, set 8 5/8" casing at approximately 780' and circulate the cement, then reduce hole to 7 7/8" and drill to approximately 3700', set 4 1/2" casing and cement with 100 sacks, perforate and sand frac for production.

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 the direction and on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

(This space for Federal or State office use)

PERMIT NO.

Regulatory Coordinator DATE 4-13-81

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED
JUN 30 1981
OIL CONSERVATION DIVISION
SANTA FE

APPROVAL DATE

6-29-81

RECEIVED
JUN 24 1981
RECEIVED
U.S. GEOLOGICAL SURVEY
ALBUQUERQUE, NEW MEXICO

Posted ID-1
API + NL Book
6-18-81



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY
South Central Region
P.O. Box 26124
Albuquerque, New Mexico 87125

RECEIVED

29 JUN 1981

JUL 6 1981

Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210

O. C. D.
ARTESIA OFFICE

Gentlemen:

Your application for Permit to Drill well No. 12 - Creek AL in the NE1/4 sec. 25, T. 18 S., R. 30 E., Eddy County, New Mexico, lease LC-028990(b) to a depth of 3,700 feet to test the Grayburg formation in the oil-potash area, is hereby approved as amended by stipulations attached to the application.

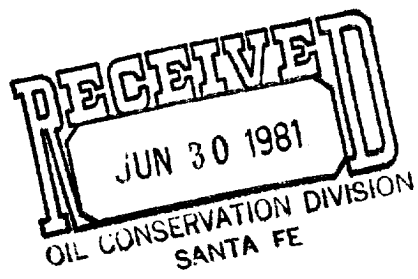
One copy of the application is returned herewith. Please notify the District Supervisor, Geological Survey, Roswell, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

(ORIG. SGD.) GENE F. DANIEL

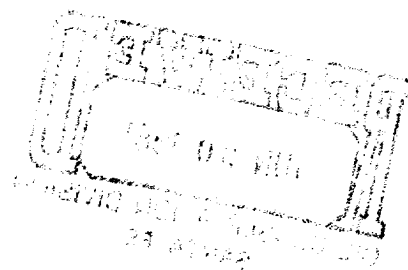
Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

