

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

30-005-60960

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  RECEIVED

3. ADDRESS OF OPERATOR  
 207 South 4th Street, Artesia, NM 88210 MAY 8 1981

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface 660' FNL & 660' FEL O. C. D.  
 At proposed prod. zone ARTESIA, OFFICE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 28 miles north east of Roswell, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'  
 16. NO. OF ACRES IN LEASE 2040

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1400'  
 17. NO. OF ACRES ASSIGNED TO THIS WELL 160

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3832.3  
 20. ROTARY OR CABLE TOOLS Rotary  
 22. APPROX. DATE WORK WILL START\* ASAP

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10 3/4"	32.75# J-55	approx. 350'	350 sx. circulated
9 5/8"	7"	20# J-55	approx. 1500'	300 sx. circulated
6 1/4"	4 1/2"	10.5#	TD	250 sx. circulated

We propose to drill and test the granite wash and intermediate formation. Approximately 350' of surface casing will be set and cement circulated to shut off gravel and caving. 7" casing will be run only if needed. If commercial, 4 1/2" production casing will be run and cemented with an adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: Gel and LCM to 1500', Brine KCL to 3200', KCL drispak & starch to 4350', flosal-driskak KCL to TD. MW 10-10.2, Vis 35-40, WL 14-7.

BOP PROGRAM: BOP's will be installed on 7" casing or at 1500' and tested daily.

GAS NOT DEDICATED.

24. 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.

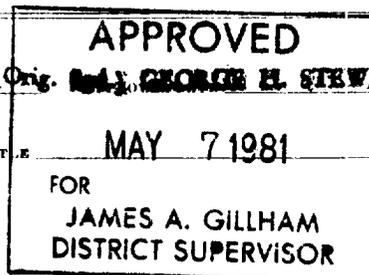
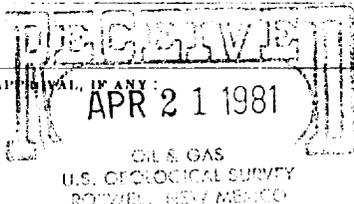
SIGNED George El Stewart TITLE Geographer DATE 4-16-81

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:



Handwritten notes: 722, PI + HLE, 5'

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.

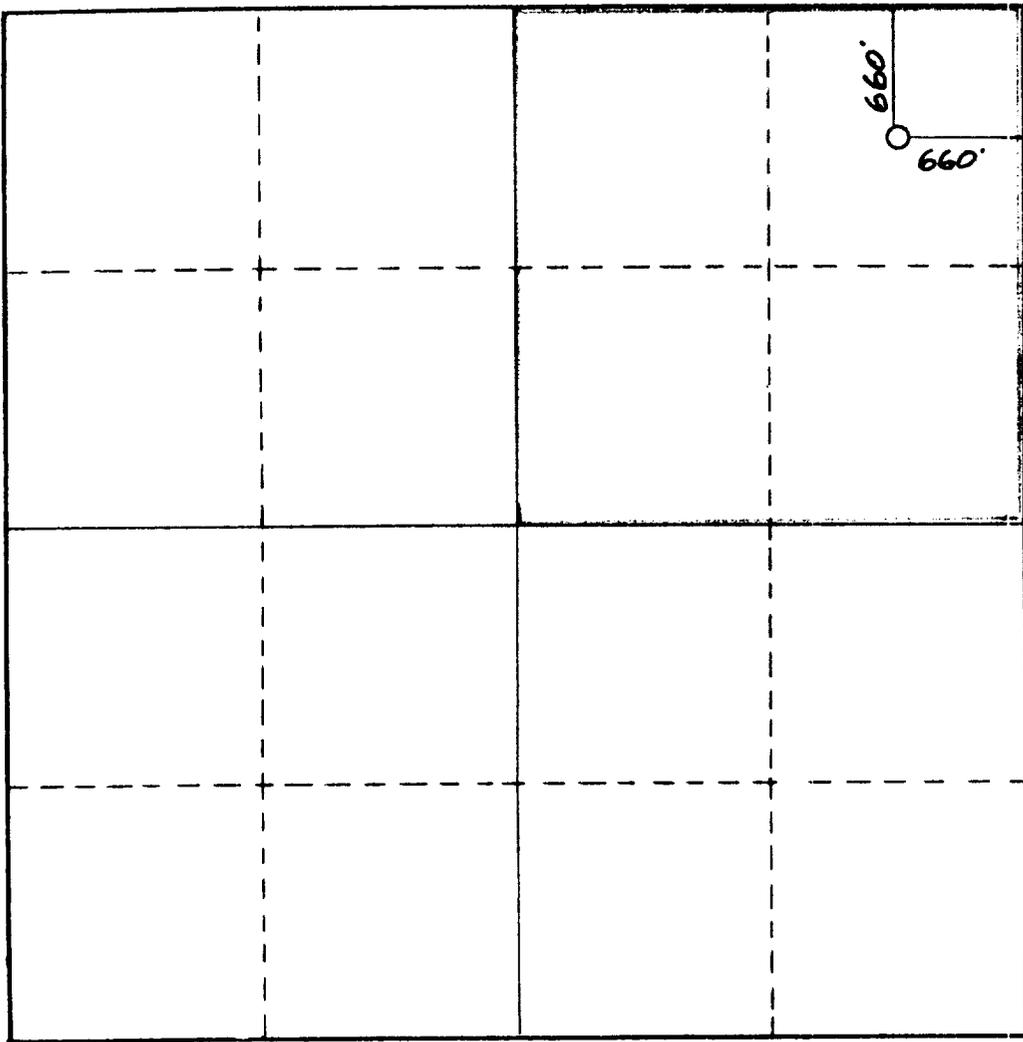
Operator <b>YATES PETROLEUM CORPORATION</b>		Lease <b>POWERS OL FED</b>		Well No. <b>4</b>
Unit Letter <b>A</b>	Section <b>14</b>	Township <b>6 SOUTH</b>	Range <b>25 EAST</b>	County <b>CHAVES</b>
Actual Footage Location of Well: <b>660'</b> feet from the <b>NORTH</b> line and <b>660'</b> feet from the <b>EAST</b> line				
Ground Level Elev. <b>3322.3</b>	Producing Formation <b>ABO</b>	Pool <b>LINDes. ABO</b>	Dedicated Acreage: <b>1.60</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.



