

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

30-005-61018

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-36409		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 207 South 4th Street, Artesia, NM 88210			8. FARM OR LEASE NAME McClellan "MB" Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FWL & 1100' FNL 1980 FWL At proposed prod. zone same			9. WELL NO. 3		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 31 miles north & 14 miles east of Roswell, NM			10. FIELD AND POOL, OR WILDCAT Undesignated		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1100'			11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31-T5s-R25e		
16. NO. OF ACRES IN LEASE 4640			12. COUNTY OR PARISH Chaco		
17. NO. OF ACRES ASSIGNED TO THIS WELL 160			13. STATE		
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 920			19. ROTARY OR CABLE TOOLS Rotary		
20. APPROX. DATE WORK WILL START* ASAP			21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3822' GL		

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# J-55	450 900	800 s.k. circulate
7 7/8"	5 1/2" or 4 1/2"	15.5# or 10.5#	TD	450 s.k. circulate

We propose to drill and test the Abo and intermediate formations. Approximately 900' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation), 8 5/8" intermediate casing will run to 1500' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1500', brine KCL to 3200', KCL drispak & starch to TD. MW 10-10.2, Vis. 34-39, WL. 14-7.

BOP PROGRAM: BOP's will be installed on 13 3/8" casing and tested daily.

GAS NOT DEDICATED.

Location had to be moved south because it fell in the draw.

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 Glenn Polujin TITLE Geographer DATE 6-17-81

(This space for Federal or State office use)

PERMIT NO. APPROVED APPROVAL DATE JUN 22 1981

APPROVED BY GEORGE H. STEVART TITLE DISTRICT SUPERVISOR DATE JUN 22 1981

FOR
JAMES A. GILLHAM
DISTRICT SUPERVISOR

7-1-81
NST must be examined prior to producing

**W 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.

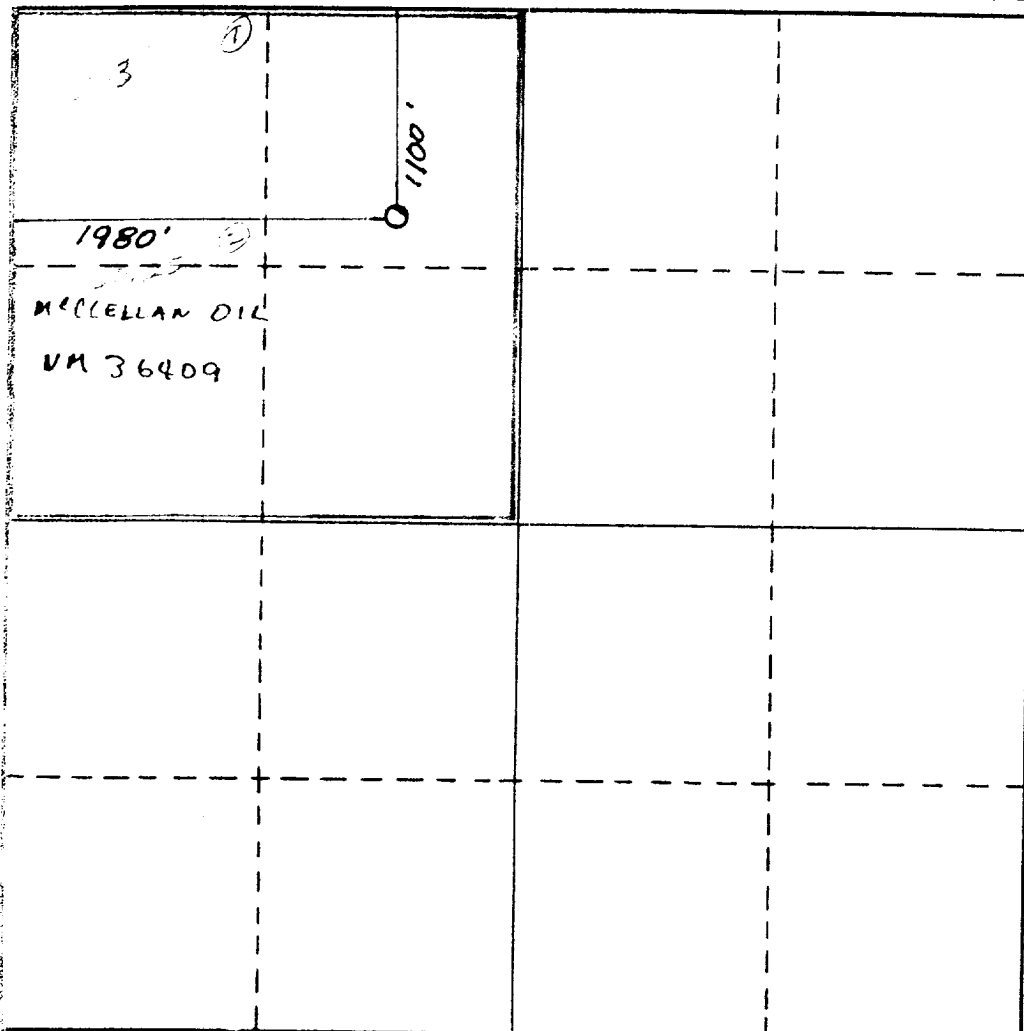
Operator Yates Petroleum Corporation			Lease McClellan "MB" Federal		Well No. 3
Unit Letter C	Section 31	Township 5 south	Range 25 east	County Chaves	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 1100 feet from the North line and 1980 feet from the West line </div>					
Ground Level Elev. 3822	Producing Formation Abo	Pool Undesignated Abo		Dedicated Acreage: 160.6 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.