cc:
NMOCD (2)
BLM-Carlsbad



1991 JUL 15

10310 2007 0002 01501



**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.

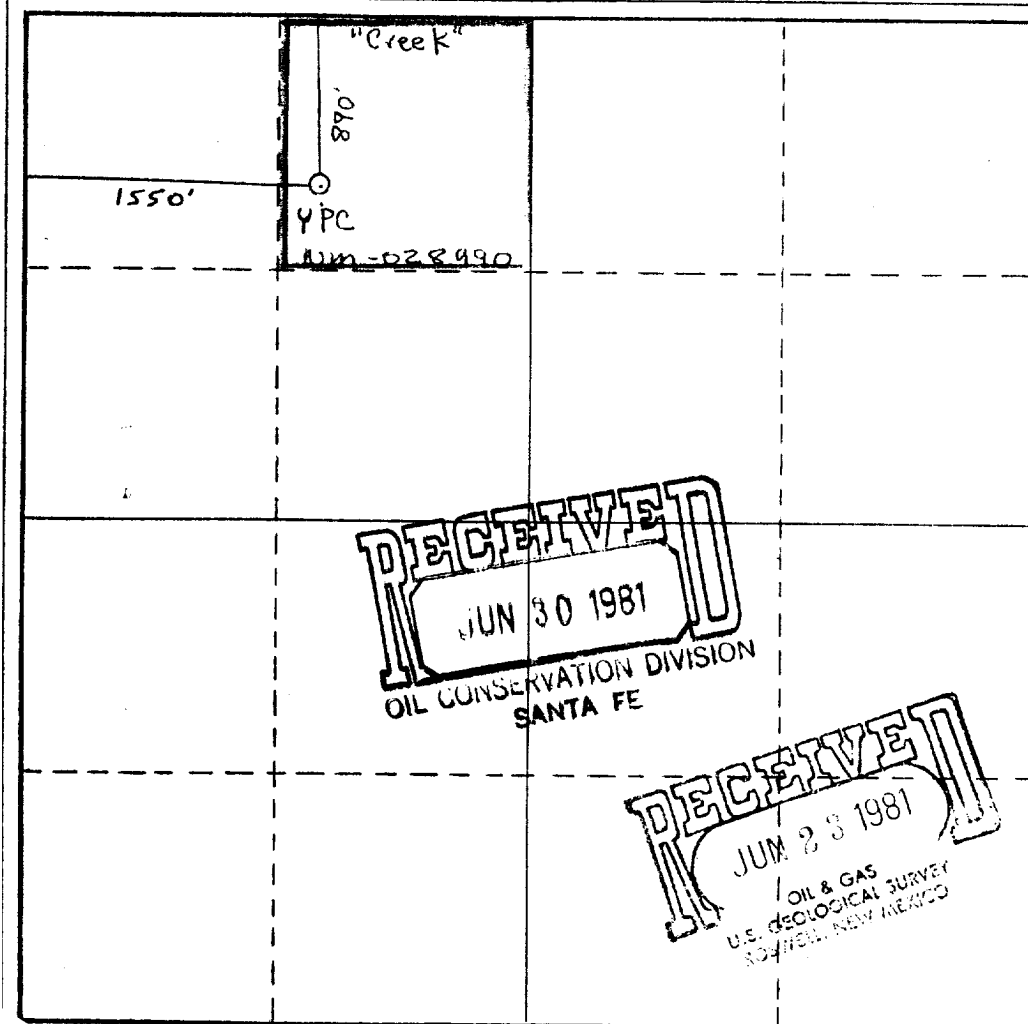
Operator YATES PETROLEUM CORPORATION			Lease CREEK AL		Well No. 12
Unit Letter C	Section 25	Township 18	Range 30	County EDDY	
Actual Footage Location of Well: 890' feet from the NORTH line and 1550' feet from the WEST line					
Ground Level Elev. 3520	Producing Formation GRAYBURG	Pool Y-SP-2- SHURGART GRAYBURG		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.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

GLISERIO RODRIGUEZ

Position

GEOGRAPHER

Company

YATES PETROLEUM

Date

6/22/81

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.

Refer to Original Plat

Date Surveyed

Registered Professional Engineer
and/or Land Surveyor

Certificate No.

660 90 1320 1650 1980 2310 2640 2000 1500 1000 500 0

**MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
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All distances must be from the outer boundaries of the Section.

