

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

RECEIVED

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

TXO Production Corp.

OCT 25 '89

3. ADDRESS OF OPERATOR

415 West Wall, Suite 900, Midland, Texas 79701

O. C. D.

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

At surface

2080' FSL & 1980' FWL, Sec. 17, T-20-S, R-29-E, Eddy County, New Mexico

At proposed prod. zone

ARTESIAN OFFICE X

W.K.

5. LEASE DESIGNATION AND SERIAL NO.

NM-01165

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Yates Federal

9. WELL NO.

#8

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 17, T-20-S, R-29-E

12. COUNTY OR PARISH

Eddy

13. STATE

New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660' FEL

16. NO. OF ACRES IN LEASE

1240

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

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

1090'

19. PROPOSED DEPTH

3700'

20. ROTARY OR CABLE TOOLS

Rotary

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

3289.8 GR

22. APPROX. DATE WORK WILL START*

Upon Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48	200'	400 sacks CIRCULATE
12 1/4"	9 5/8"	36	1200'	400 sacks
8 3/4"	7"	20	3100'	575 sacks } see slips
6 1/4"	4 1/2"	9.5	3700'	200 sacks

ALL ARE SUBJECT TO
ORIGINAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 Cecil Pearce by [Signature] TITLE Dist. Drlg. & Prod. Supt. DATE Oct 9, 1989

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

1000 Rio Brizos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator TXO Production Corporation			Lease Yates Federal		Well No. 8
Unit Letter K	Section 17	Township 20 South	Range 29 East	County NMNM	Eddy
Actual Footage Location of Well: 2080 feet from the South line and 1980 feet from the West line					
Ground level Elev. 3289.8	Producing Formation Delaware		Pool Undesignated	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

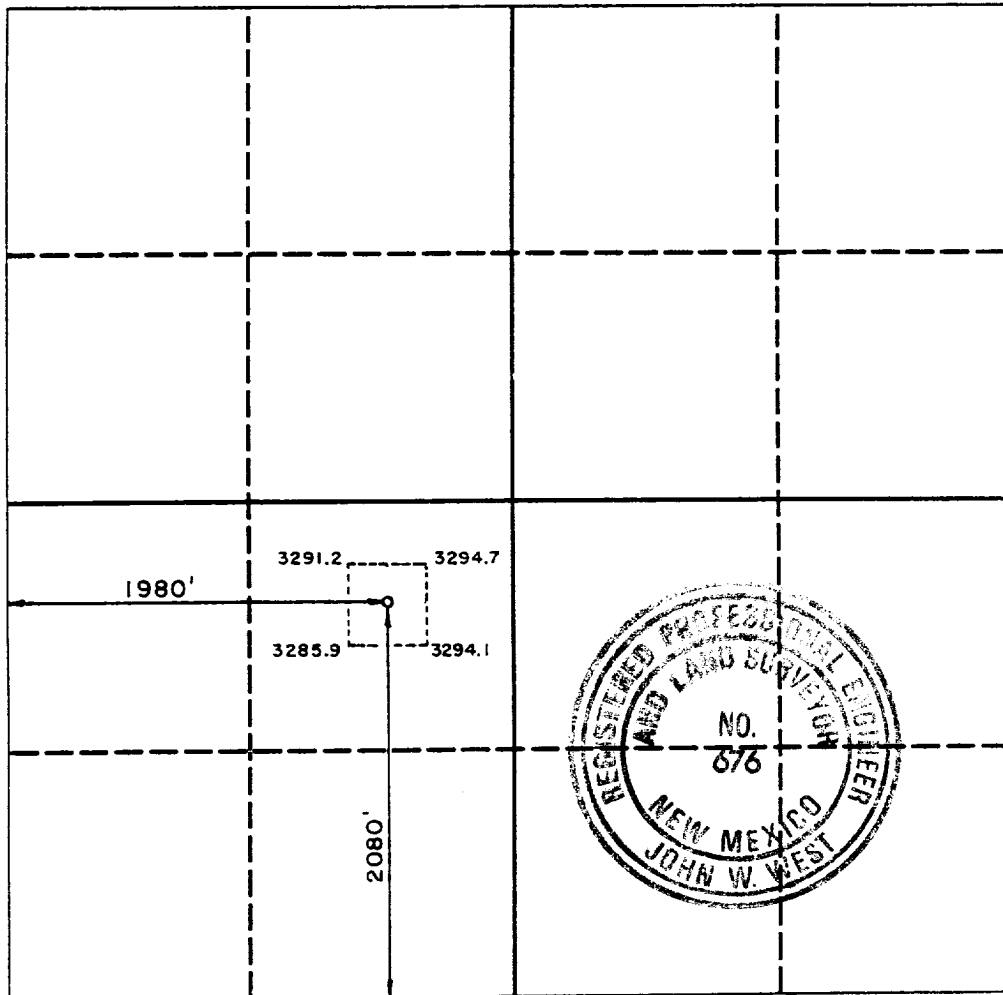
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Printed Name

