

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

30-015-26215  
Form approved.  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

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

TXO Production Corp. ✓

3. ADDRESS OF OPERATOR

415 West Wall, Suite 900, Midland, Texas 79701

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

1980' FWL & 660' FNL, Sec. 17, T-20-S, R-29-E, Eddy County, New Mexico  
At proposed prod. zone

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

Approximately 13 miles NNE of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT. 660' FEL  
(Also to nearest drlg. unit line, if any)

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, 1550'  
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

3700'

20. ROTARY OR CABLE TOOLS

Rotary

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

3280.0 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 CIRCULATE
8 3/4"	7"	20	3100'	575 sacks
6 1/4"	4 1/2"	9.5	3700'	200 sacks

APPROVAL SUBJECT TO  
GENERAL 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*  
Cecil Pearce

District Dir. & Prod. Supt.

DATE

10/4/89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Chg. Signed by Richard L. Manus

AREA OFFICER

CARLSBAD RESOURCE AREA

APPROVED BY

TITLE

DATE

10-26-89

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

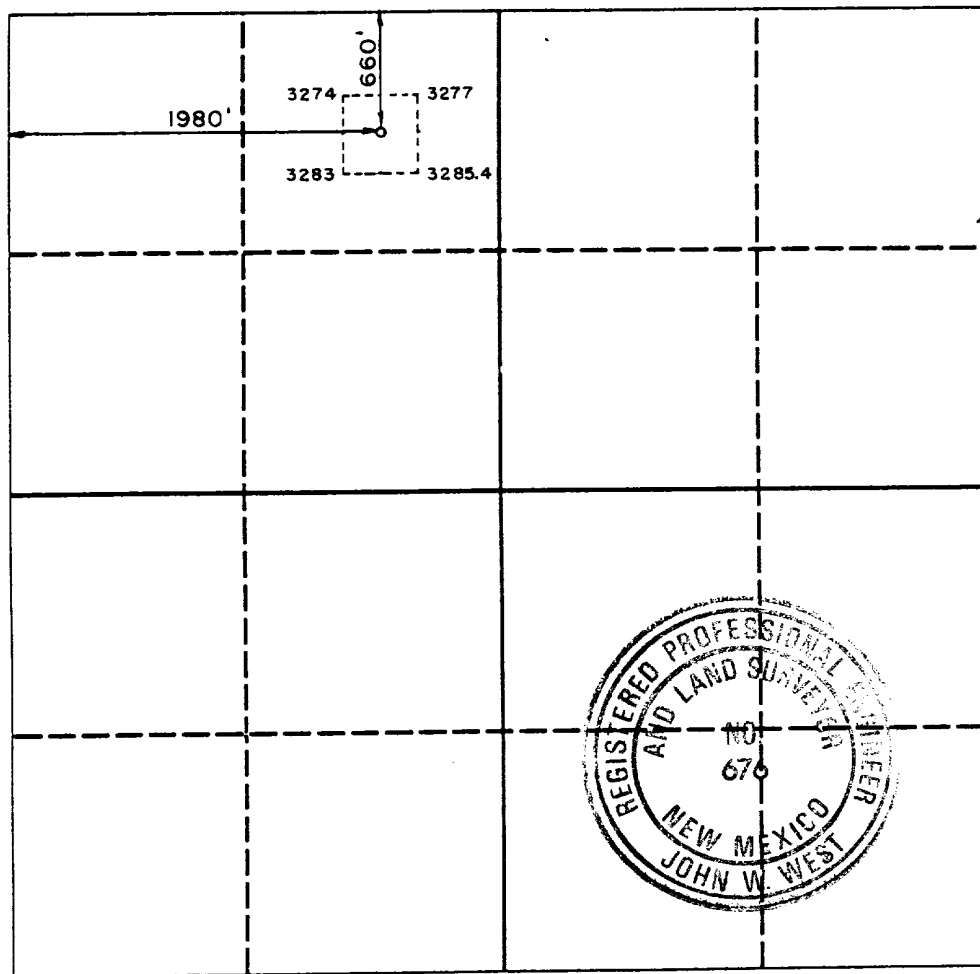
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator TXO Production Company			Lease Yates Federal		Well No. 9
Unit Letter C	Section 17	Township 20 South	Range 29 East	County NMPM	Eddy
Actual Footage Location of Well: 1980 feet from the West line and 660 feet from the North line					
Ground level Elev. 3280.0	Producing Formation Delaware		Pool Undesignated		Dedicated Acreage: 4.0 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  
*Robert F. Scott*  
Printed Name  
Robert F. Scott  
Position  
Dist. Safety/Envir. Coord.  
Company  
TXO Production Corp.  
Date  
October 3, 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 #9  
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
Delaware	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% H<sup>2</sup>S is expected from the Delaware Sand, precautions will be taken prior to zone entry.