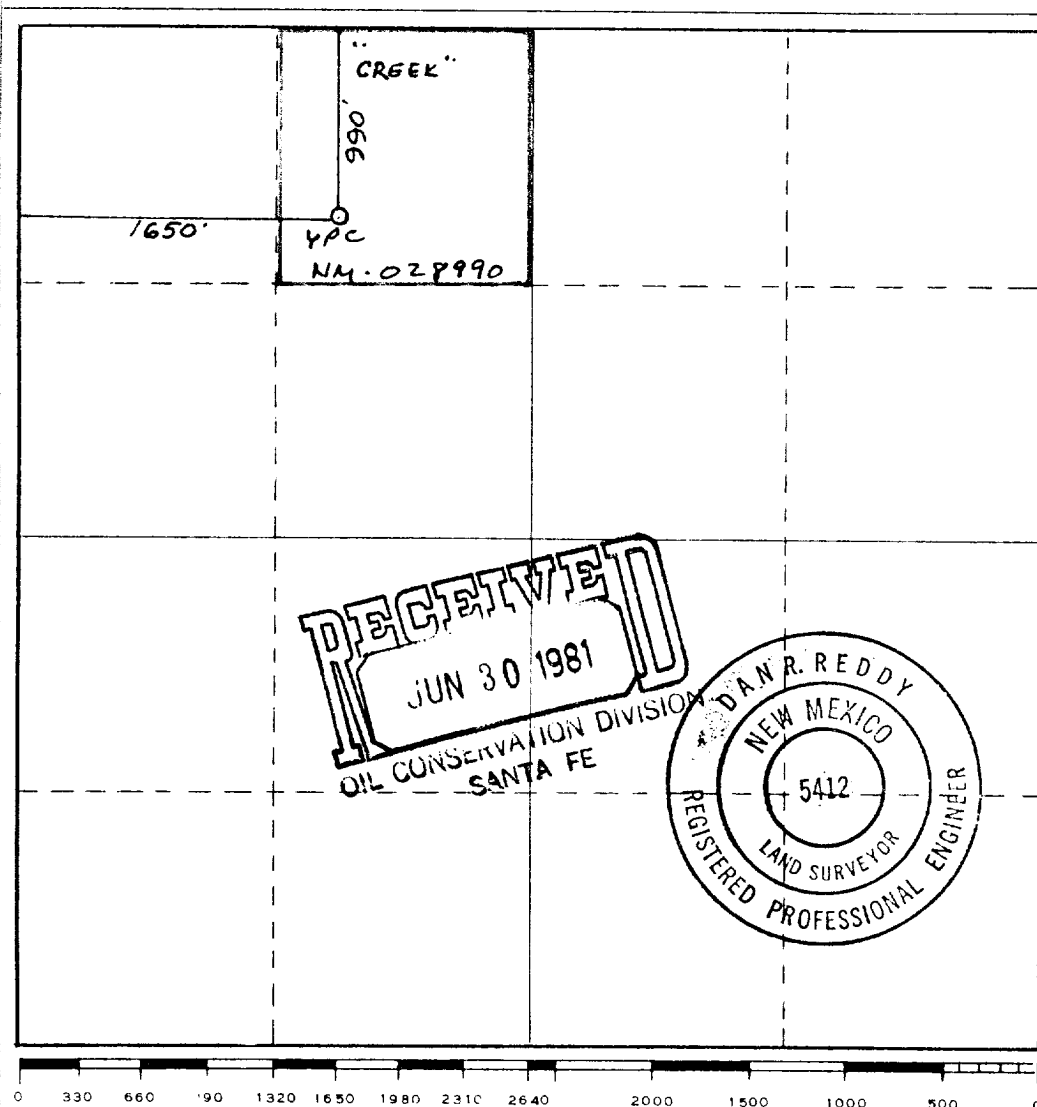
Operator Yates Petroleum Corporation			Lease Creek AL		Well No. 12
Unit Letter C	Section 25	Township 18 South	Range 30 East	County Eddy	
Actual Footage Location of Well: 990 feet from the North line and 1650 feet from the West line					
Ground Level Elev. 3520	Producing Formation GRAYBURG		Pool SHUGART GRAYBURG		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.



CERTIFICATION	
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.	
<i>Alfonso Rodriguez</i> Name	
GLISERIO RODRIGUEZ Position	
GEOGRAPHER Company	
YATES PETROLEUM CORP. Date	
4-8-81	
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	
Mar. 28, 1981	
Registered Professional Engineer and/or Land Surveyor	
<i>Dan R. Reddy</i> Certificate No.	
NMPE&LS #5412	

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use Form 9-331-C for such proposals.)

1. oil ☒ gas ☐ other ☐
well well

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
207 South 4th St., Artesia, NM 88210

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)
AT SURFACE: 890' FNL & 1550' FWL
AT TOP PROD. INTERVAL: " "
AT TOTAL DEPTH: " "

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:	SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF <input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE <input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES <input type="checkbox"/>	<input type="checkbox"/>
ABANDON* <input type="checkbox"/>	<input type="checkbox"/>
(other) Add Mud Program <input type="checkbox"/>	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Will circulate the 4-1/2" casing as location is within the Potash designated area.

