

NM OIL CONS. COMMISSION

Dr: DD

Artesia, NM 88210

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN 1 ICATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.

30-005-61390

C/SF
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK1a. 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, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 660' FSL & 1980' FEL

At proposed prod. zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 28 miles NNE 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.

1200'

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

3602.1 GL

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. 900'	700 sx. circulated
7 7/8" or 6 1/2"	4 1/2"	9.5#	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 caving. 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 to approximately 900', Brine to 3500'. Brine & KCL water to TD.

BOP PROGRAM: BOP's will be installed at approximately 900' 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 1/11/82

(This space for Federal or State office use)

APPROVED

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL

FEB 2 1982

JAMES A. GILLHAM
DISTRICT SUPERVISORAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DATE

5. LEASE DESIGNATION AND NUMBER

NM 18822

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

FEB 4 1982

7. UNIT AGREEMENT NAME

O. C. D.

8. FARM OR LEASE NAME

Leeman "OC" Federal

9. WELL NO.

3

10. FIELD AND POOL OR WILDCAT

Undesignated Abo

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

U-0

Sec. 19-T7S-R26E

12. COUNTY OR PARISH

Chaves

13. STATE

NM

17. NO. OF ACRES ASSIGNED
TO THIS WELL

160

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

Posted ID-1
API + NL Book
2-5-82

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-128
Effective 1-1-85

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

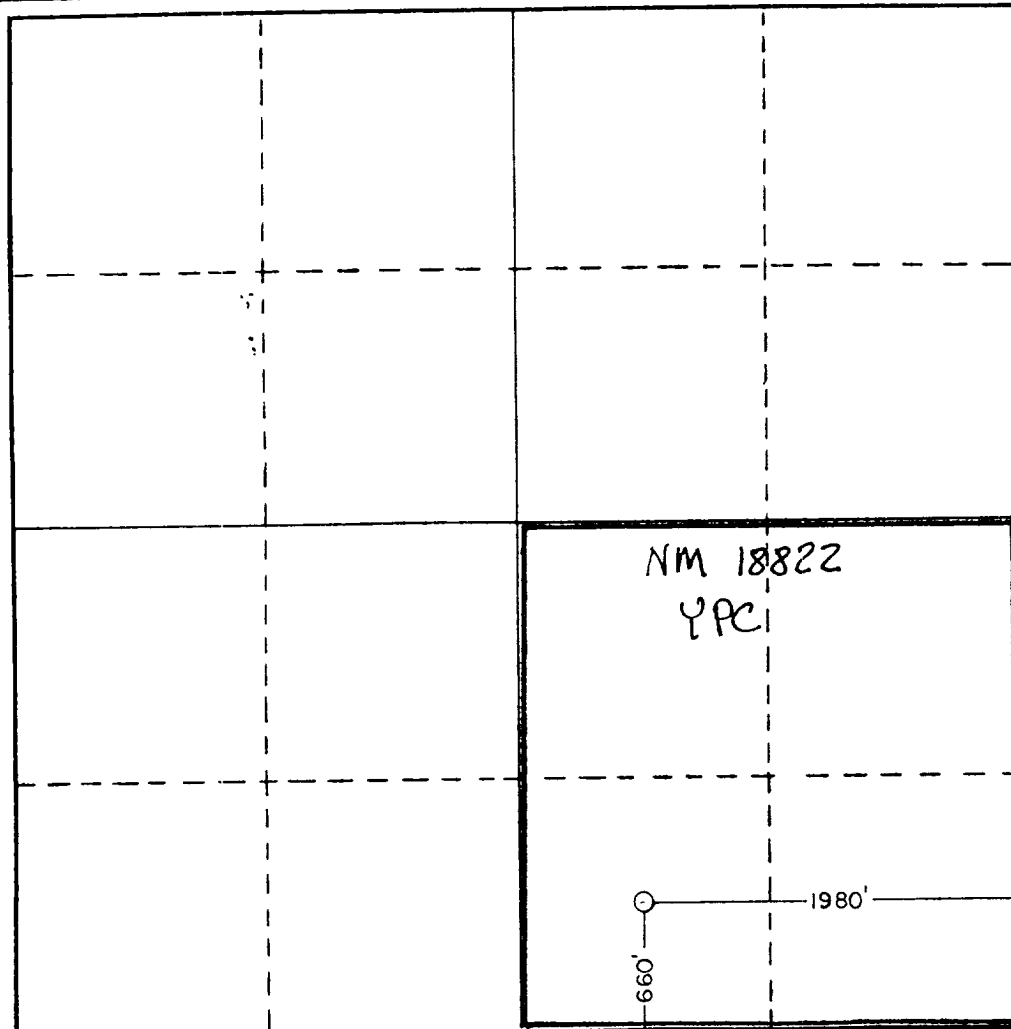
Operator YATES PETROLEUM CORP.			Lease Leeman OC Federal		Well No. 3
Unit Letter 0	Section 19	Township 7 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 660 feet from the South line and 1980 feet from the East line					
Ground Level Elev. 3602.1	Producing Formation Abo		Pool <i>Pecos Horne</i> Undesignated 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.