Robert F. Scott

Position

Dist. Safety & Env. Coord.

Company

TXO Production Corp.

Date

October 6, 1989

SURVEYOR CERTIFICATION

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 25, 1989

Signature & Seal of
Professional Surveyor

Certificate No.

JOHN W. WEST 676
RONALD J. EIDSON, 3239

**3160-5 Drilling Program
Yates Federal #8
Section 17 T-20-S R-29-E
Eddy County, New Mexico**

1. SURFACE FORMATION: Rustler

2. ESTIMATED FORMATION TOP:

	<u>Subsurface Depth</u>
Base Rustler	100' TVD
Top Yates	1100' TVD
Capitan	1200' TVD
Deleware	3250' TVD

3. ESTIMATED DEPTH AT WHICH OIL, GAS, WATER OR OTHER MINERAL BEARING ZONES ARE EXPECTED TO BE ENCOUNTERED:

Expected oil zones:

Yates 1100'
Delaware Sand 3300'

Water may be encountered

Rustler 200'
Capitan 1300'

4. CASING PROGRAM:

As per form 3160-3

5. PRESSURE CONTROL EQUIPMENT:

- A. After surface casing is set, a double ram-type blowout preventor with blind rams and pipe rams, with minimum working pressure of 3000 psi will be installed. The BOP is illustrated in Exhibit 1.
- B. A choke control, fill and kill lines with minimum working pressure of 3000 psi will be installed.
- C. The equipment in A and B will be pressure tested to 3000 psi before drilling surface pipe cement, and the BOP will be tested for operations daily and during trips.

6. MUD PROGRAM:

0-200'	Fresh Water Gel	9 lbs/g
200-1200'	Saturated Brine	10 lbs/g
1200-3700'	Fresh Water Gel System	9 lbs/g

7. CORING, LOGGING & TESTING PROGRAM

DLL, CNL, FDC logs will be run.

8. ABNORMAL CONDITIONS:

- A. The expected bottom hole pressure is 1400 psi, no abnormal temperatures are expected.
- B. 2% H²S is expected from the Delaware Sand, precautions will be taken prior to zone entry.

TXO PRODUCTION CORP.
SURFACE USE PLAN

DATE: October 9, 1989
WELL: Yates Federal #8
LOCATION: 2080' FSL & 1980' FWL
Section 17, T-20-S, R-29-E
Eddy County, New Mexico

1. EXISTING ROADS:

- A. Proposed well has been staked 2080' FWL and 1980' FWL of Section 17, T-20-S, R-29-E.
- B. Route and distance from nearest town or locatable reference point to where well road leaves main road: From Carlsbad, New Mexico proceed from intersection of US 285 and US 180 & 62 NE on US 180 & 62 for 8.1 miles. Turn left onto County Road 243 and proceed N for 5.8 miles. Turn right on County Road 283 and proceed E for 1.3 miles. Turn left onto lease road and proceed N for .4 miles to well site. All roads used for access under the jurisdiction of the SMA shall be maintained in accordance with SMA standards.
- C. Access route to location is color coded: Refer to Exhibit 2 & 2A.