Mud Program: Fresh water gel to 780; cut brine & gel to TD.

Casing grade will be K-55.

RECEIVED
JUN 30 1981
OIL CONSERVATION DIVISION
SANTA FE

APR 24 1981

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

18. I hereby certify that the foregoing is true and correct

SIGNED Glenn R. [Signature] TITLE Geographer DATE 4-22-81

APPROVED BY _____ (This space for Federal or State office use)
CONDITIONS OF APPROVAL IF ANY _____ TITLE _____ DATE _____

APPROVED

JUN 23 1981

FOR

JAMES A. GILLHAM
DISTRICT SUPERVISOR

*See Instructions on Reverse Side

5. LEASE
LC-028990 (b)

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
RECEIVED

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Creek AL

9. WELL NO.
12

10. FIELD OR WILDCAT NAME
Shugart Grayburg

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Unit C, Sec. 25-T18S-R30E

12. COUNTY OR PARISH
Eddy

13. STATE
NM

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
3520' GL

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

Yates Petroleum Corporation
Creek "AL" #12
990' FNL & 1650' FWL
Section 25-18s-30e
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 alluvium.
2. The estimate tops of geologic markers are as follows:

Yates	1900'
Queen	2981'
Penrose	3200'
Grayburg	3400'
TD	3700'

3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: 120'

Oil Possibilities: 3000' - 3450'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging, and Coring Program:

Samples: Surface casing to TD.
Logging: Intermediate casing to TD possible.
DST: None
9. No abnormal pressures to temperatures are indicated.
10. Anticipated starting date: ASAP.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Creek "AL" #12
990' FNL & 1650' FWL
Section 25, 18s-30e
(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 rehabilitation of the surface after completion of the well so that an appraisal can be made of the environment effected by this well.

1. EXISTING ROADS.

Exhibits A and A' is a portion showing the wells and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 8 miles SE of Loco Hills, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Travel east of Loco Hills on Highway 82 to RT. 31 turn off. Turn south and proceed for 6.5 miles.
2. Turn west on lease road for 2.5 miles passing Yates Creek Lease Tank Battery.
3. Go north for approximately 300' then west to the Creek "AL" #3. Then turn north for .2 of a mile then turn west.
4. Go to the first road to the south. Turn south for .2 of a mile.
5. Turn east to the location. Road to the location will be watered and bladed.

2. PLANNED ACCESS ROAD.

- A. There is no new access road needed or there is an existing one right to the proposed location.

3. LOCATION OF EXISTING WELLS.

- A. There is drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are production facilities on this lease at the present time. See Exhibit A.
- 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.

5. LOCATION AND TYPE OF WATER SUPPLY.

A. Water will be trucked in by a water hauling company.

6. SOURCE OF CONSTRUCTION MATERIALS.

A. Whatever material is needed will come from the location itself.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pit.
- B. Drilling fluids will be allowed to evaporate in the reserve pit 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 operation 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 a minimum of 24 inches dirt. All waste material will be contained of prevent scattering by the wind.
- B. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLARY FACILITIES.

A. None required.

9. WELLSITE LAYOUT.

A. Location is in a caliche pit.

10. 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 aesthetically pleasing a condition as possible.
- B. Unguarded pit, if any, containing fluids will be fenced until they have dried.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the USGS and BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is covered with sand dunes. Caliche out cropings are also noticeable.
- B. Flora and Fauna: Native grasses, greasewood and yucca surround the area.
- C. There are no ponds, lakes or rivers in the area.
- D. There are no inhabited dwellings in the vicinity of the proposed well.
- E. Surface Ownership: Location is on Federal surface and minerals.
- F. The archaeological report will be submitted by Dr. J.L. Haskell.