Gliserio Rodriguez
Name

Gliserio Rodriguez

Position

Regulatory Manager

Company

Yates Petroleum Corporation

Date

12/15/81

I hereby certify that the location shown on this plat was plotted from field notes of actual surveys made by or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed

December 11, 1981

Registered Professional Engineer and/or Land Surveyor

Herschel Jones

Certificate No.

3640

Yates Petroleum Corporation
Leeman "OC" Federal #3
660' FSL & 1980' FEL
Section 19-T7S-R26E

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 estimated tops of geologic markers are as follows:

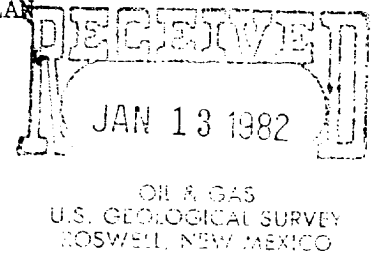
San Andres	450'
Glorietta	1552'
Fullerton	2985'
Abo	3672'
TD	4250'
3. The estimated depths at which anticipated water, oil, or gas formations are expected to be encountered:

Water: Approximately 70 - 150'
Oil or Gas: Abo - 3685'
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 connections.
8. Testing, Logging and Coring Programs:

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 DLL from TD to casing with selected min. $R_x O_x$.
Coring: None
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation
Leeman "OC" Federal #3
660' FSL & 1980' FEL
Section 19-T7S-R26E
(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 $9\frac{1}{2}$ miles. Turn east on ranch road for about 2.8 miles passing Mesa's Charlotte Federal #1. Continue going east for approximately .5 of a mile.
3. The access road will begin here going in a northerly direction then turning east going into the SW corner of the drilling pad.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately .3 of a mile in length from point of origin to the southwest edge of the drilling pad.
- 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. Mesa has one location south and the Charlotte Federal #1 is approximately .5 of a mile to the southwest. Yates Leeman "OC" #2 is approximately 1 mile north, and proposed Nickey "RF" #1 is west of this location.

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 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 blade. If caliche is needed will get it from a federal pit located in SE/4 section 1-T8S-R24E.

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 materials 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 made up of sand dunes. A minor cut and fill may be needed on the location.
- C. The reserve pits will be plastic lined.
- D. 1 400' 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 level 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. Crowford Ranch is east of the wellsite.
- E. Surface Ownership: The wellsite is on Federal surface with Federal minerals.
- F. There is no evidence of any archaeological, historical or cultural sites in the area.