2. ACCESS ROAD TO BE CONSTRUCTED AND RECONSTRUCTED:

A new access road will be constructed from the Yates Federal #5 location North for approximately 1100' to the #8 well site.

3. LOCATION OF EXISTING WELLS:

Exhibit 3 is a 1-mile radius locating water, injection, disposal, producing, and drilling from the proposed location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

- A. Exhibit 4 is a drawing depicting all on well pad production facilities.
- B. Exhibit 5 is a drawing depicting remote off well pad production facilities and pipelines.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water for drilling mud make-up will be trucked to the location along the existing access road used for access to the proposed location.

6. CONSTRUCTION MATERIALS:

- A. The proposed location is on sloping ground. The location will be scraped and leveled. Additional material for fill will be necessary. Top soil will be stocked piled for later use during rehabilitation of the disturbed areas.

- B. The pad will be topped with caliche which will be obtained or purchased from the dirt contractor.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Cuttings will be separated by screen and gravity, contained in the reserve pit and subsequently covered when the pit is backfilled.
- B. Drilling fluids are to be contained in the reserve pit and will be allowed to evaporate or removed by vacuum truck prior to backfilling the pit.
- C. Produced fluids will be contained in the reserve pit and allowed to evaporate or removed by vacuum truck prior to backfilling the pit.
- D. Sewage: A portable chemical toilet will be on location during operations.
- E. Garbage and other trash will be placed in a trash bin and removed to sanitary landfill upon completion.
- F. Protective Devices: The flare pit (if necessary) will be fenced with woven wire and flagged to protect animals.
- G. Statement regarding proper cleanup when rig moves out: When the rig moves out, all trash and refuse will be collected and removed from the location and hauled to a sanitary landfill.

8. ANICILLARY FACILITIES:

No other anicillary facilities such as camps or airstrips will be constructed.

9. WELL SITE LAYOUT:

Exhibit 6 is a plat of the proposed drilling location.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations, all equipment and other material not needed for operations will be removed. Pits will be filled and the location will be cleaned of all trash and junk to leave the well sit in an as aesthetically pleasing condition as possible.
- B. Any unguarded pits containing fluids will be fenced until the pits are dry.
- C. After abandonment, all equipment, trash and junk will be removed and the well site will be cleaned. Any special rehabilitation and/or special revegetation requirements of the surface management agency will be complied with and will be accomplished as rapidly as possible.

11. SURFACE OWNERSHIP:

The surface and access roads are under the management of the U.S. Department of the Interior, Bureau of Land Management.

12. LESSEE'S OR OPERATOR'S REPRESENTATIVE:

Robert F. Scott
TXO Production Corp.
415 W. Wall Street, Suite 900
Midland, Texas 79701-4468
(915) 682-7992

13. LESSEE'S CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by TXO Production Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

DATE:

