

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 S. 4th Street, Artesia, NM 88210

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

At surface

1000 F&L & 2160' FEL

At proposed prod. zone

Same

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

Approx. 26 miles NNE of Roswell, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

480'

18. DISTANCE FROM PROPOSED LOCATION*

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

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

3628.6 GL

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10 3/4"	40.5# J-55	Approx. 890'	800 sx. circulated
7 7/8" or 6 1/2"	4 1/2" or 5 1/2"	10.5# or 15.5#	TD	350 sx.

We propose to drill and test the Abo and intermediate formations. Approximately 890' of surface casing will be set and cement circulated to shut off gravel and casing. If needed (lost circulation) 7 5/8" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. Temperature survey will be run to determine cement top. 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, Brine to 3500' Brine & KCL water to TD, MW 10-10.2.

BOP PROGRAM: BOP's will be installed on 8 5/8" casing and tested daily.

GAS NOT DEDICATED:

NOTE: This wellsite was moved north because of an arch site on the SE corner of the 400' X 400' area.

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.

21.

SIGNED

TITLE

Regulatory Manager

DATE 9-25-81

(This space for District or State office use)

APPROVED

PERMIT NO.

APPROVAL DATE

(O.C.D.) GEORGE H. STEWART

APPROVED BY OCT 8 1981

TITLE

DATE

FOR

JAMES A. GILLHAM
DISTRICT SUPERVISOR

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-120
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

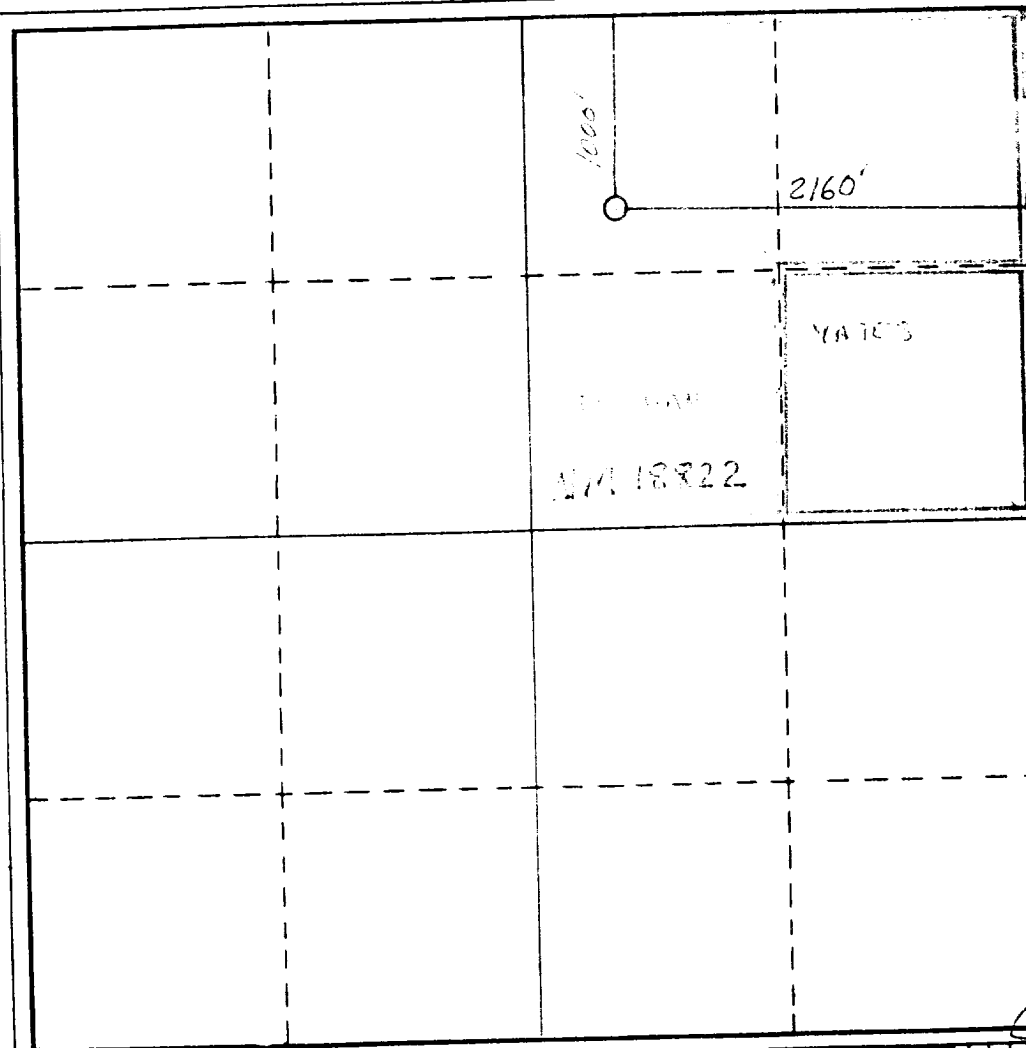
Operator Yates Petroleum Corporation			Lease Leeman OC Federal		Well No. 2
Unit Letter B	Section 19	Township 7 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 1000' feet from the North line and 2160' feet from the East line					
Ground Level Elev. 3628.6	Producing Formation Abo	Pool 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 Rodriquez
Position
Regulatory Manager
Company
Yates Petroleum Corp.
Date
9/24/81