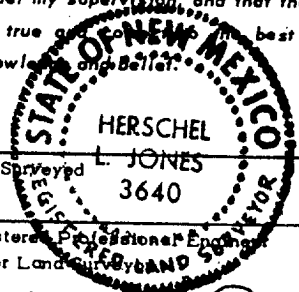


CERTIFICATION

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

Gliserio Rodriguez
 Name
GLISERIO RODRIGUEZ
 Position
GEOGRAPHER
 Company
YATES PETROLEUM CORP
 Date
6-17-81

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.

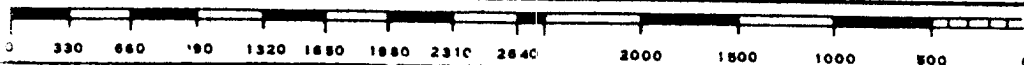


Date Surveyed
L. JONES 3640

Registered Professional Engineer and/or Land Surveyor
HERSCHEL L. JONES

Herschel L. Jones
 Certificate No. _____

3640



N.M.O.C.D. COPY

SUBMIT IN TRI. ATE
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.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 ☐ RECEIVED
MULTIPLE ZONE ☐

2. NAME OF OPERATOR
Yates Petroleum Corporation

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

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface
1980' FWL & 660' FNL
At proposed prod. zone
1100'
same

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

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)
660'

16. NO. OF ACRES IN LEASE
4640

17. NO. OF ACRES ASSIGNED TO THIS WELL
160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1320'

19. PROPOSED DEPTH
approx. 4400'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3810' 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
17 1/2"	13 3/8"	48# J-55	450' 900'	300 sx. circulate
7 7/8"	5 1/2" or 4 1/2"	15.5# or 10.5#	TD	450 sx. circulate

We propose to drill and test the Abo and intermediate formations. Approximately 450' of surface casing will be set and cement circulated to shut off gravel and caving. If needed (lost circulation), 8 5/8" intermediate casing will run to 1500' and cement circulated. If commercial, production casing will be run and cemented with adequate cover, perforate and stimulate as needed for production.

MUD PROGRAM: FW gel and LCM to 1500', brine KCL to 3200', KCL drispak & starch to TD. MW 10-10.2, Vis. 34-39, WL 14-7.

BOP PROGRAM: BOP's will be installed on 13 3/8" casing and tested daily.

GAS NOT DEDICATED.

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 George H. Stewart TITLE Geographer

(This space for Federal or State office use)

APPROVED

PERMIT NO. 108-881 GEORGE H. STEWART

APPROVAL DATE JUN 16 1981

APPROVED BY JUN 22 1981 TITLE

CONDITIONS OF APPROVAL, IF ANY:

FOR

JAMES A. GILLHAM
DISTRICT SUPERVISOR

N MEXICO OIL CONSERVATION COMMISS
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.

