

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

1980' FNL & 1980' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* U.S. GEOLOGICAL SURVEY

30 miles NNE of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any) 1980'

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.)

3850.6

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. 900'	850 sx. circulated
7 7/8" or 6 1/4"	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 900' 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 990' 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, 900'; Brine to 3500'; Brine & KCL water to TD. MW 10-10.2

BCP PROGRAM: BOP's will be installed at approximately 1500' 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

TITLE Regulatory Manager

DATE 11-10-81

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL

APPROVED

DEC 22 1981

JAMES A. GILLHAM
DISTRICT SUPERVISOR

3. LEASE DESIGNATION AND SERIAL NO.

NM
US 10263

RECEIVED

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

DEC 28 1981

7. UNIT AGREEMENT NAME

O. C. D.

8. FARM OR LEASE NAME

ARTESIA, OFFICE

Thomas "LN" Federal

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Und. Abo

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

Sec. 14-T6S-R25E

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

Posted ID-1
API + NL Book
12-31-81

**1 MEXICO OIL CONSERVATION COMMISS
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-123
Effective 1-1-65

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

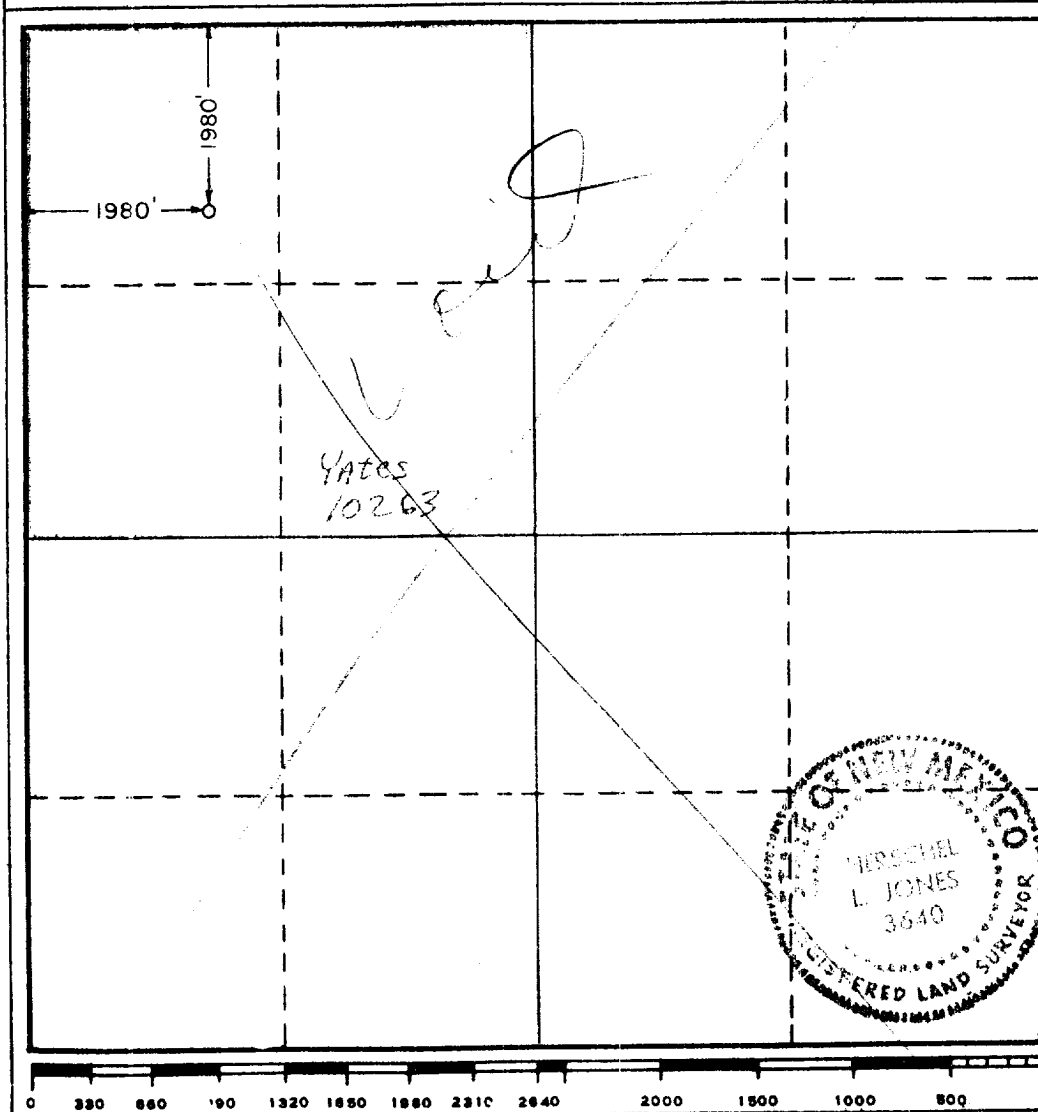
Operator YATES			Lease Thomas LN Fed.			Well No. 3		
Unit Letter A D	Section 14	Township 6 South		Range 25 East	County Chaves			
Actual Footage Location of Well: 1980 feet from the North line and 1980 feet from the West line								
Ground Level Elev. 3860.6'	Producing Formation 430			Pool UNDES ARO		Dedicated Acreage: 160 NW/4 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 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
Reg. Manager
Company
Yates Petroleum
Date
11-6-81