TXO PRODUCTION CORP.  
SURFACE USE PLAN

DATE: October 3, 1989  
WELL: Yates Federal #9  
LOCATION: 1980' FWL & 660' FNL  
Section 17, T-20-S, R-29-E  
Eddy County, New Mexico

1. EXISTING ROADS:

- A. Proposed well has been staked 1980' FWL and 660' FNL 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 2 miles. Turn left onto lease road and proceed N for 1 mile and bear left. Proceed west for .6 mile. Turn north on new access road to well. 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.
- D. Attached is the SF299 and a check for \$175.00 for the right of way usage/road use fee.

2. ACCESS ROAD TO BE CONSTRUCTED AND RECONSTRUCTED:

A new access road will be constructed from an existing lease road north to the well pad (approximately 300').

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.

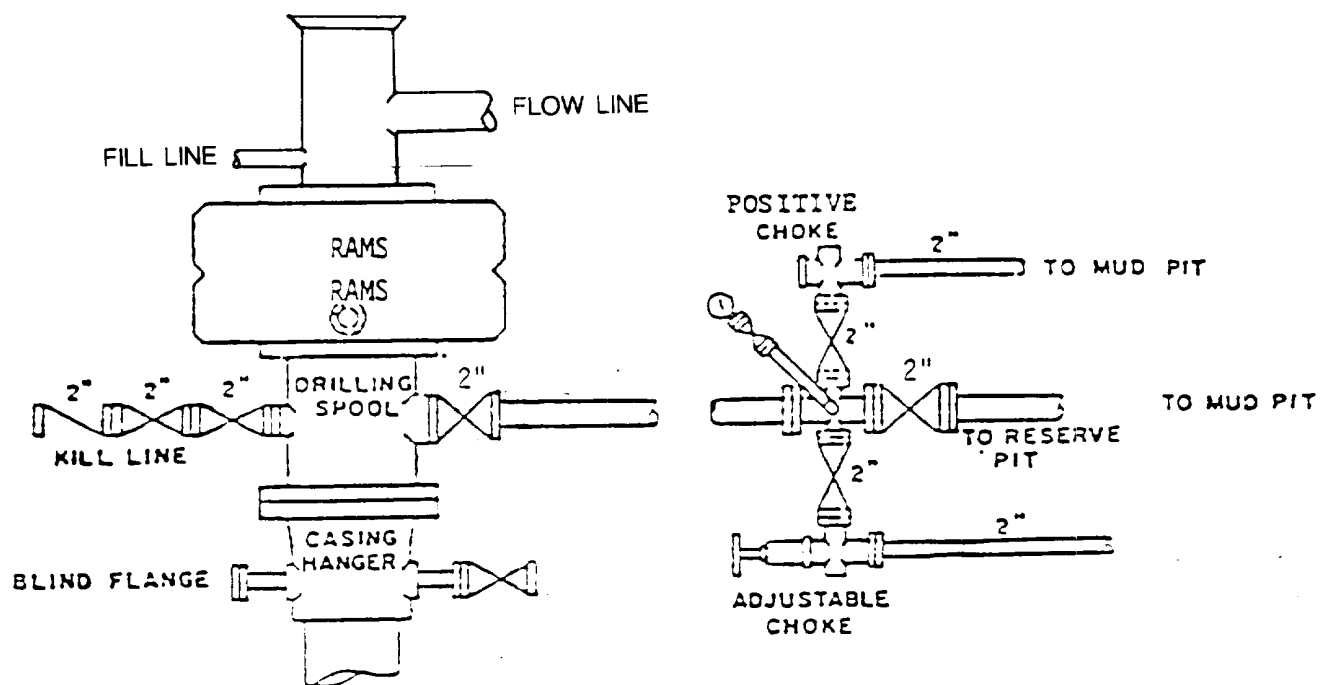
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE:

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: Oct. 4, 1989  
NAME: Cecil Pearce *CP by Robert F. Scott*  
TITLE: District Drilling & Production Supt.



