

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 ☐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

660' FSL & 660' FEL

At proposed prod. zone

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

Approx. 18 miles NE of Roswell, NM

10. DISTANCE FROM PROPOSED*

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

660'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

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

3826.2 GL

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8 5/8"	24# K-55	Approx. 1550'	750 sx. circulated
7 7/8"	4 1/2"	15.5 or 10.5#	TD 5160'	500 sx.

We propose to drill and test the Abo and intermediate formations. Eight 5/8" casing will be run to a depth of 1550' circulated and cemented. 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 1400', brine to 3250', Drispak and Starch to 4300', flosal-driskpak to TD. MW 10-10.2, Vis. 34-39, WL 20-10

BOP PROGRAM: BOP's will be installed on 8 5/8" casing and tested daily. Will Yellow Jacket before drilling Wolfcamp.

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

TITLE Geographer

DATE 7-20-81

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL

FOR

JAMES A. GILHAM
DISTRICT SUPERVISOR

5. LEASE DESIGNATION AND SERIAL NO.

US NM 29211

RECEIVED

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

SEP 22 1981

7. UNIT AGREEMENT NAME

O. C. D.

8. FARM OR LEASE NAME

Engwall "RL" Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Ind Abo

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

KL-P

Section 4, T9s-R26e

12. COUNTY OR PARISH 13. STATE

Chaves

NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

ASAP

**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.

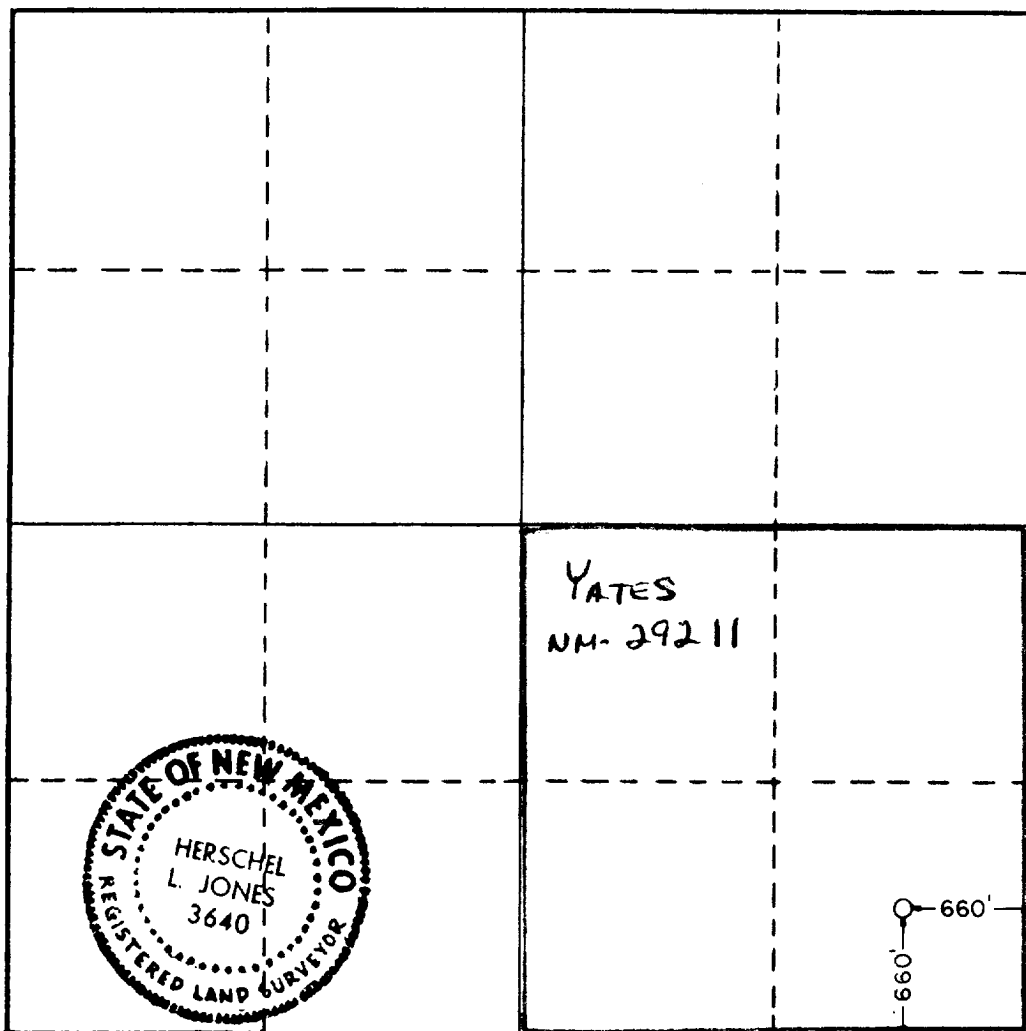
Operator YATES PETROLEUM CORPORATION			Lease Engwall "RL" Federal		Well No. 1
Unit Letter P	Section 4	Township 9 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3826.2	Producing Formation ABO		Pool 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.