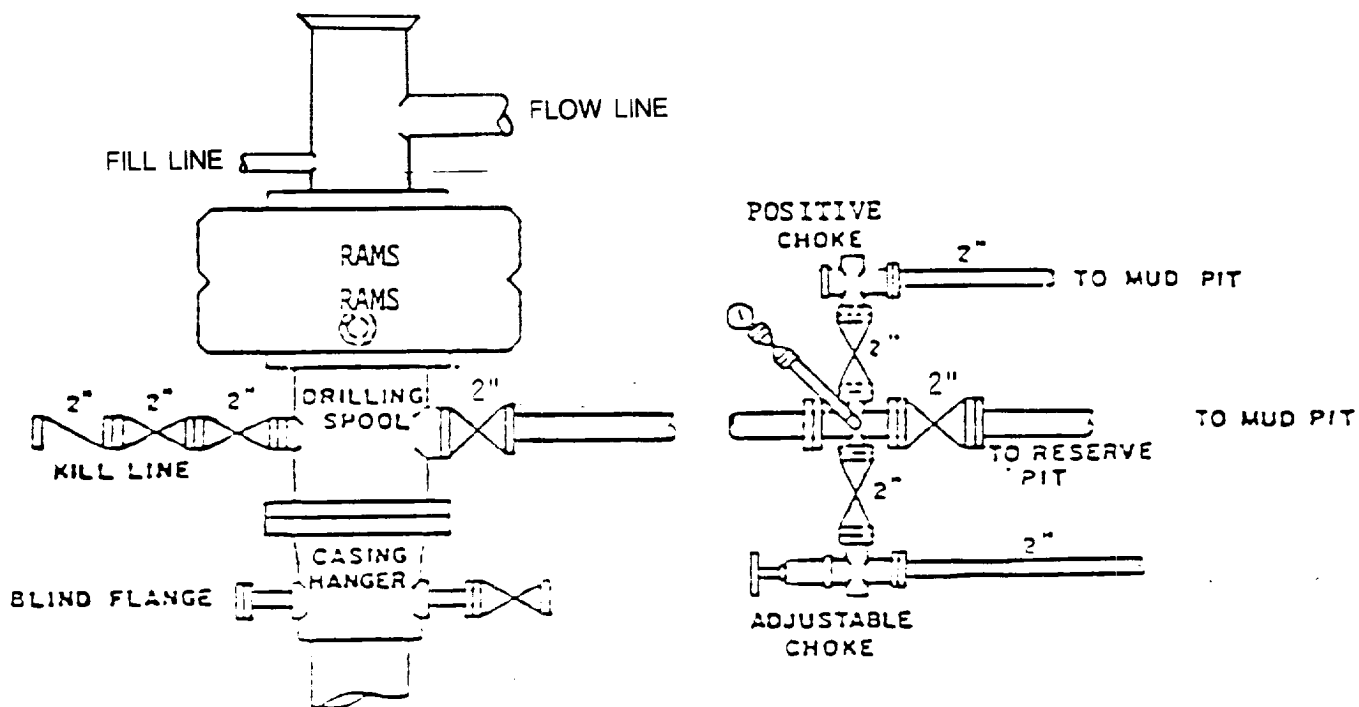
Dec 9, 1989

NAME:

Cecil Pearce *Cecil Pearce*

TITLE:

District Drilling & Production Supt.



