

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

30-005-61322

5. LEASE DESIGNATION AND SERIAL NO.

NM 11593

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Red Rock "NB" Federal

9. WELL NO.

3

10. FIELD AND POOL, OR WILDCAT

Undesignated Abo

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

Sec. 15-T6S-R25E

12. COUNTY OR PARISH 13. STATE

Chaves

NM

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 ☐

RECEIVED

2. NAME OF OPERATOR

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

207 S. 4th, Artesia, New Mexico 88210

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

At surface

660' FNL & 1980' FWL

At proposed prod. zone

same

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

32 miles NNE of Roswell, NM

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

660'

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

18. DISTANCE FROM PROPOSED LOCATION*

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

16. NO. OF ACRES IN LEASE

640

19. PROPOSED DEPTH

4300'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

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

3952.8

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

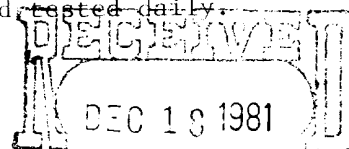
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	40.5# J-55	Approx. 925'	565 sx. circulated
7 7/8" or 6 1/4"	4 1/2" or 5 1/2"	10.5# or 15.5#	TD	350 sx.

We propose to drill and test the Abo and intermediate formations. Approximately 925' of surface casing will be set and cement circulated to shut off gravel and casing. If needed (lost circulation) 7" 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 925', Brine to 3500'. Brine & KCL water to TD. MW 10-10.2.

BOP PROGRAM: BOP's will be installed at approximately 1500' 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 depth, blowout preventer program, if any.

24.

SIGNED

TITLE Reg. Manager

DATE 12/18/81

(This space for Federal or State office use)

PERMIT NO.

(Orig. Sgd.) ROGER A. CHAPMAN

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL

DEC 30 1981

TITLE

DATE

JAMES A. GILLHAM
DISTRICT SUPERVISOR

Posted ID-1
API + NL Book
1-8-82

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.

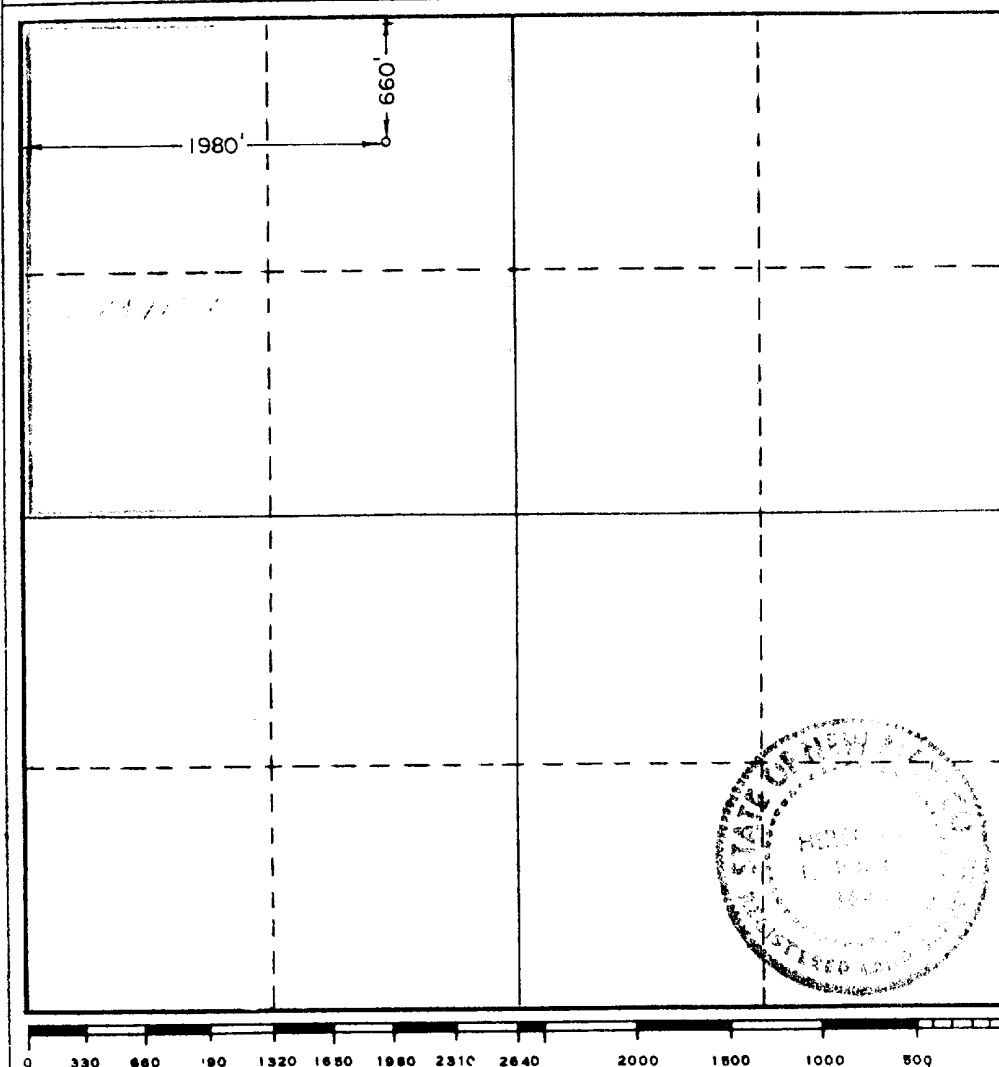
Operator YATES PETROLEUM CORPORATION			Lease Red Rock #B Federal		Well No. 3
Unit Letter C	Section 15	Township 6 South	Range 25 East	County Chaves	
Actual Footage Location of Well: 660 feet from the North line and 1980 feet from the West line					
Ground Level Elev. 3952.8	Producing Formation Abo	Pool Undesignated Abo		Dedicated Acreage: 160 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.