Name

Gliserio Rodriguez

Position

Regulatory Manager

Company

Yates Petroleum Corp.

Date

7-20-81

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

July 13, 1981

Registered Professional Engineer and/or Land Surveyor

Certificate No.

3640

0 330 660 990 1320 1650 1980 2310 2640 2000 1800 1600 1400 1200 1000 800 600 400 200 0

Yates Petroleum Corporation
Engwall "RL" Federal #1
660' FSL & 660' FEL
Section 4, T9s-R26e
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:

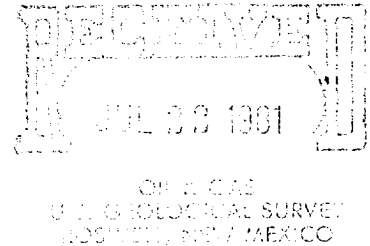
1. The geologic surface formation is sandy alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	1008'
Glorieta	2183'
Abo	4371'
Wolfcamp	5061'
T.D.	5160'
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water:	Approximately 150' - 280'
Oil or Gas:	Abo 4350'
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
Engwall "RL" Federal #1
Section 4, T9s-R26e
660' FSL & 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 after completion of the procedures to be followed in rehabilitating the surface after completion of the operation, 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 a county map showing the roads in the vicinity of the proposed location. The proposed wellsite is located approximately 18 miles NE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Travel northeast on U.S. 70, 15 miles from its intersection with U.S. 285. An abandoned stone building is on the north side of U.S. 70. Turn south here.
2. Turn south and travel approximately 4.5 miles to the south windmill. Approximately .5 past the windmill, turn NE and continue for approximately 1.1 miles to the McConkey "HX" #1. Continue north for 1500'. The new access road will start here going in a westernly direction.

2. PLANNED ACCESS ROAD.

- A. The new access road will be approximately 1100' in length. It will head in an east to west direction entering the drilling pad from the southeast corner.

3. LOCATION OF EXISTING WELL.

- A. There are existing wells within a mile of wellsite. These well sites are shown on Exhibit A.

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 commercial sources and will be hauled to the location by truck over existing roads.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Materials will be taken from a Federal pit located in the NE $\frac{1}{4}$, NE $\frac{1}{4}$, Section 6, 9s, 26e.

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 operation.

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. The pits will be to the northeast.
- B. The location surface is on a flat surface, no cut and fill will be needed.
- 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 is 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 expeditious 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 near level and slopes westward immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover consists of tobosa, terpertine, 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 west.
- D. There are no inhabited dwellings but there are windmills within a mile of the vicinity of the proposed well. Refer to Exhibit A.
- E. Surface Ownership: The wellsite is on private surface with federal minerals.
- 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:

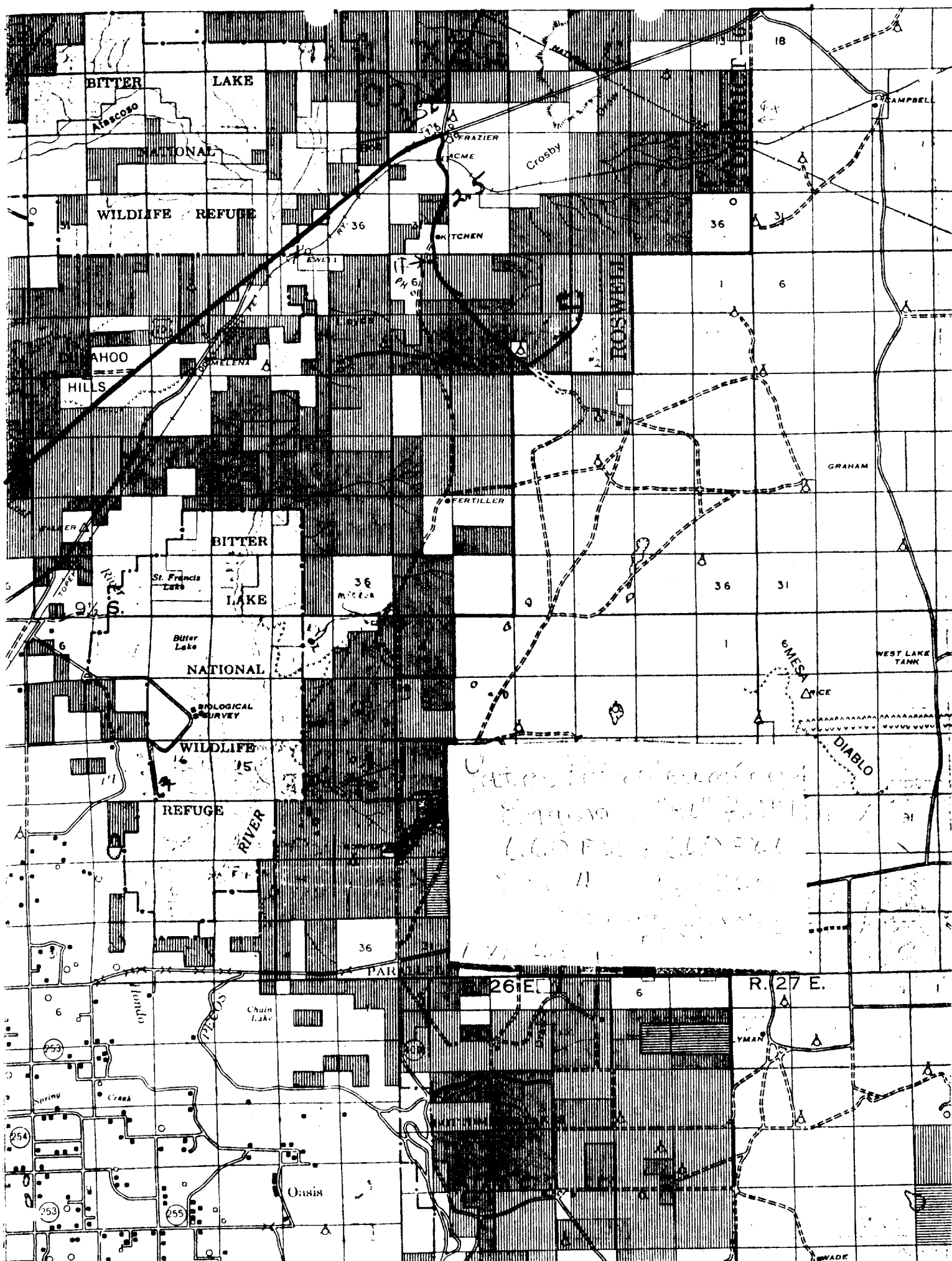
Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