12. OPERATOR'S REPRESENTATIVE.

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

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

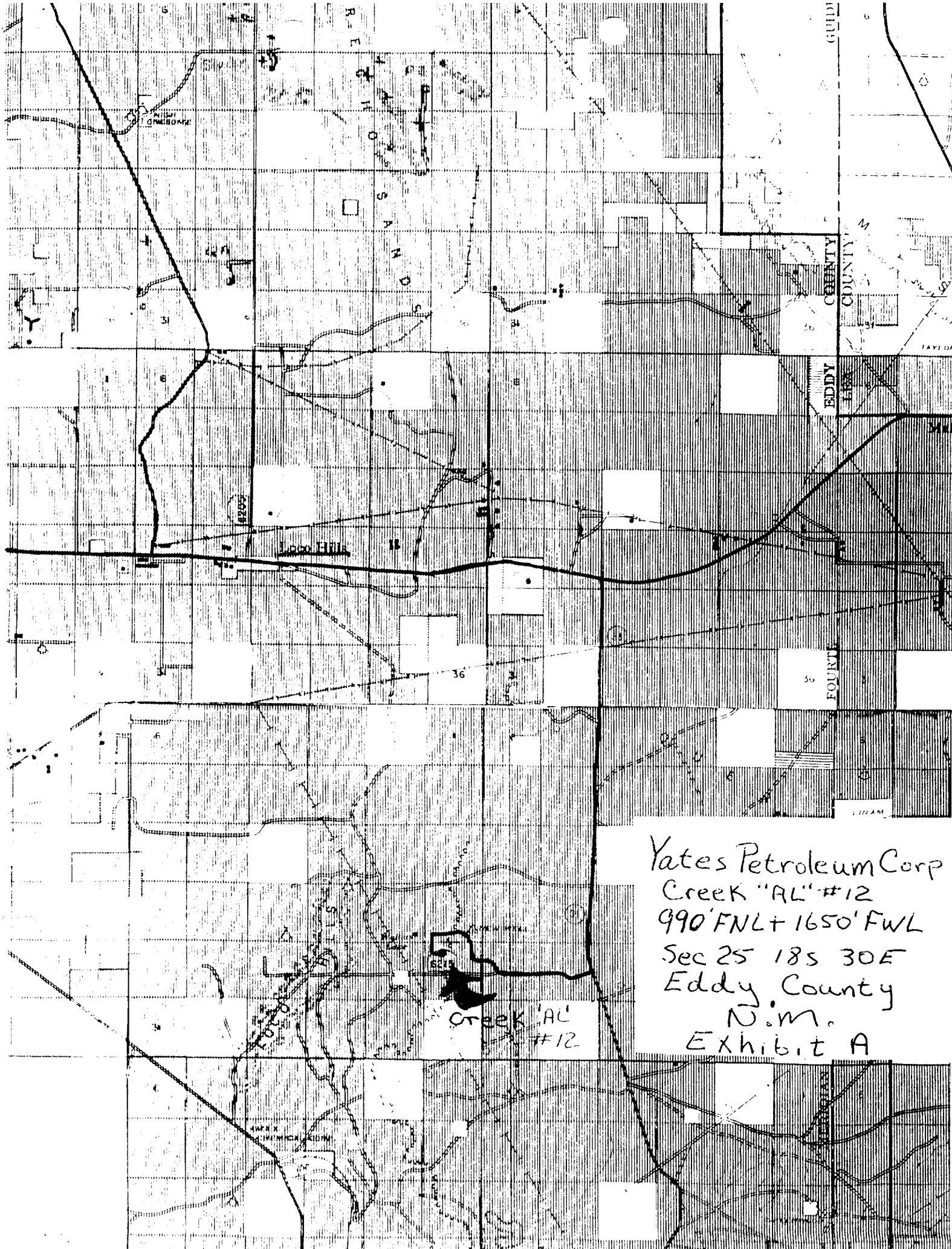
13. CERTIFICATION.