BOP STACK

3000 PSI WORKING PRESSURE

EXHIBIT #1
BOP ARRANGEMENT

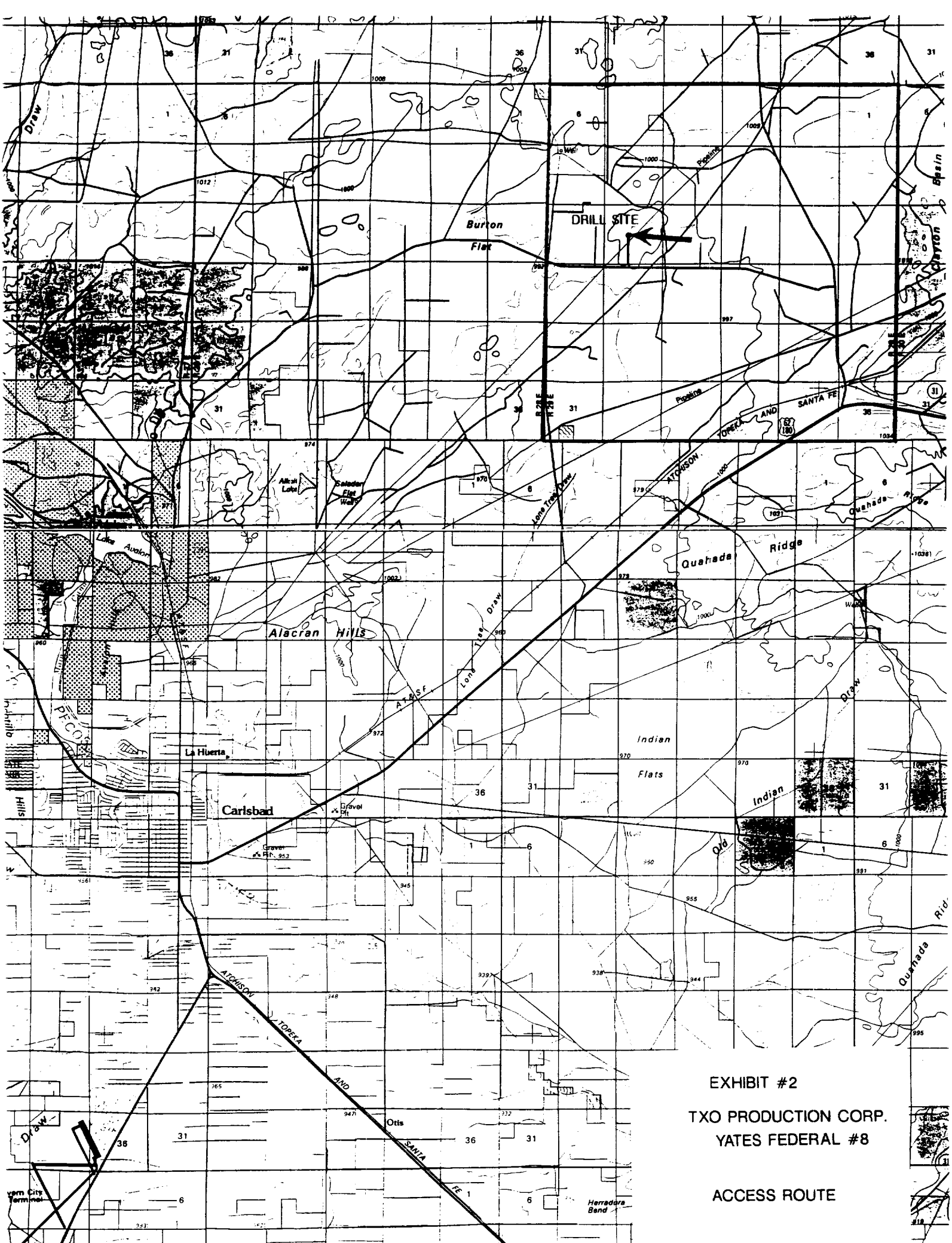
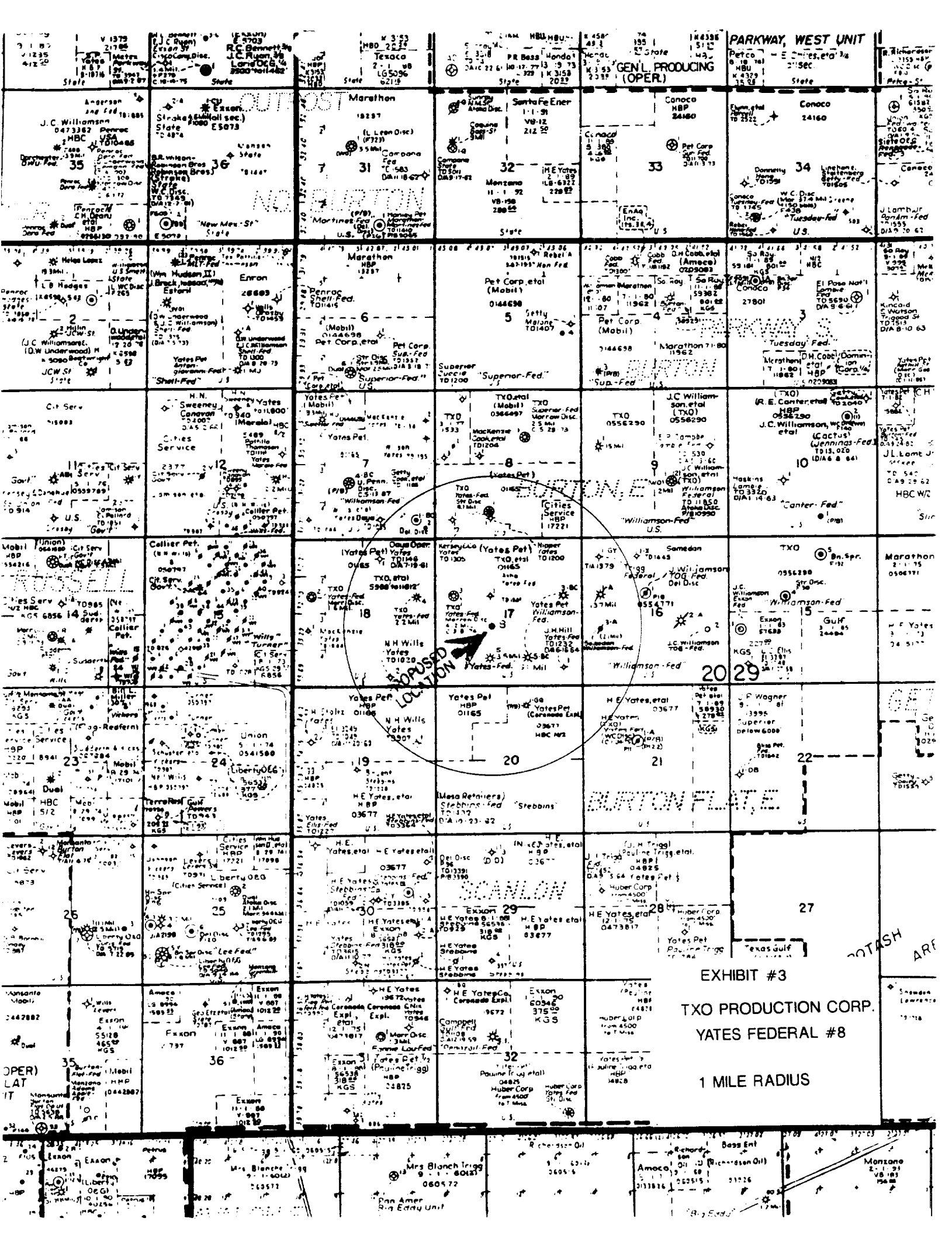