Gliserio Rodriguez
 Name

Gliserio Rodriguez
 Position

Reg. Manager
 Company

Yates Petroleum
 Date

12/2/81

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
 11-25-81

Registered Professional Engineer and/or Land Surveyor

[Signature]

Certificate No.
 3640

Yates Petroleum Corporation
Red Rock "NB" Federal #3
660' FNL & 1980' FWL
Section 15-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 estimated tops of geologic markers are as follows:

San Andres	612'
Glorieta	1629'
Fullerton	3047'
Abo	3683'
TD	4300'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 250' - 350'.

Oil or Gas: Abo 3720' - 4250'.
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 sensors 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.

Coring: As warranted.

Logging: CNL/FDC TD to casing with GR/CNL on to surface and DLL from TD to casing.
9. No abnormal pressures are temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation
Red Rock "NB" Federal #3
660' FNL & 1980' FWL
Section 15-T6S-R25E
Chaves County, New Mexico

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 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 31 miles NNE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTION:

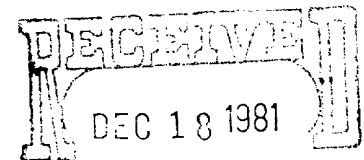
1. Proceed north of Roswell on Highway 285 for a distance of 31 miles.
2. Turn east and go approximately 7.5 miles. Turn southeast at fork in road.
3. Go 1.4 miles to cattleguard turn south through cattle guard.
4. Stay on main lease road for 1.6 miles to Skinny "QO" State #2 location.
5. At southeast corner of Skinny location, the new road will start.

2. PLANNED ACCESS ROAD.

- A. Go approximately 1.3 miles east to location. Road will enter southwest corner of pad.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side. No turnouts will be built.
- D. The new route 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 the wellsite. See Exhibit A.



OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are production facilities on this lease.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is production 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 production 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 a water hauling company and trucked to the location.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Any material required for construction of the drilling pad and the new access road will be obtained from a pit located in the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 22-T5S-R24E. The pit has been cleared by the 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 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 operations 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.
- B. All trash and debris will be buried or removed from the wellsite within 90 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.
- B. The location surface is slightly sloping. Cut and fill will be required on location.
- 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.
- B. 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 level within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is slightly sloping. 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 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 five miles east.
- D. There are no inhabited dwellings in the area. See Exhibit A.
- 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, Cy Cowan or Ken Beardemphl
Yates Petroleum Corporation
207 St 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 Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

12/18/81
DATE

Gliserio Rodriguez, Reg. Manager

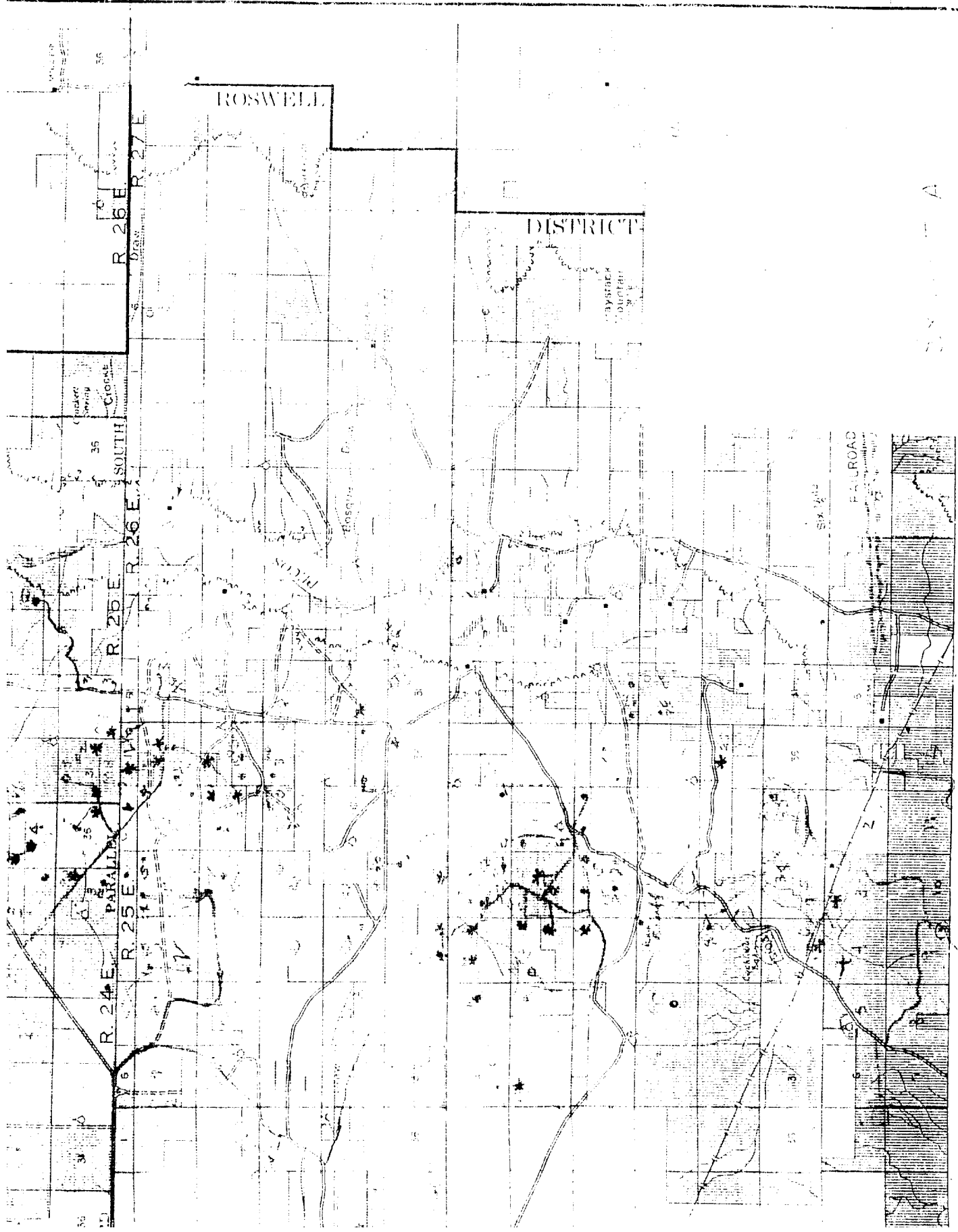
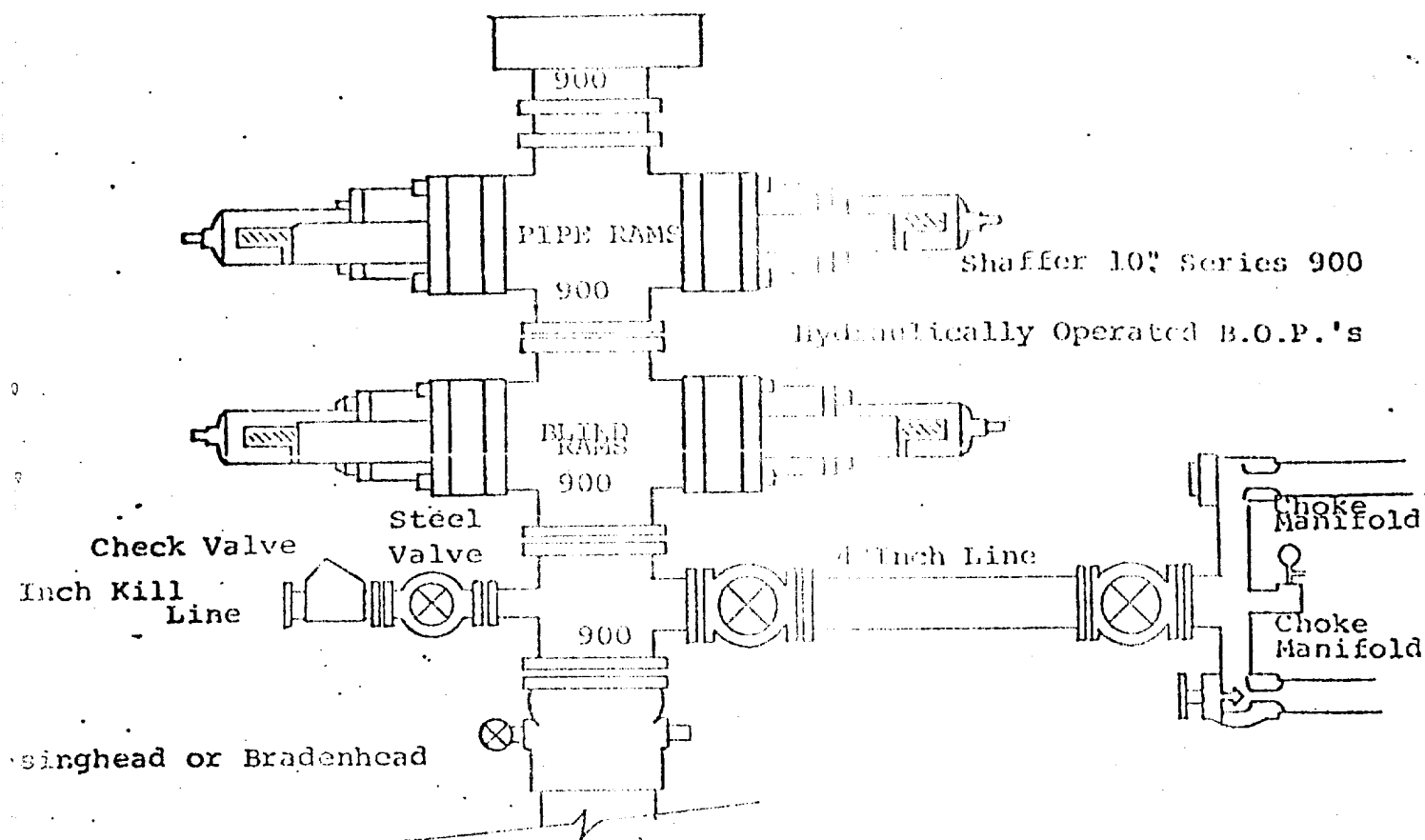


EXHIBIT B



THE 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.