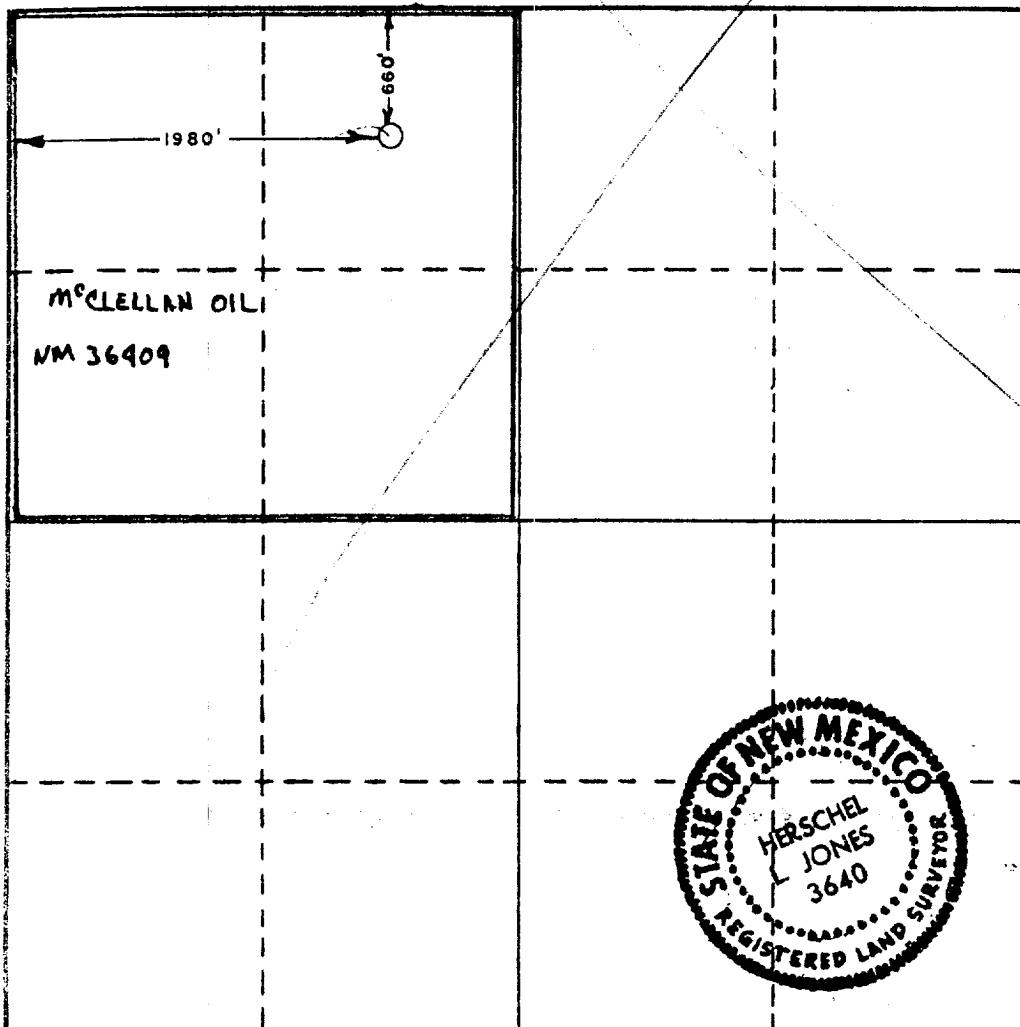
Operator YATES PETROLEUM CORPORATION			Lease McClellan "MB" Federal		Well No. 3
Unit Letter "C"	Section 31	Township 5 South	Range 25 East	County Chaves	
Actual Footage Location of Wells <div style="display: flex; justify-content: space-between; align-items: center;"> 660' feet from the North line and 1980' feet from the West line </div>					
Ground Level Elev. 3810.0	Producing Formation Abo		Pool Undes. Abo		Dedicated Acreage: 160 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.

[Signature]
 Name

Gliserio Rodriguez
 Position

Geographer
 Company

Yates Petroleum Corporation
 Date

5/27/81

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

May 11, 1981

Registered Professional Engineer and/or Land Surveyor

[Signature]
 Certificate No.

3640

0 320 640 960 1280 1600 1920 2240 2560 2880 3200 3520 3840 4160 4480 4800 5120 5440 5760 6080 6400

Yates Petroleum Corporation
McClellan "MB" Federal #3
1980' FWL and 660' FNL
Section 31-T5s-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	587	Wolfcamp	4334
Glorieta	1446	T.D. (approx.)	4400
Abo	3662		

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

Water: Approximately 250'

Gas: Abo 3700' - 4200'

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 T.D.

DST's: As Warranted

Logging: Surface casing to T.D.

Coring: CNL - FDC T.D. to casing with GR-CNL on to surface and DLL
from T.D. to casing.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation
McClellan "MB" Federal #3
1980' FWL and 660' FNL
Section 31-T5S-R25E
(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 operations, so that a complete appraisal can be made of the environmental effect associated with the drilling of this well.