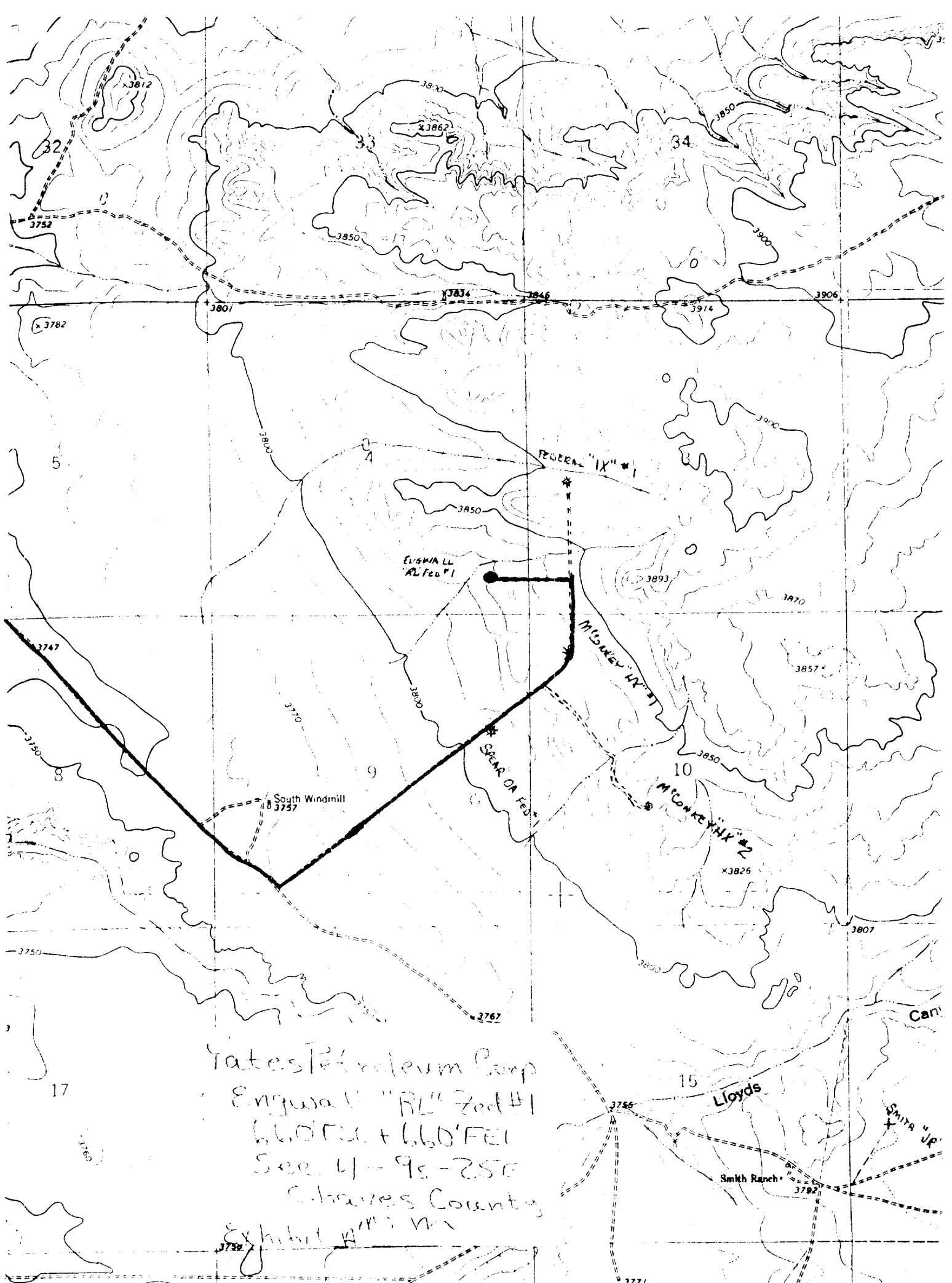
13. CERTIFICATION.