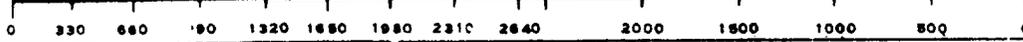
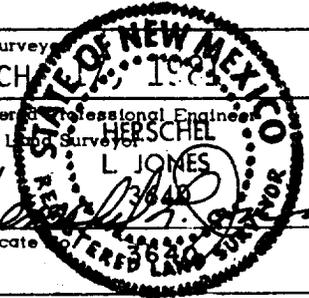
CERTIFICATION

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

*Gerardo Rodriguez*  
Name  
**GERARDO RODRIGUEZ**  
Position  
**GEOGRAPHER**  
Company  
**YATES PETROLEUM CORP.**  
Date  
**4-16-81**

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 Survey  
**MARCH 1981**  
Registered Professional Engineer and/or Licensed Surveyor  
**L. JONES**  
Certificate No. **3640**



Yates Petroleum Corporation  
Powers "OL" Federal #4  
660' FNL & 660' FEL  
Section 14-T6s-R25e  
Chaves 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:

San Andres	526'
Glorieta	1596'
Abo	3675'
Wolfcamp	4357'
T.D.	4400'
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water:	Approximately 270' - 330'
Oil or Gas:	Abo 3700'
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.
DST's:	As Warranted
Logging:	Surface casing to TD CNL-FDC TD to casing with GR-CNL on to surface and DLL from TD to casing with R <sub>x</sub> O.
Coring:	None Anticipated
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation  
Powers "OL" Federal #4  
Section 14-T6s-R25e  
660' FNL & 660' FEL  
(Exploratory 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 environment 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 28 miles NNE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed north from Roswell on Highway 285 for a distance of approximately 28 miles.
2. Turn east for approximately 14 miles and continue north for 3 3/4 miles. Then west for 1 mile to South Alkali "LK" location. Turn south to Teckla "MD" Federal #2 location continue south 1/4 of a mile.
3. The new road will start here going in a westerly direction to the location.
4. The proposed road will be approximately 3/4 of a mile in length.

2. PLANNED ACCESS ROAD.

- A. The new road will be 12 feet in width (driving surface).
- B. The new road will be covered with the necessary depth of caliche or other suitable material. The surface will be crowned, with drainage on one side. No turnouts will be built.
- C. The new road has been flagged and the route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is a well with 1 mile from the well sight.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- 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.