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 23, 1981
Registered Professional Engineer and/or Land Surveyor

Certificate No.

3640

Yates Petroleum Corporation
Thomas "LN" Federal #3
1980' FNL and 1980' FWL
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	506'	Wolfcamp	4289'
Glorietta	1568'	TD	4325'
Abo	3656'		

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

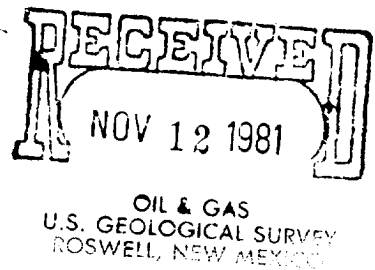
Water: Approximately 370' - 520'

Gas: 3680' - 4275'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: As required:
8. Testing, Logging and Coring Program:

Samples: Surface casing to TD.
DST's: None
Logging: GRN surface to TD
Coring: None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as approved.

Yates Petroleum Corporation
Thomas "LN" Federal #3
Section 14 - T6S - R25E
1980' FNL and 1980' FWL
(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 the procedures to be followed in rehabilitating the surface after completion of the operation; also 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 30 miles NNE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Go to the Powers "OL" Fed #4 location. The new road will start here following the existing ranch road going off the southwest corner of the pad.
2. Continue west for approximately .5 of a mile (crossing pipeline along the way).
3. Location will be to the south approximately .1 of a mile from the rut road.
4. Road will enter the southeast corner of the pad.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately .5 of a mile in length from point of origin to the southeast edge of the drilling pad. The road will lie in a north-to-south direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be watered and bladed. 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 wells to the east & southeast of the location, check exhibit A.

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 from the ranches and will be trucked to the location.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. No material will be used. This 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 on a minor slope so cut and fill may be needed.
- C. The reserve pit will be 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 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 thos 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 or windmills within a mile of the vicinity of the proposed well.
- E. Surface Ownership: The wellsite is on fee surface with federal minerals. Surface owned by Corn Brothers, Inc.
- 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:

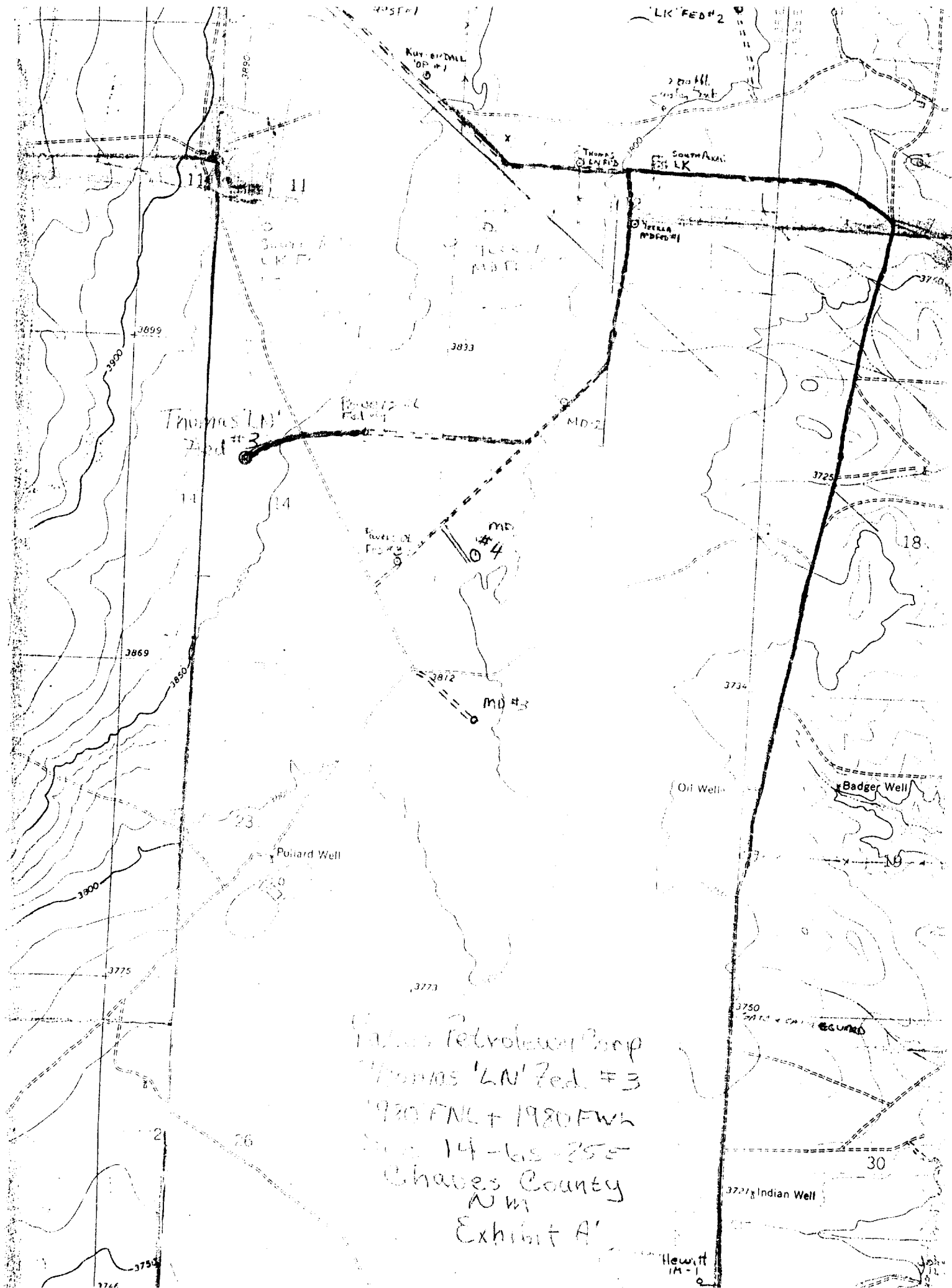
Gliserio "Rod" Rodriguez or Cy Cowan
Yates Petroleum Corporation
207 South 4th Street
Artesia, New Mexico 88210
(505) 746-3558

13. CERTIFICATION.

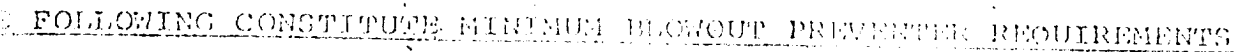
I hereby certify that I, or person under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge true and correct; and, that the work associated with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

Date

Gliserio Rodriguez, Regulatory Manager



ILLEGIBLE



Choke outlet to be a minimum of 4" diameter.

All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.

All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.

Operating controls located a safe distance from the rig floor.

D. P. float must be installed and used below zone of first gas intrusion