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
September 24, 1981
Registered Professional Engineer
and/or Land Surveyor

Certificate No. 0 SURVEYOR

Yates Petroleum Corporation
Leeman "OC" Federal #2
1000' F.L. & 2160' FEL
Section 19, T7s-R26e
Chaves County

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 quaternary alluvium.
2. The estimate tops of geologic markers are as follows:

San Andres	457'
Glorietta	1572'
Fullerton	2993'
Abo	3684'
TD	4725'
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water:	Approximately 70 - 150'
Oil or Gas:	Abo - 3690'
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:	Intermediate casing to TD CNL-FDC TD to casing with GR-CNL on to surface and DIL from TD to casing with selected min R_xO .
Coring:	None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Leeman "OC" Federal #2
Section 18, T7s-R26e
1000' FNL & 2160' 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 of the proposed well, the proposed construction activities and operations plan, the magnitude of 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 environmental effect associated with the operation.

1. EXISTING ROADS.

Exhibit A is a portion of a county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 22 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 13 miles.
2. Turn east for approximately $2\frac{1}{2}$ miles and continue NE for about $10\frac{1}{2}$ miles. Turn east on ranch road for about 2.8 miles. The new road will start here going in a southeasterly direction to the wellsite.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1800' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a northwest to southeast direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed and 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 is drilling activity within a one-mile radius of the wellsite. Leeman "OC" Federal #1 is .3 of a mile northwest of the location.

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 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 the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. There is no existing pit of construction material near by so will attempt to just water and bl. de. If caliche is needed will get it from a state pit by Highway 285 or from a pit north of the Cooper water station. A federal pit in SE SE of Section 1, T8s-R24e has just been cleared for Mesa and we intend to use it if needed.

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, no cut and fill will be required on location
- C. The reserve pits will be positioned toward the northwest and 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 aesthetically 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 and/or vegetation requirements of the BLM and the USGS will be complied with and will be accomplished 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 consists of sloping dunes. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of mesquite and miscellaneous desert growth. 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 1 mile east of wellsite.
- D. There is an inhabited dwelling in the vicinity of the proposed well. Crawford Ranch is about 1 mile southeast of the wellsite.
- E. Surface Ownership: The wellsite is on Federal surface with Federal minerals.
- F. There is evidence of archaeological, historical or cultural sites in the area. See archaeological Report prepared by NMAS.

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.