5. 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.
6. SOURCE OF CONSTRUCTION MATERIALS.
  - A. Location will be watered and bladed.
7. METHODS OF HANDLING WASTE DISPOSAL.
  - A. Drill 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 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.
  - G. 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. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, etc.
  - B. The location surface is fairly flat.
  - C. The reserve pits will be plastic lined.
  - D. A 400' X 400' area has been staked and flagged.
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 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 Operator-Landowner Agreement will be complied with and will be 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 fairly flat. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of tobosa, terpetine, pepper weed, and mesquite. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.
- C. The Pecos River is approximately 5 miles east.
- D. There is a watering tank within a mile of the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on federal surface and minerals.
- F. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

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

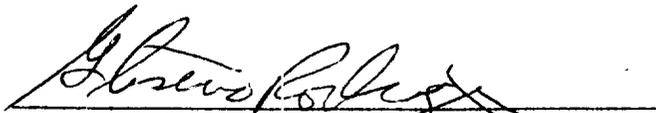
Gliserio "Rod" Rodriguez or Cy Cowan  
Yates Petroleum Corporation  
207 South 4th Street  
Artesia, New Mexico 88210  
(505) 746-3558

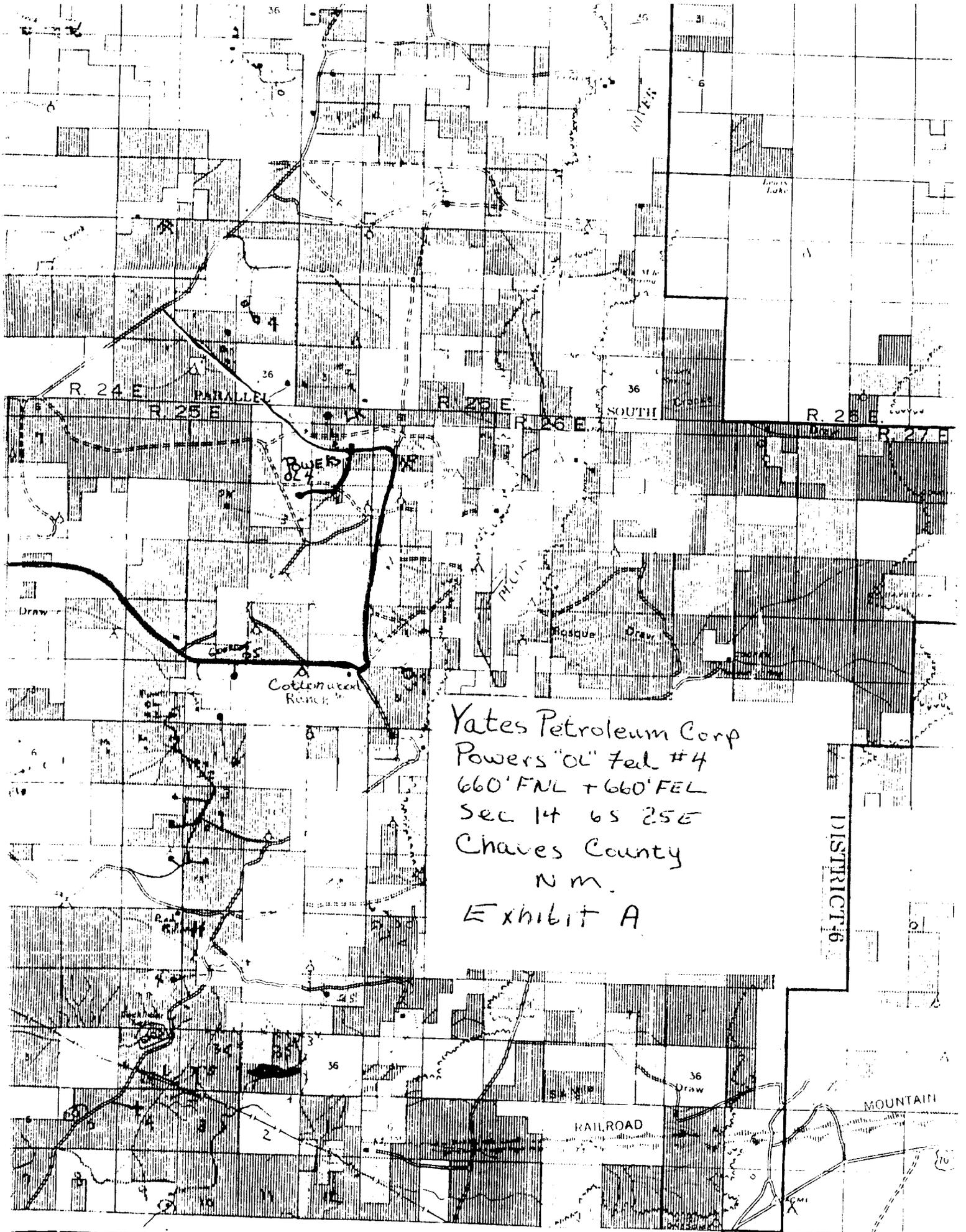
13. CERTIFICATION.