12. OPERATOR'S REPRESENTATIVE.

- A. The field representatives responsible for assuring compliance with the approved surface use plan are:

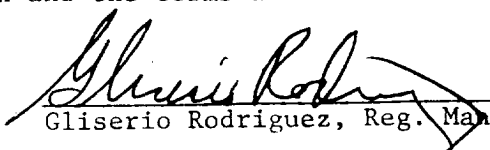
Gliserio "Rod" Rodriguez, Cy Cowan, or Ken Beardemphl
Yates Petroleum Corporation
207 S. 4th
Artesia; New Mexico 88210
(505) 746-3558

13. CERTIFICATION.

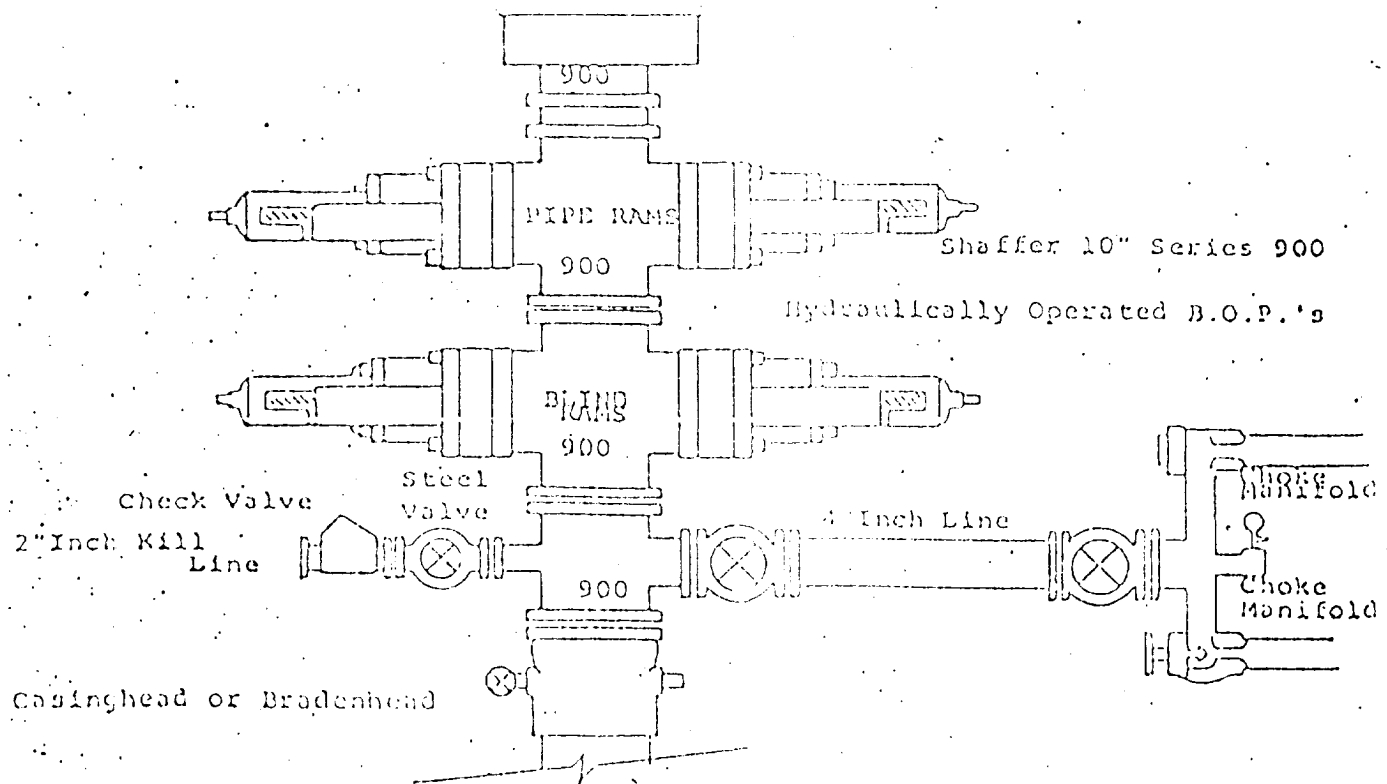
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and that the work associated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

2/11/82

Date


Gliserio Rodriguez, Reg. Manager

B



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.