1. EXISTING ROADS.

Exhibit A is a portion of the county map showing the roads in the vicinity of the proposed location. The proposed wellsite is located approximately 33 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 31 miles.
2. Turn east for approximately 8 miles and continue NE for 2.9 miles.
3. Then turn SE on the Mapco Pipeline right-of-way, go for 2 miles then turn northeast to Grynberg "LZ" State #1. Then to the McClellan "MB" Federal #1. The new road will start at the east side of the location going north for 1200'.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1200' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northerly direction.
- B. The new road will be 12 feet in width (driving surface). Up to 25' total disturbed width.
- C. 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.
- D. The new road has been flagged and the route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There are existing wells within a mile of wellsite.

4. LOCATION OF EXISTING AND OR PROPOSED FACILITIES.

- A. There are 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 commercially from a water trucking company.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Any material required for construction of the drilling pad and the new access road will be obtained from the nearest existing pit as specified by BLM.

7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to exaporate 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 to 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 on fairly flat ground.
- C. The reserve pits will be plastic lined.
- D. A 400' X 400' area and road 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 BLM and the USGS 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 sloping. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of tabosa, terpetine, pepper weed, and some 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 four miles east.
- D. There are no inhabited dwellings but there are windmills within a mile of the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on federal surface.
- F. There is no evidence of any archeological, 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 S. 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.

6-8-81

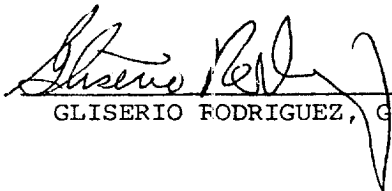

GLISERIO RODRIGUEZ, GEOGRAPHER

EXHIBIT A

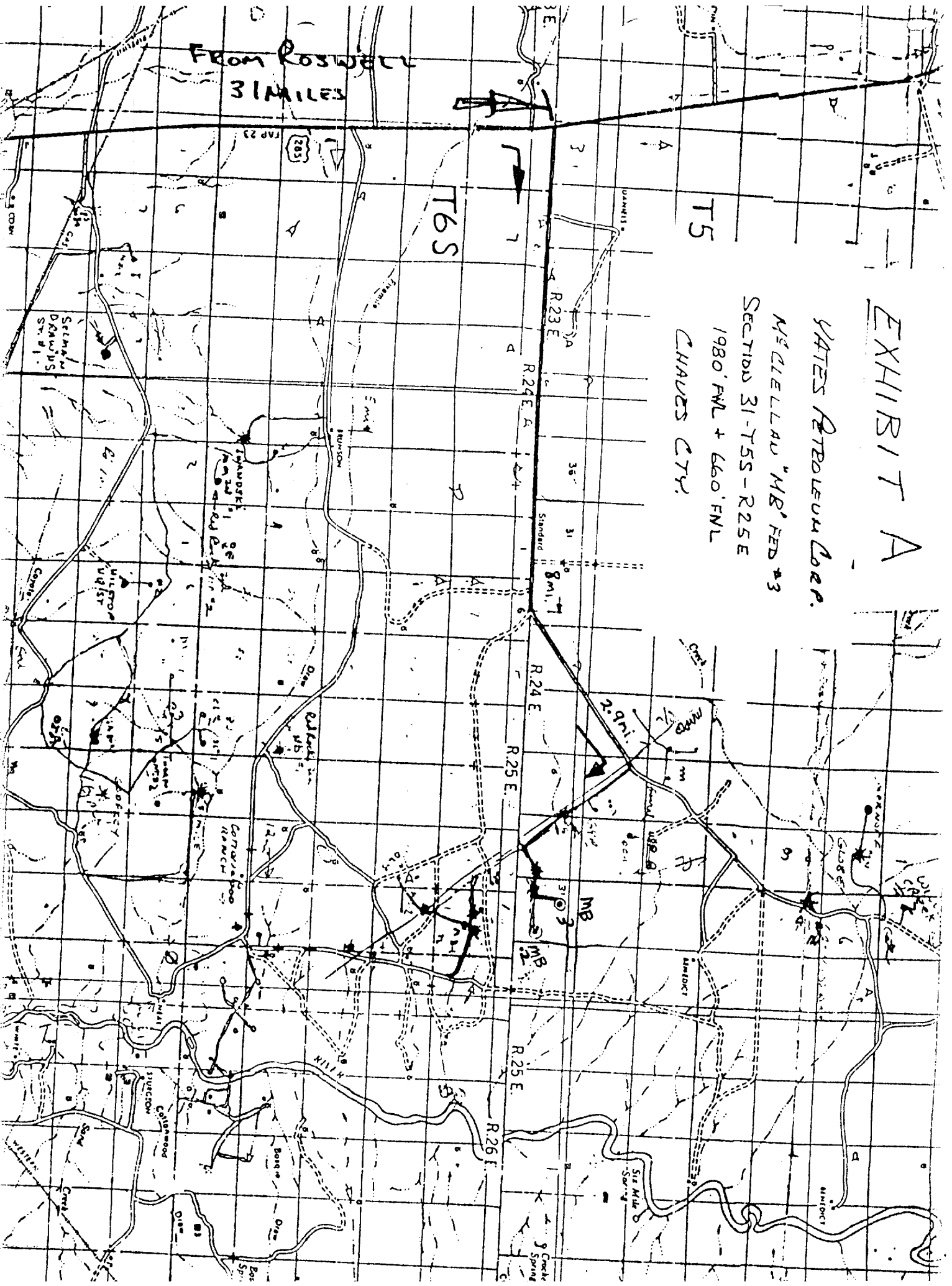
WATERS PETROLEUM CO. INC.