EXHIBIT #2

TXO PRODUCTION CORP.
YATES FEDERAL #8

ACCESS ROUTE



43 381 500 SHEETS 5 SQUARE
43 382 100 SHEETS 5 SQUARE
43 383 200 SHEETS 5 SQUARE

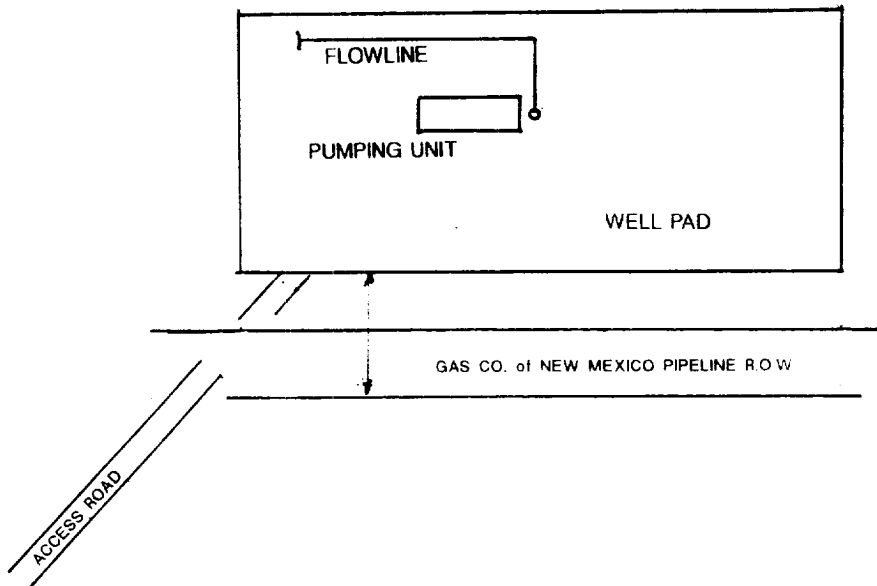
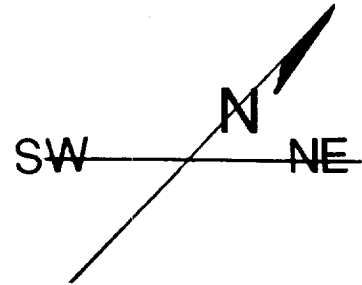


