

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED

C/SF
APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM-2357	
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME MAR 15 1982	
2. NAME OF OPERATOR Yates Petroleum Corporation		7. UNIT AGREEMENT NAME O.C.D. ARTESIA, OFFICE	
3. ADDRESS OF OPERATOR 207 E. 4th St. Artesia, New Mexico 88210		8. FARM OR LEASE NAME Federal "HJ"	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1980' FSL & 1980' FWL At proposed prod. zone Same		9. WELL NO. 4	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 42 road miles from Roswell, New Mexico northeast.		10. FIELD AND POOL, OR WILDCAT Undesignated Abo	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1980'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 31-T6S-R26E	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2900'		12. COUNTY OR PARISH Chaves	
16. NO. OF ACRES IN LEASE 1140		13. STATE New Mexico	
19. PROPOSED DEPTH 4300'		17. NO. OF ACRES ASSIGNED TO THIS WELL 160	
20. ROTARY OR CABLE TOOLS Rotary		22. APPROX. DATE WORK WILL START* ASAP	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3687 GR			

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. 950'	625 Sx Circulated
7 7/8"	4 1/2"	10.5#	4300'	350 Sx

We propose to drill and test the Abo and intermediate formations. Approximately 950' 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 950'. Brine to 3200'. Brine and KCL water to TD.

BOP PROGRAM: BOP's will be installed on the 8 5/8" 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 James A. Gillham Agent for:
TITLE Yates Petroleum Corporation DATE February 27, 1982

(This space for Federal or State office use)

PERMIT NO.

APPROVED BY

CONDITIONS OF APPROVAL

APPROVED

MAR 2 1982

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

DATE

*See Instructions On Reverse Side

Posted ID-1
API + NL Book
3-19-82

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.

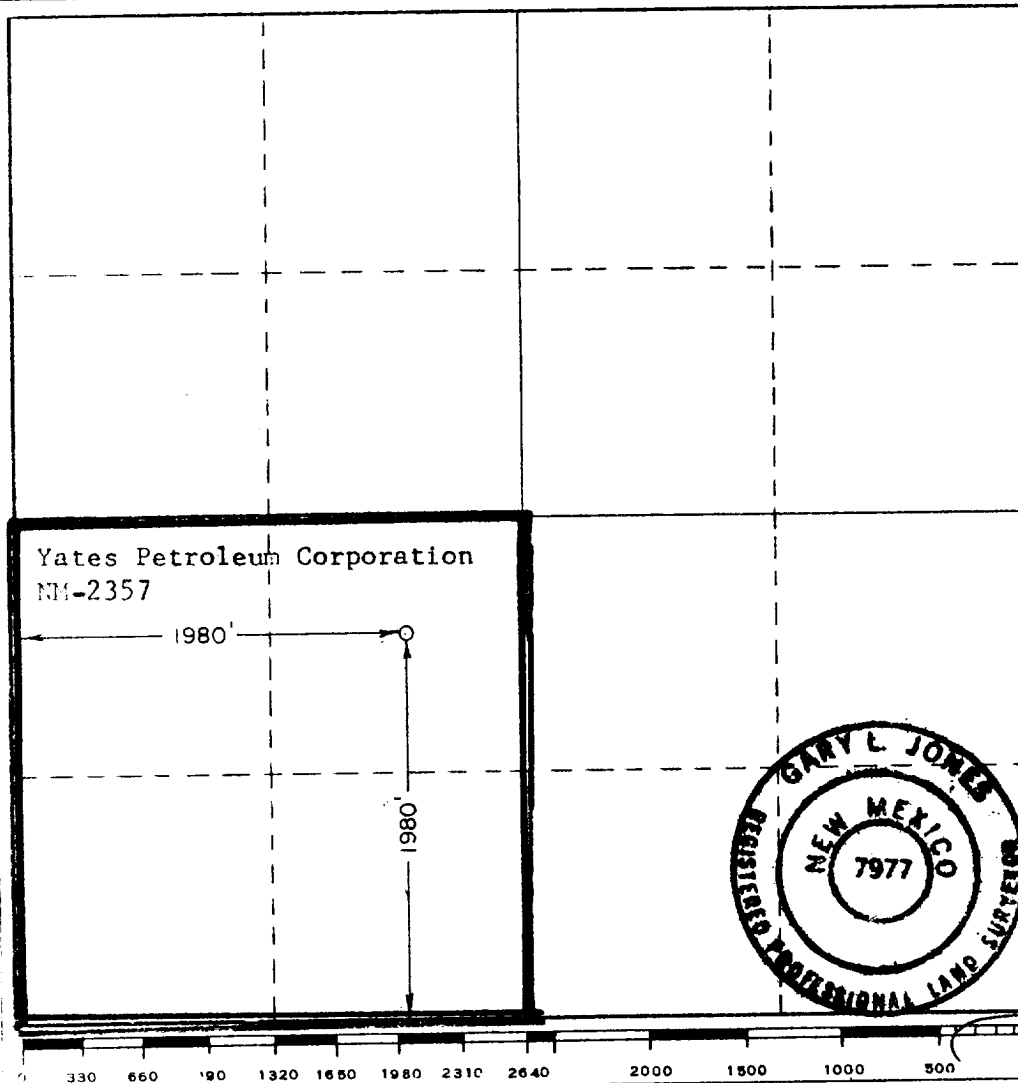
Operator YATES PETROLEUM CORPORATION			Lease Federal "HJ"		Well No. 4
Unit Letter K	Section 31	Township 6 South	Range 26 East	County Chaves	
Actual Footage Location of Well:					
1980 feet from the South line and		1980 feet from the West line			
Ground Level Elev. 3687.0	Producing Formation ABO	Pool Pecos Slope 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.