BOP STACK

3000 PSI WORKING PRESSURE

EXHIBIT #1  
BOP ARRANGEMENT

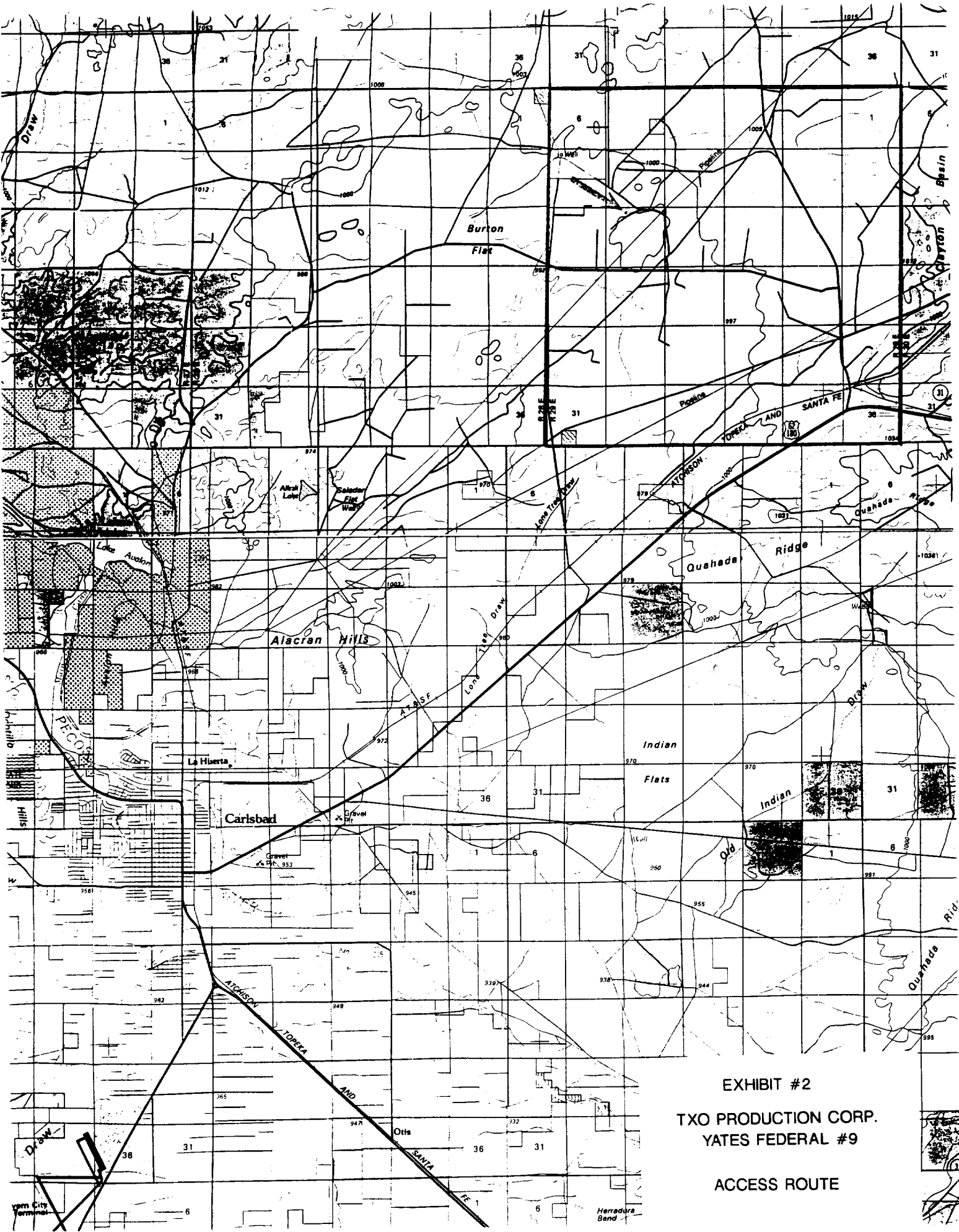


EXHIBIT #2  