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.

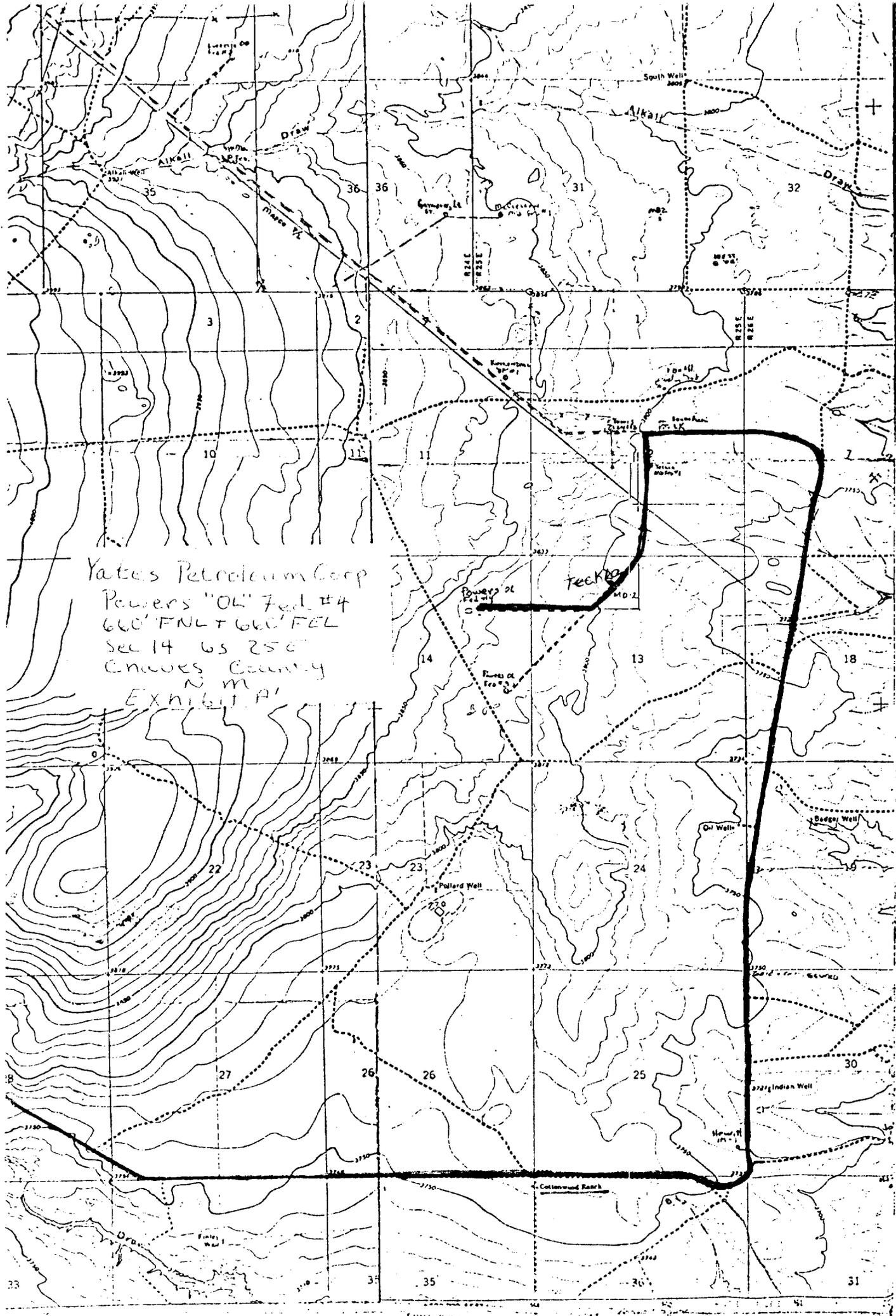
4-20-81

Date

  
Gliserio Rodriguez, Geographer

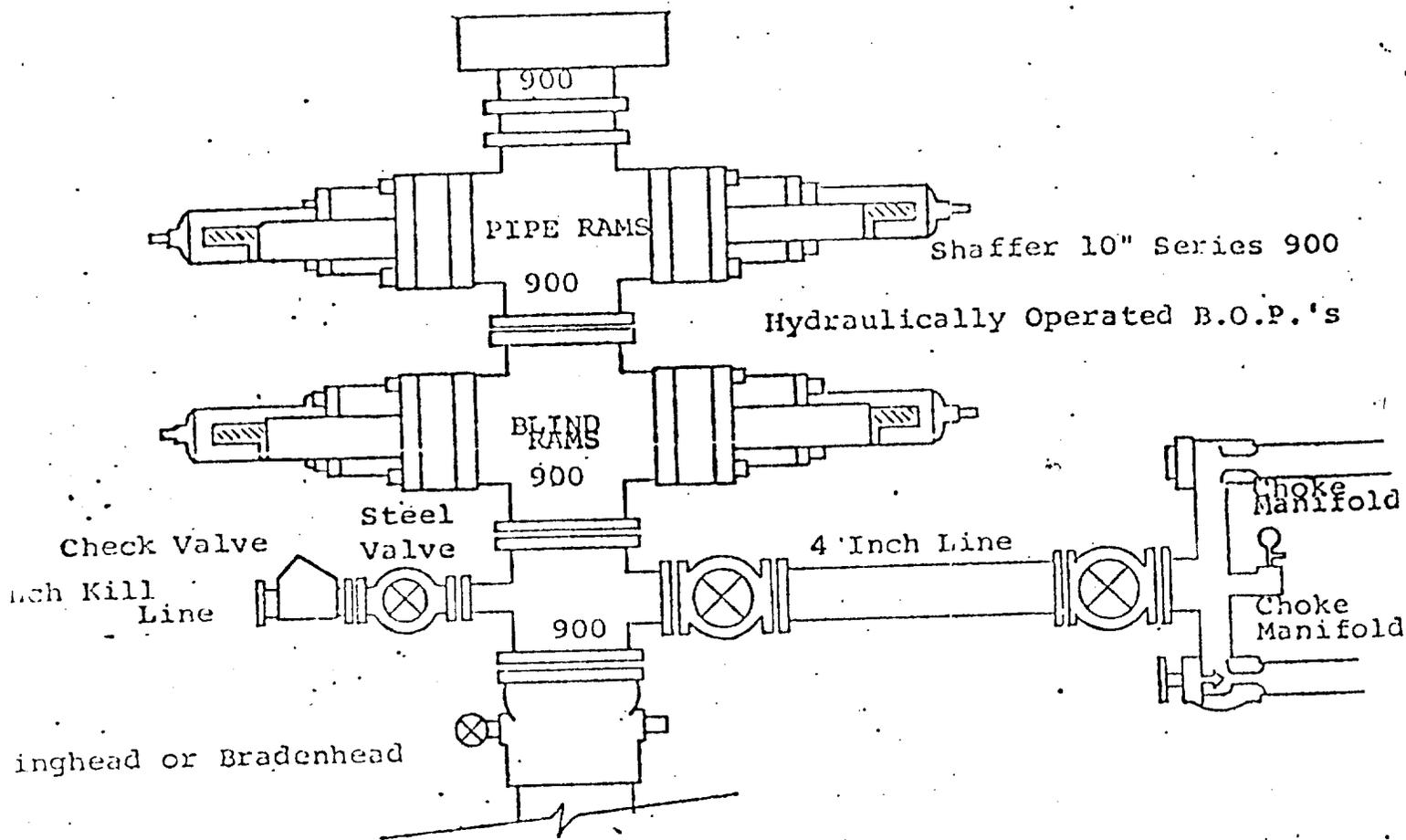


Yates Petroleum Corp  
Powers "01" Fed #4  
660' FNL + 660' FEL  
Sec 14 6S 25E  
Chaves County  
N.M.  
Exhibit A



Yates Petroleum Corp  
Powers "OL" Fed #4  
660' FNL + 660' FEL  
Sec 14 6S 25E  
Crawles County  
N.M.  
Exhibit A'

EXHIBIT B



FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- Choke outlet to be a minimum of 4" diameter.
- Kill line to be of all steel construction of 2" minimum diameter.
- All connections from operating manifolds to preventers to be all steel.
- hole or tube a minimum of one inch in diameter.
- The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- Inside blowout preventer to be available on rig floor.
- Operating controls located a safe distance from the rig floor.
- Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- D. P. float must be installed and used below zone of first gas intrusion.

# EXHIBIT C

## YATES PETROLEUM CORPORATION