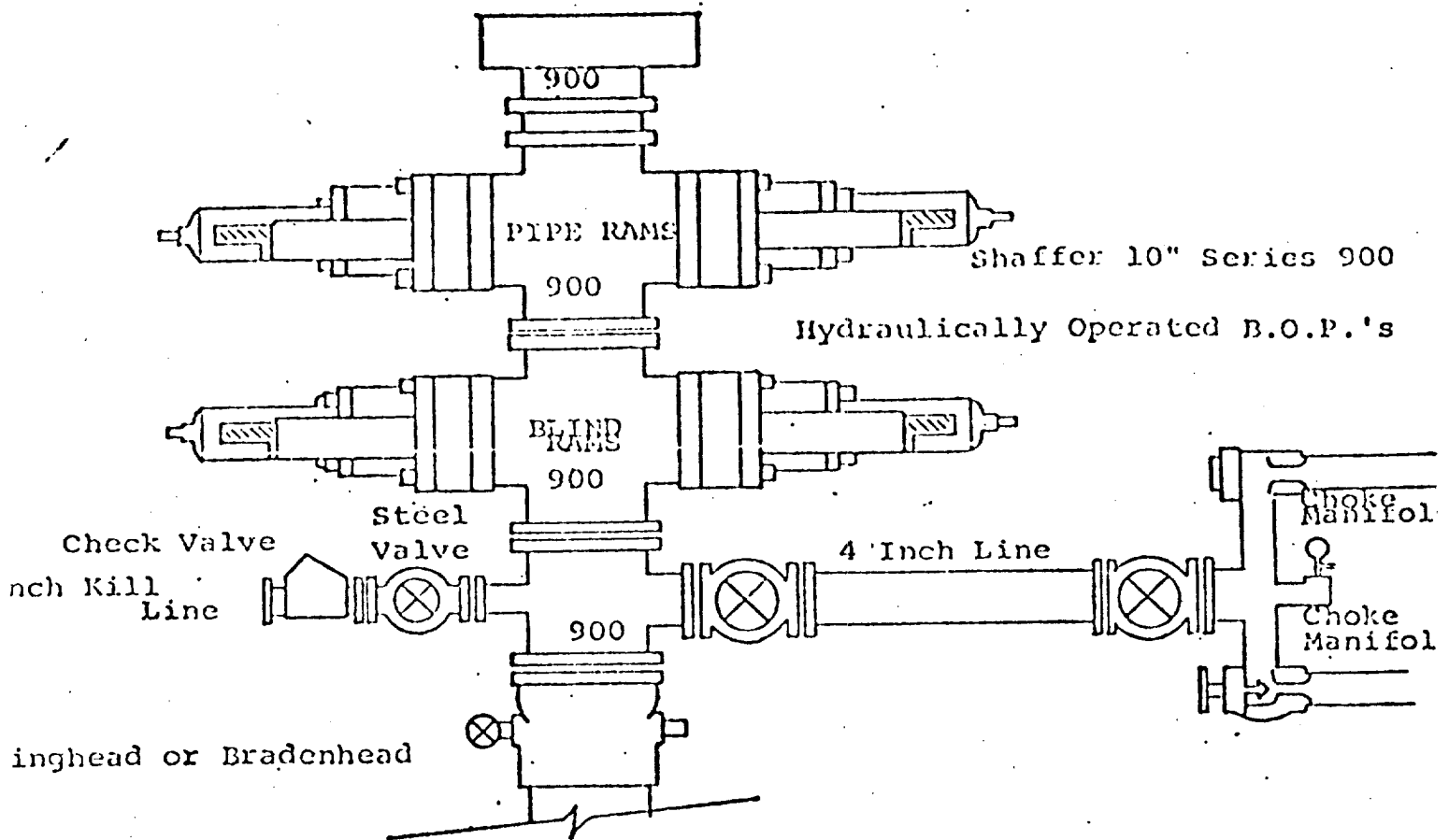
I hereby certify that I, or person under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and, that the work associated with 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.

7-20-81
Date

Gliserio Rodriguez
Gliserio Rodriguez, Geographer







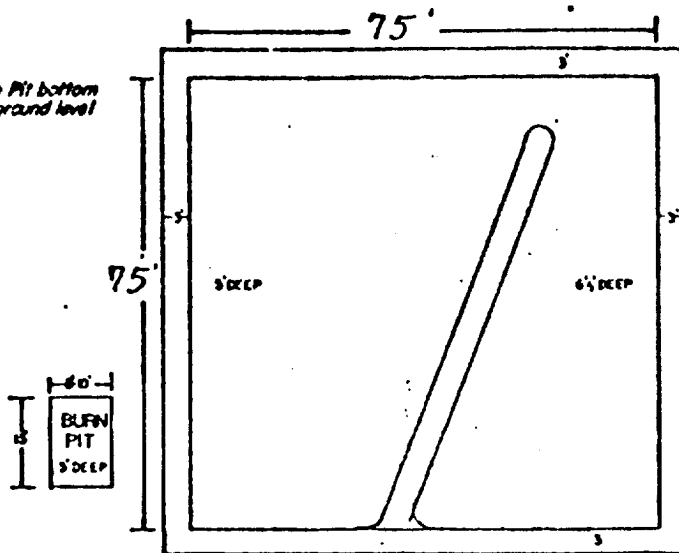
FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- All preventers to be hydraulically operated with secondary manual control 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