TXO PRODUCTION CORP.  
YATES FEDERAL #9  
ACCESS ROUTE

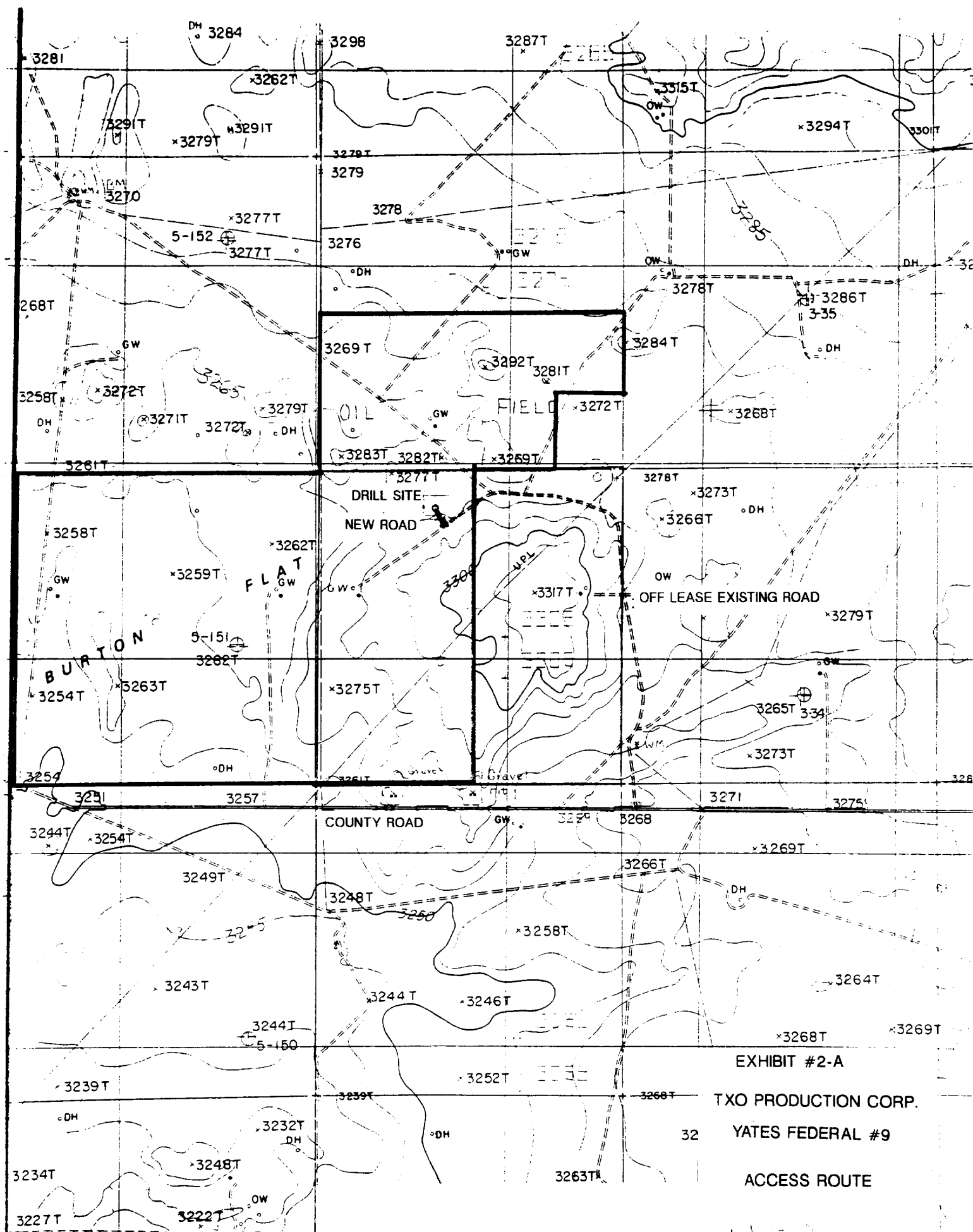


EXHIBIT #2-A

TXO PRODUCTION CORP.

