Form 3160-3 (November 1983) (formerly 9-331C)		ITED STATES NT OF THE INT IF LAND MANAGEM TO DRILL, DEE	ENT	ctions on ide)	Form approved. Budget Bureau M Expires August 5. LEASE DESIGNATION NM-01165 6. IF INDIAN, ALLOTTER	31, 1985 AND SEBIAL NO.
1a. TYPE OF WORK					N/A 7. UNIT AGREEMENT NA	
b. TYPE OF WELL	DRILL X	DEEPEN	PLUG HAN			
OIL X	GAS OTHER		SINGLE MULTIP		8. FARM OR LEASE NAM	8
2. NAME OF OPERAT				100	Yates Federal 9. WELL NO.	
TXO Production			<u>0CT 25</u>	03	#8	
415 West Wal	l, Suite 900, Midland,	Texas 79701	0. C.	D	10. FIELD AND POOL, OF	R WILDCAT
2080' FSL &	LL (Report location clearly at 1980' FWL, Sec. 17, T- d. zone	20-S, R-29-E, Eddy	County, New Mexico げい人	XFFICE X	Wildcat 11. SEC., T., E., M., OF B AND SURVEY OF AR Sec. 17, T-20-3 12. COUNTY OF PARISH	⊾ 5, R-29-E
	y 13 miles NNE of Carl				Eddy	New Mexico
15. DISTANCE FROM LOCATION TO NI	PROPUSED*		NO. OF ACRES IN LEASE		DF ACRES ASSIGNED His Well	
PROPERTY OR LE (Also to neares	EASE LINE, FT. ht drig. unit line, if any)	660' FEL	1240	4	+0	
TO NEAREST WE	FROPOSED LOCATION [®] SLL, Drilling, Completed, On this lease, Ft.	1090'	PROPOSED DEPTH 3700'		BY OR CABLE TOOLS Rotary	
	w whether DF, RT, GR, etc.)	10,00 1		1 .	22. APPROX. DATE WOR	RE WILL START*
		3289.8 GR			Upon Approv	val
23.		PROPOSED CASING A	ND CEMENTING PROGRAM	м		
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH		QUANTITY OF CEMEN	T
17 1/2"	13 3/8"	48	200'		sacks CIRCULATE	
<u> 12 1/4'' </u>	<u> </u>		<u> </u>		sacks sacks stips	
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Grat Sale Att <i>i</i>	LAM, GOBJEUL TO LAN, KEY HARABNUS A GAL STIPULATIONS ACHED				Sterio II II II II VI	
zone. If proposal preventer program, 24. SIGNED CECIT	SCRIBE PROPOSED PROGRAM : If is to drill or deepen direction if any.	nally, give pertinent data	APPROVAL DATE	nd measured	DATE	7. 1989
APPROVED BY CONDITIONS OF AN		*See Instruction	ns On Reverse Side		DATE	4.81

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

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

1

DISTRICT I P.O. Box 1980, Hobbs, NM 88240

DISTRICT II P.O. Drawer DD, Artesia, NM 88210

DISTRICT III 1000 Rio Brazos Rd., Azzec, NM 87410

State of New Mexico Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

TXO Production Corporation Yates Fee it Letter Section Township Range K 17 20 South 29 East tual Footage Location of Well: 1000	
K 17 20 South 29 East	
ual Footage Location of Well:	County
-	t NMPM Eddy
	1 . 1 1
2080 feet from the South line and 1980 and level Elev. Producing Formation Pool	feet from the West line Dedicated Acreage:
Del grane	
3289.8 Delaware Undes 1. Outline the acreage dedicated to the subject well by colored peacil or hackure marks on	
 2. If more than one lease is dedicated to the well, outline each and identify the ownership 3. If more than one lease of different ownership is dedicated to the well, have the interest 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 consolidation 	of all owners been consolidated by communitization,
this form if neccessary. No allowable will be assigned to the well until all interests have been consolidated (by co or until a non-standard unit, eliminating such interest, has been approved by the Division.	
	OPERATOR CERTIFICATION <i>i</i> hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.
	Printed Name Robert F. Scott
	Position Dist. Safety & Env. C Company
	TXO Production Corp. Date October 6, 1989
	SURVEYOR CERTIFICATION
3291.2 3294.7	I hereby certify that the well location shown on this plat was plotted from field notes o
1980' 3285.9	
1980' 3285.9	on this plat was plotted from field notes of actual surveys made by me or under m supervison, and that the same is true and correct to the best of my knowledge and belief.
1980' 3285.9	on this plat was plotted from field notes of actual surveys made by me or under m supervison, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed August 25, 1989 Signature & Seal of

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:

Base Rustler Top Yates Capitan Deleware Subsurface Depth 100' TVD 1100' TVD 1200' TVD 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 1bs/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.

Q DATE: nec in altroom **Cecil Pearce** NAME:

TITLE: District Drilling & Production Supt.



BOP ARRANGEMENT





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ARCHAEOLOGAL SURVEY COMPLETED ON FLOWLINE

EXHIBIT #5

TXO PRODUCTION CORP.

YATES FEDERAL #8

OFF WELL PAD PRODUCTION FACILITY & FLOWLINE