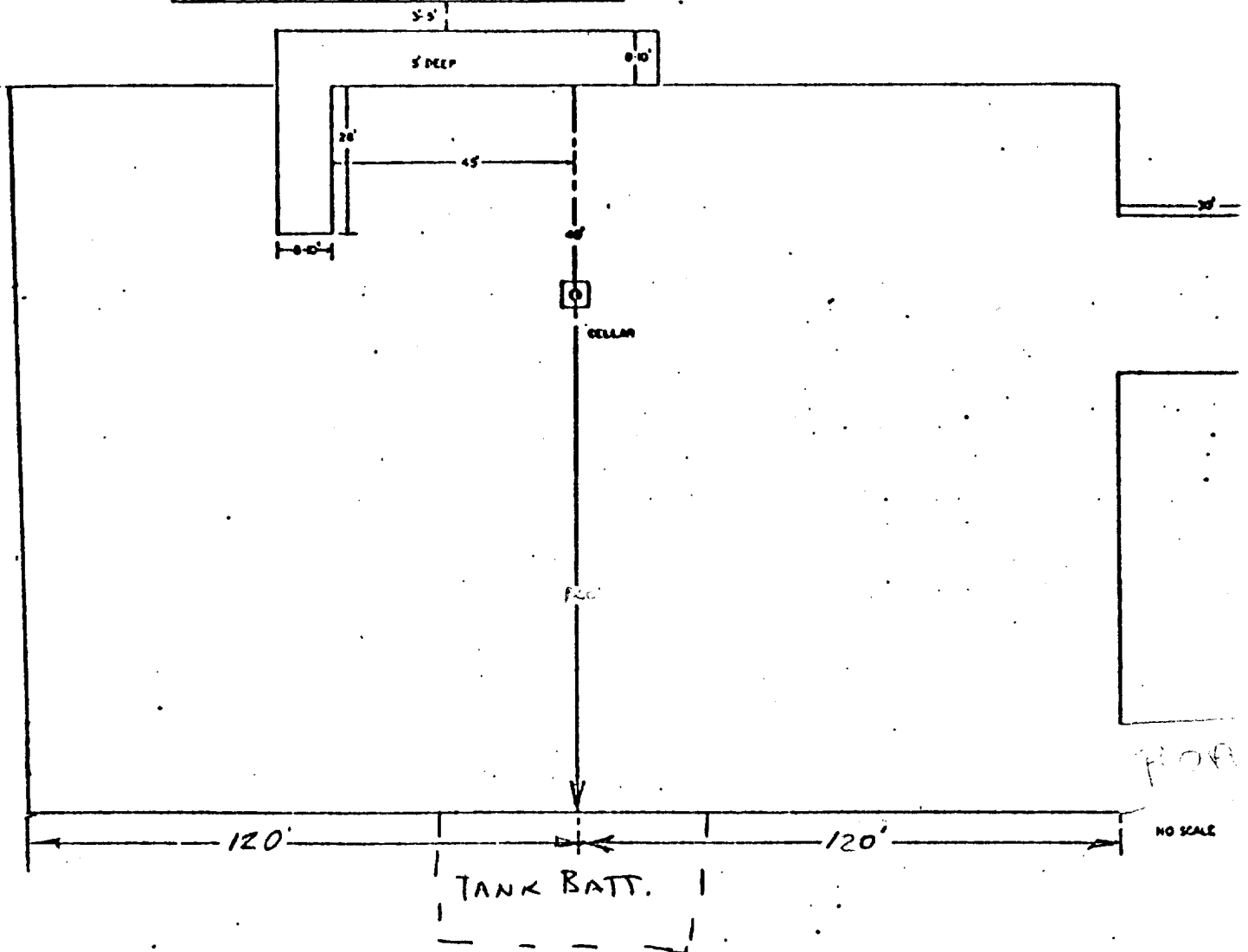
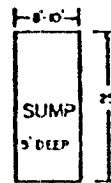
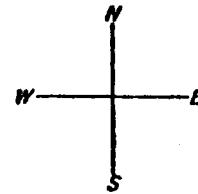
YATES PETROLEUM CORPORATION

Reserve Pit bottom
to be at ground level
to -111.



NOTE:

Inside walls must be as
high and wide as outer
walls of pit.



NO SCALE