32 YATES FEDERAL #9

### ACCESS ROUTE

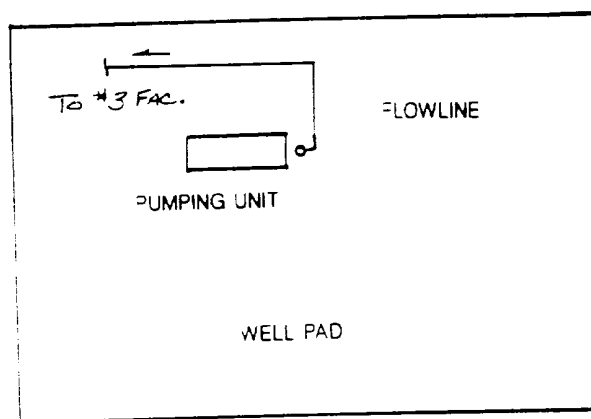
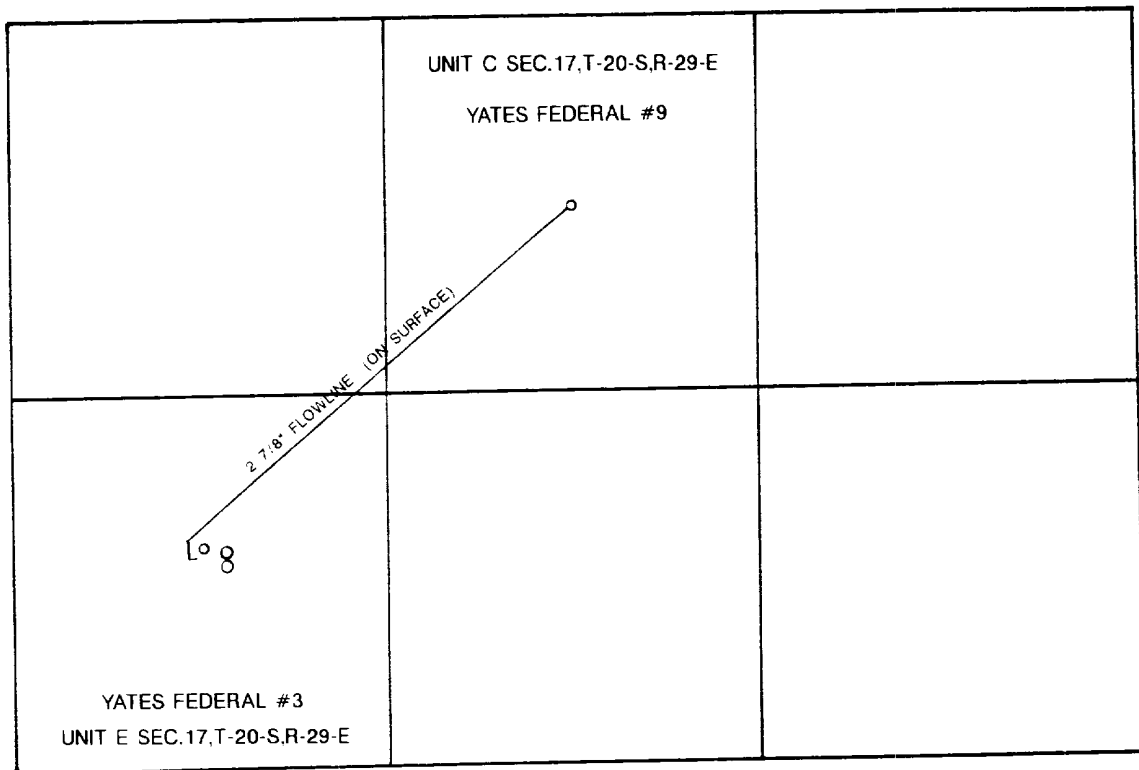


EXHIBIT #4

TXO PRODUCTION CORP.  
YATES FEDERAL #9

ON WELL PAD PRODUCTION EQUIPMENT

42 389 200 SHEETS 3 SQUARE  
42 389 100 SHEETS 3 SQUARE  
42 389 200 SHEETS 3 SQUARE



ARCHAEOLOGY SURVEY COMPLETED FOR FLOWLINE.