NE 1/4 SEC 3

SECTION 31-T5S-R25E

1980' FWL + 660' FNL

CHAVES COUNTY



YATES PETROLEUM CORPORATION

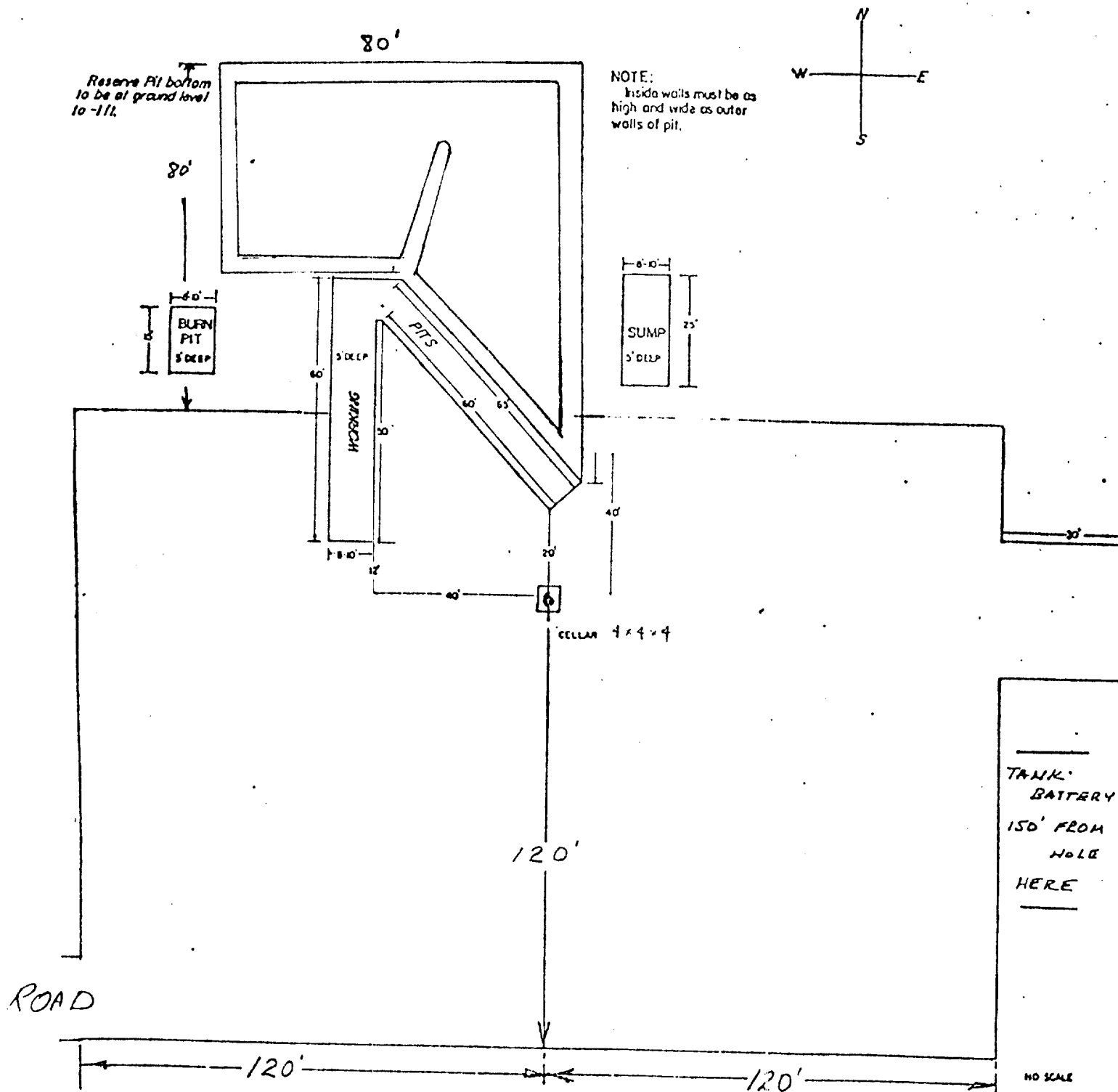