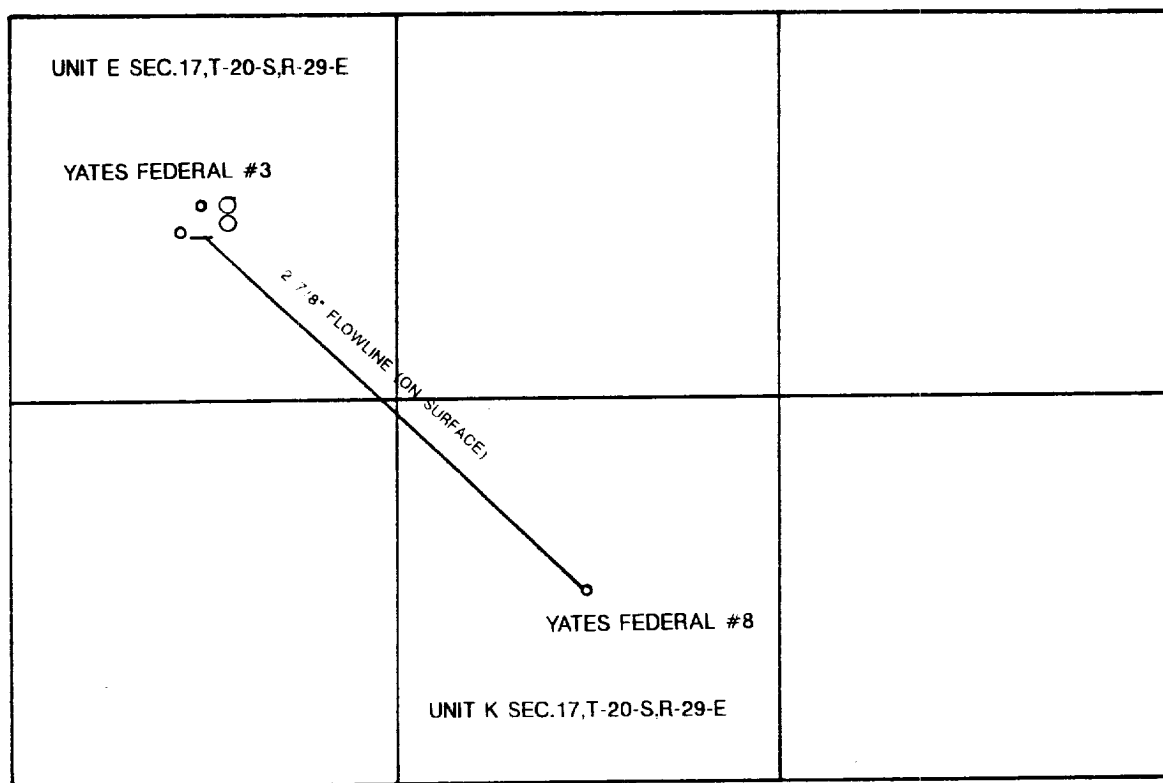
EXHIBIT #4

TXO PRODUCTION CORP.