EXHIBIT #5  
TXO PRODUCTION CORP.  
YATES FEDERAL #9

OFF WELL PAD PRODUCTION FACILITY & FLOWLINE

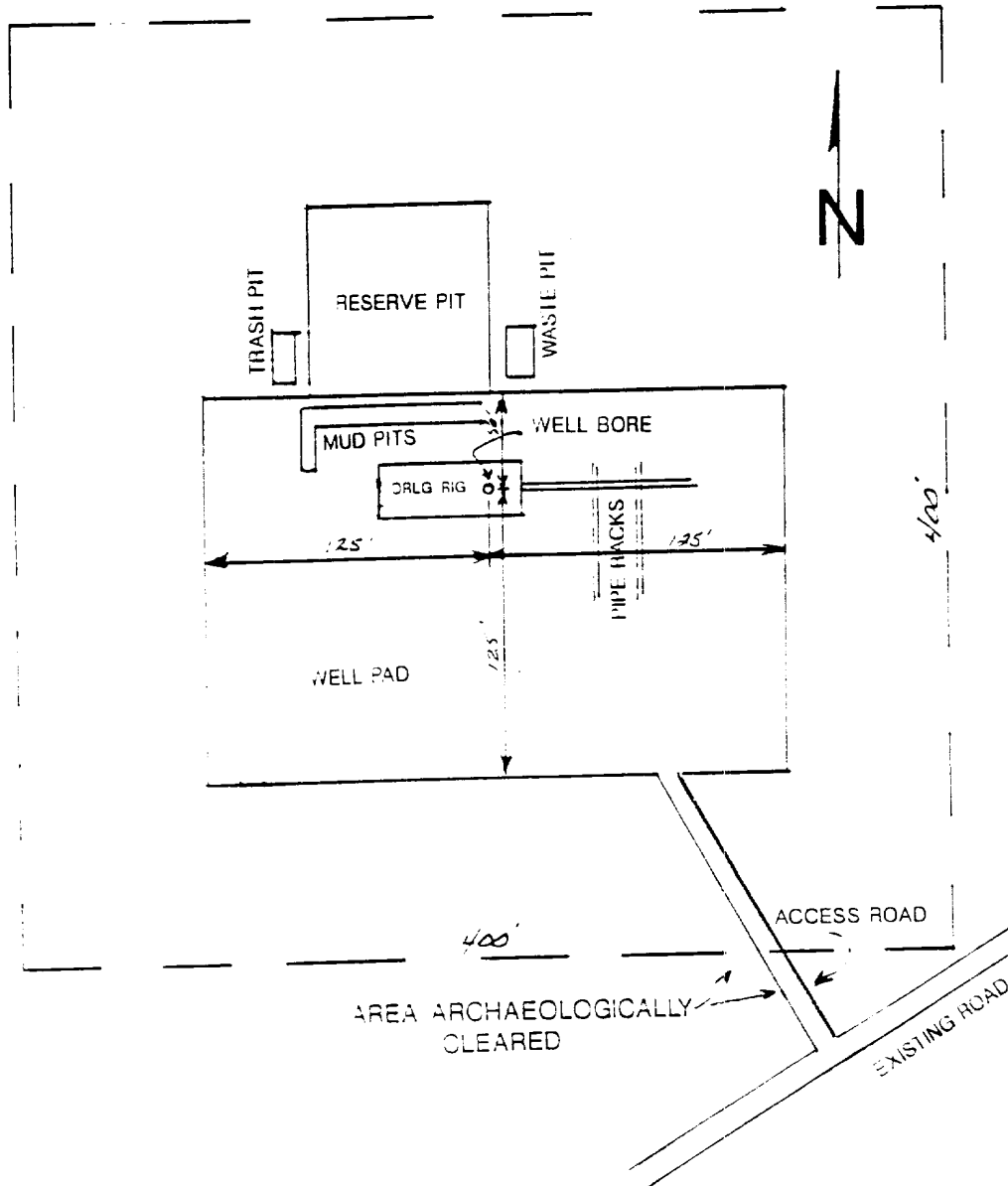


EXHIBIT #6  
TXO PRODUCTION CORP.  
YATES FEDERAL #9  
DRILLING RIG LAYOUT