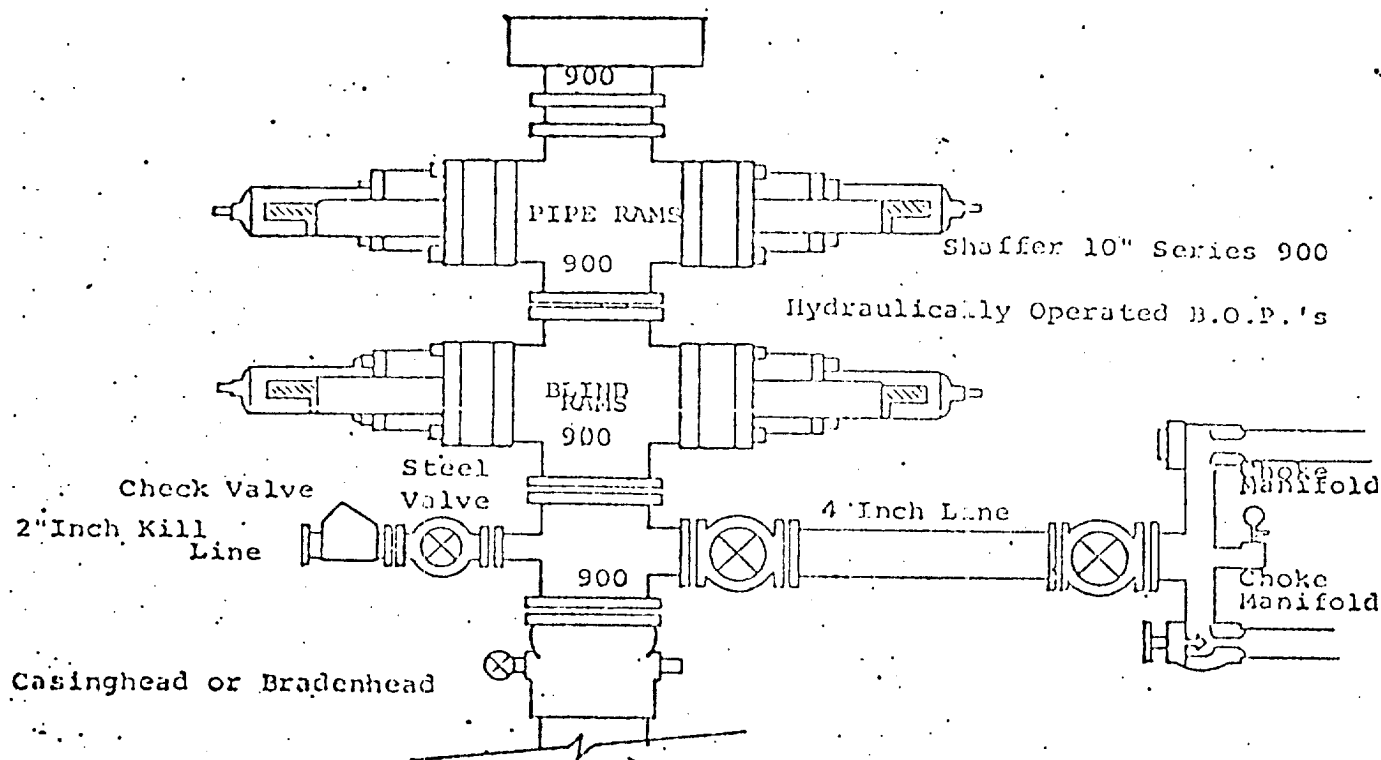


EXHIBIT C



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.