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

4-13-81

Date

Gliserio Rodriguez
Gliserio Rodriguez, Geographer



Yates Petroleum Corp
Creek "AL" #12
990' FNL + 1650' FWL
Sec 25 18S 30E
Eddy County
N.M.
Exhibit A

Exhibit A

Yates Petroleum Corporation

Diagrammatic Sketch of CREEK AL Lease

SHUGART (Qn, Gbg) Pool

Eddy County, New Mexico

990' FNL + 1650' FNL

SEC 25 18S 30E

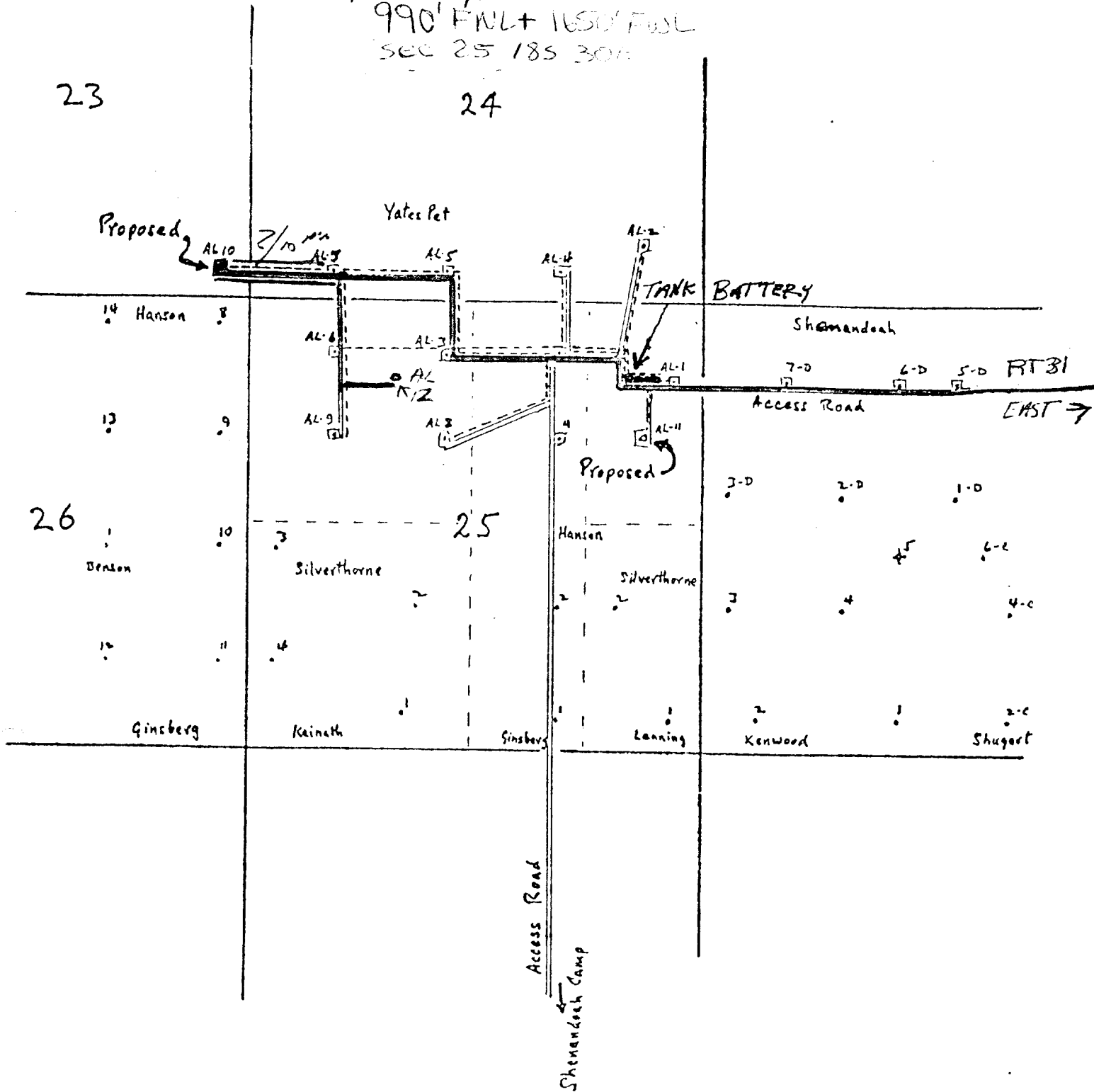
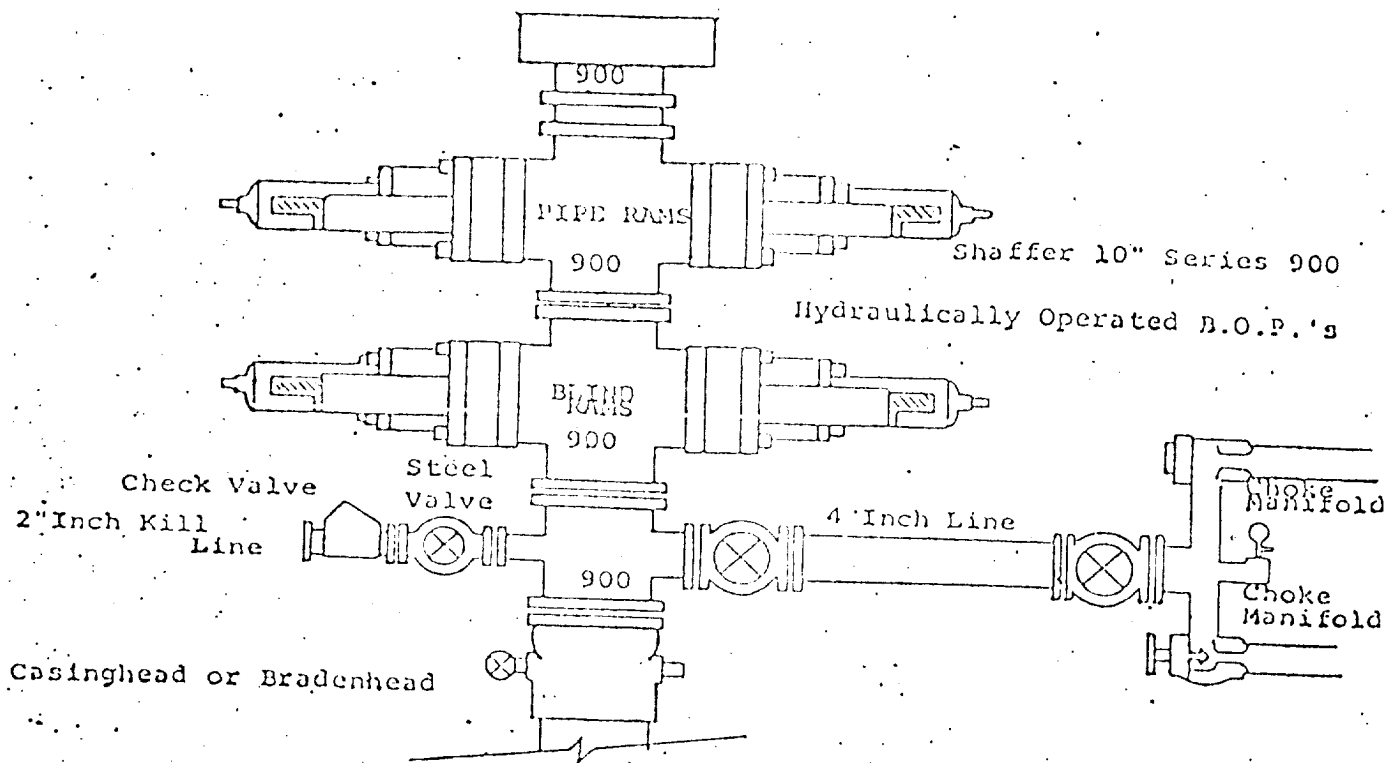


Exhibit B



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.

Exhibit C

YATES PETROLEUM CORPORATION