7-25-81

Date

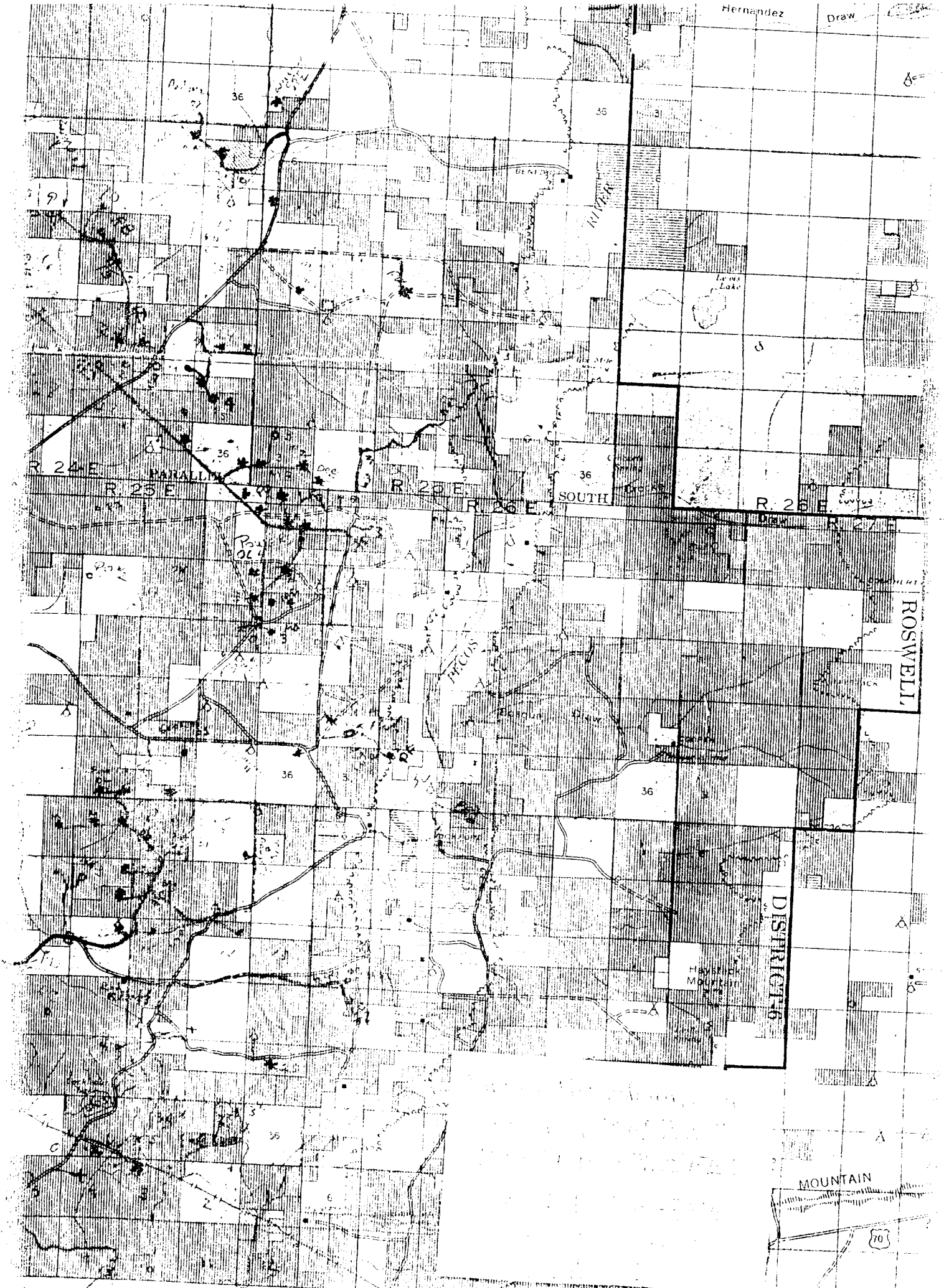


Gliserio Rodriguez

Hernandez

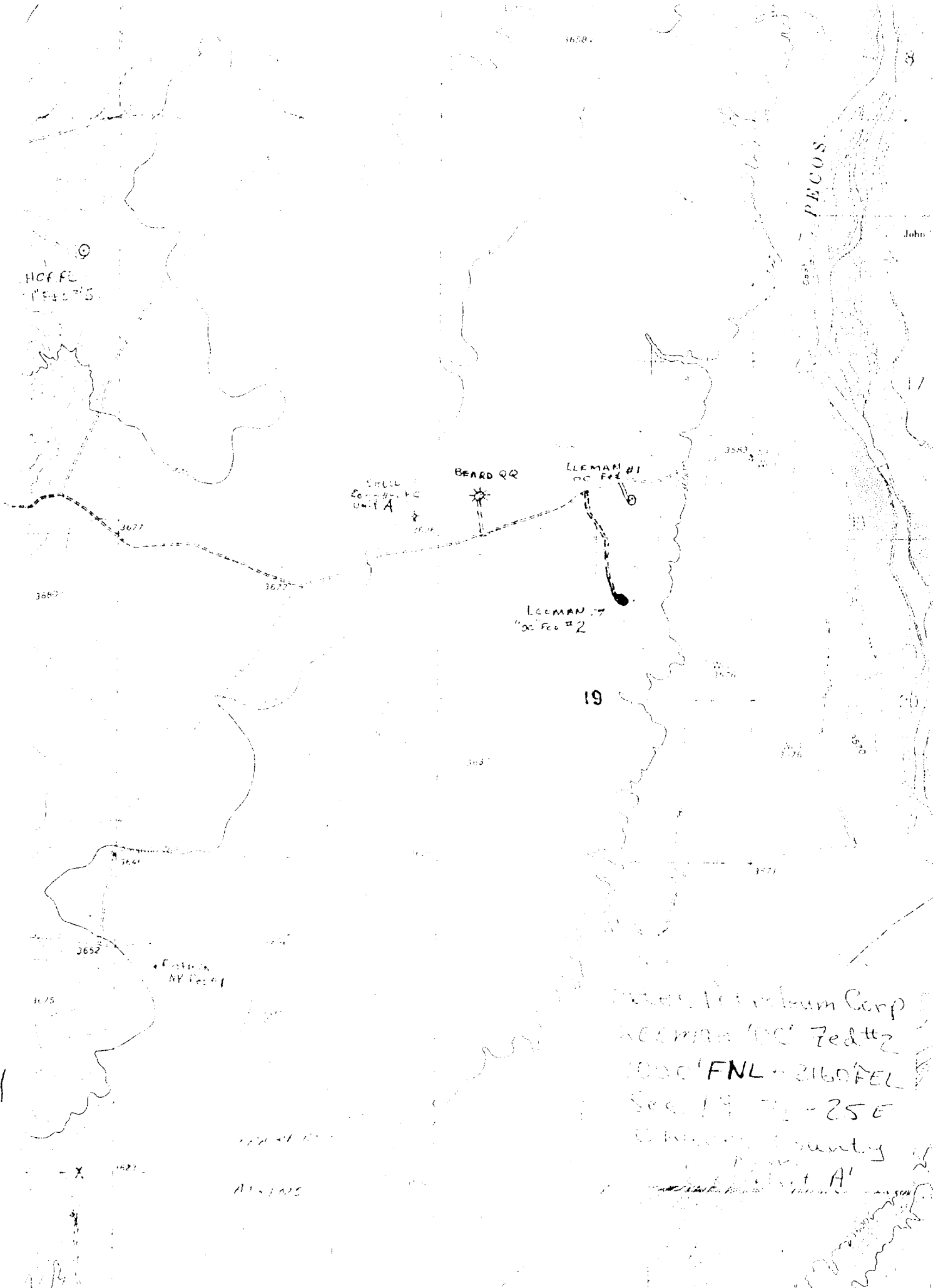
Draw

8-



MOUNTAIN

10



HOFER
"ac" Fee #5

CHILL
"ac" Fee #4
UNIT A

BEARD QR

LEEMAN #1