YATES FEDERAL #8

ON WELL PAD PRODUCTION EQUIPMENT

42 381 30 SHEETS 3 SQUARE
42 382 100 SHEETS 3 SQUARE
42 389 200 SHEETS 3 SQUARE



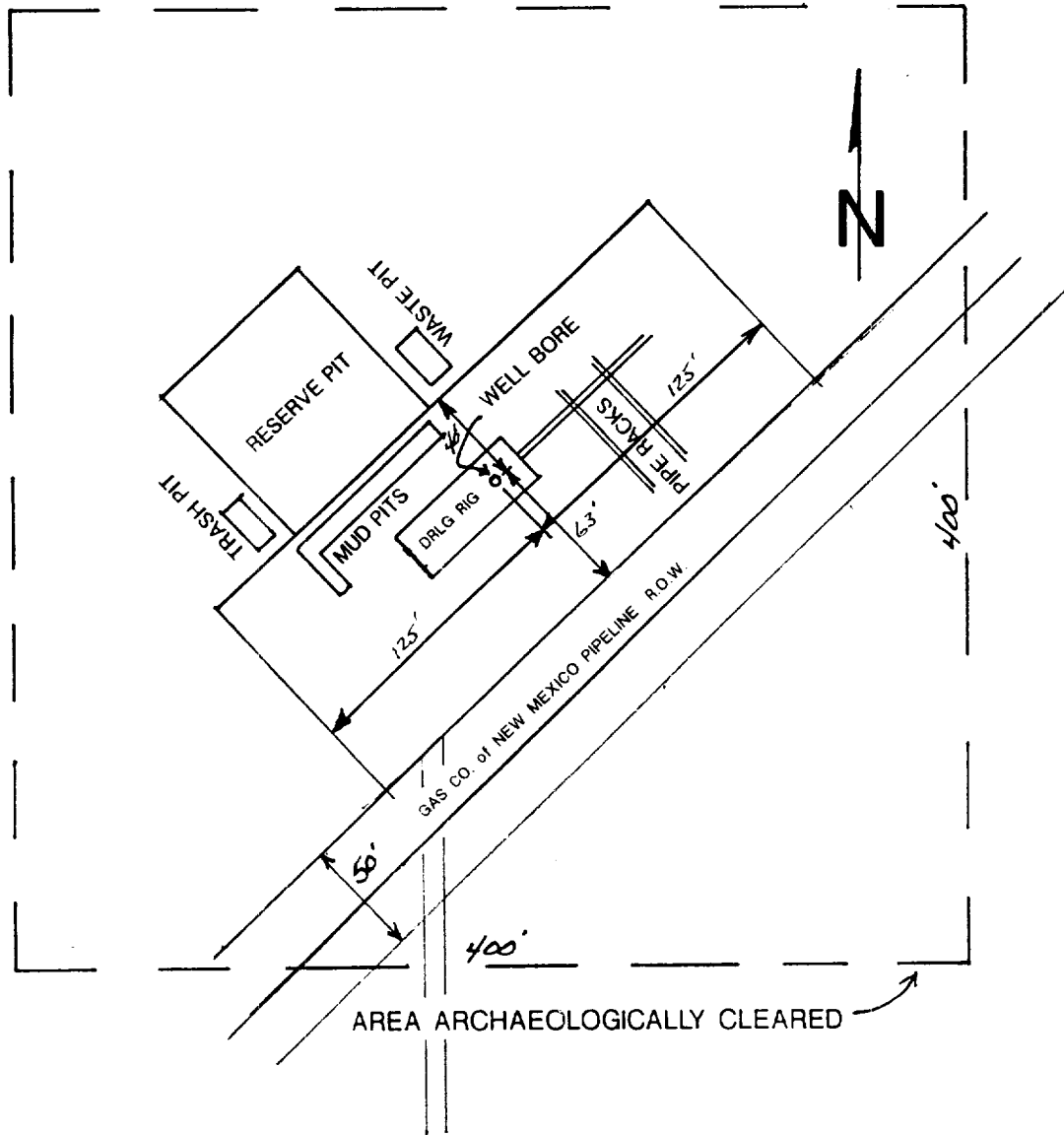
ARCHAEOLOGICAL SURVEY COMPLETED ON FLOWLINE

EXHIBIT #5

TXO PRODUCTION CORP.

YATES FEDERAL #8

OFF WELL PAD PRODUCTION FACILITY & FLOWLINE



ACCESS ROAD FROM YATES FED #5 LOCATION

EXHIBIT #6
 TXO PRODUCTION CORP.
 YATES FEDERAL #8
 DRILLING RIG LAYOUT