"ac" Fee #1

LEEMAN #2
"ac" Fee #2

PECOS

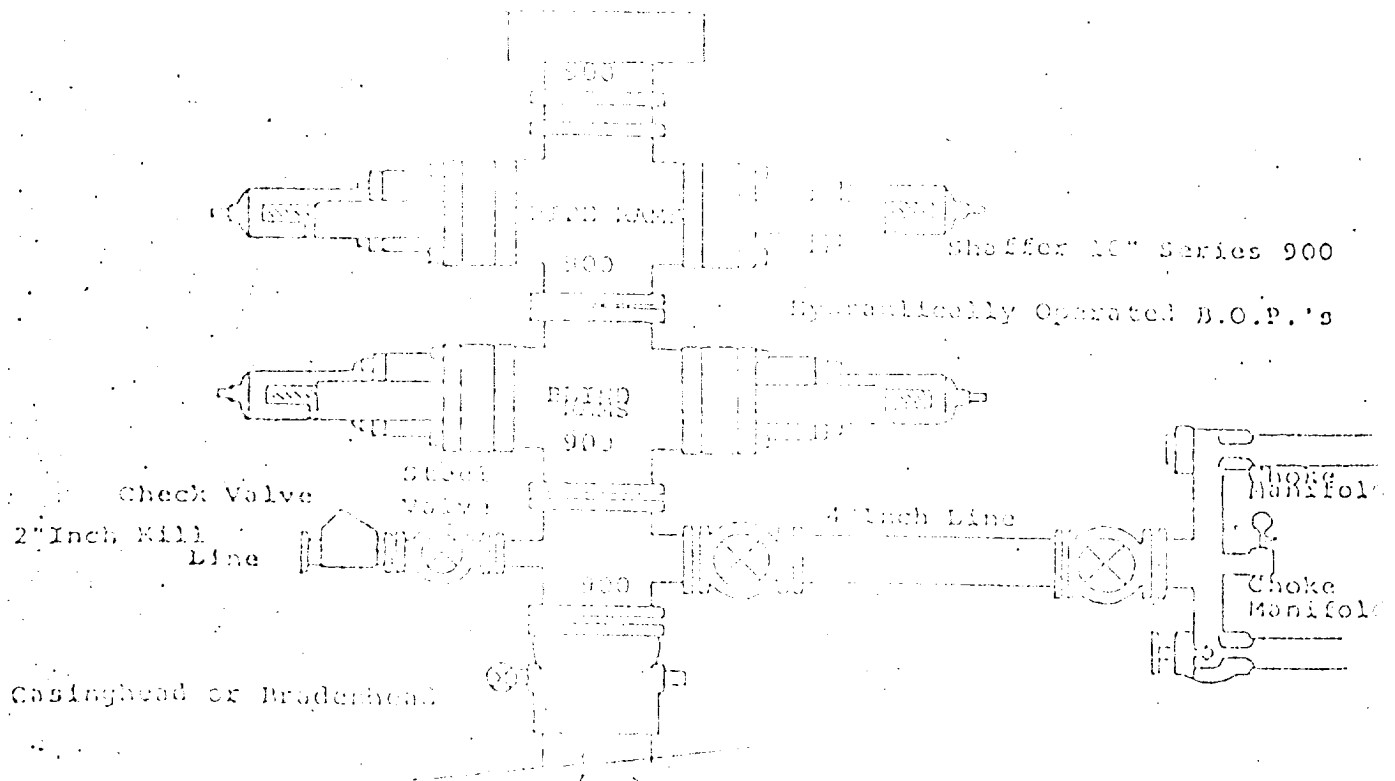
John

19

Castroville
NY Fee #1

Robert L. Lumbum Corp
Leeman "ac" Fee #2
1000' FNL - 2160' FEL
Sec. 19 T2N - 25E
Chisum County
"ac" Fee #1

B



THE FOLLOWING CONSTRUCTION AND EQUIPMENT 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. B. P. float must be installed and used below zone of first gas intrusion.

EXHIBIT C

YATES PETROLEUM CORPORATION