[Signature]
Name

GLISERIO RODRIGUEZ
Position

REG MGR
Company
YATES PETROLEUM

Date
2-26-82

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

February 19, 1982

Registered Professional Engineer
and/or Land Surveyor

[Signature]
Certificate No.

7977

APPLICATION FOR DRILLING

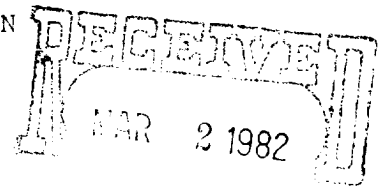
YATES PETROLEUM CORPORATION
Federal "HJ", Well No. 4
1980' FSL & 1980' FWL, Sec. 31-T6S-R26E
Chaves County, New Mexico
Lease No.: NM-2357
(Exploratory Well)

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following items of pertinent information in accordance with USGS requirements:

1. The geologic surface formation is Permian with quaternary alluvium and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

San Andres	779'
Glorieta	1592'
Fullerton	2857'
Abo	3662'
T. D.	4300'
3. The estimated depth at which anticipated water, oil or gas formations are expected to be encountered:
Water: Approximately 250 - 300 feet for surface water.
Oil: Possibly in the San Andres between 1000-1100 feet.
Gas: Abo at approximately 3692 feet.
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit "E".
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level monitor and flow sensor equipment, sub with full-opening valve on floor, drill pipe connections.
8. Testing, Logging and Coring Program:
Samples: Surface casing to TD.
Drill Stem Tests: As warranted.
Coring: As Warranted.
Logging: CNL-FDC Surface Casing to TD
 GR-CNL Surface to TD
 DLL Surface Casing to TD
9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered, the proposed mud program will be modified to increase the mud weight.
10. Anticipated starting date: As soon as possible after approval.
Anticipated completion of drilling operations: Approximately 10 days.

YATES PETROLEUM CORPORATION
Federal "HJ", Well No. 4
1980' FWL & 1980' FSL, Sec. 31-T6S-R26E
Chaves County, New Mexico
Lease No.: NM-2357
(Exploratory Well)



This plan is submitted with the Application for Permit to Drill the above described well. The purpose of the plan is to describe the location of the proposed well, the proposed construction activities and operations plan, to be followed in rehabilitating the surface after completion of the operation so that a complete appraisal can be made of the environmental effects associated with the operations.

1. EXISTING ROADS:

- A. Exhibit "A" is a portion of a Chaves County road map showing the direction to the well as staked. The well is approximately 42 miles northeast of Roswell, New Mexico by road. The 42 miles will consist of 26 miles of U. S. Highway 285 north of Roswell and 16 miles of county dirt road.
- B. Directions: Travel north of Roswell on U. S. Highway 285 24.2 miles from the U. S. Highway 285/70 overpass. Turn east onto the Cottonwood ranch road which is county maintained. Continue east on this road for 15.2 miles to a fork in the road. Turn right (south) for .7 mile. The proposed access will start at this point on the left (east) side of the road. The location is approximately 1000 feet east of the county road. The new access road and proposed location are staked and flagged.

2. PLANNED ACCESS ROAD:

- A. Length and Width: The new access road will be 12 feet wide (20' ROW) and approximately 900 feet in length. The proposed access road has been staked and flagged.
- B. Construction: The new road will be constructed by grading, watering, and compacting using the existing surface material. There will drainage on one side.
- C. Turnouts: None will be required, however the road will be widened at the point of origin at the county road.
- D. Culverts: None required.
- E. Cuts and fills: None required.
- F. Gates, Cattleguards: None required.

3. LOCATION OF EXISTING WELLS:

- A. Existing wells within a two mile radius are shown on Exhibit "C".

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on this lease at the present time.
- B. If the well proves to be commercial, the necessary production facilities, gas separation-process equipment and tank battery will be installed on the drilling pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with fresh water. The water will be obtained from private or commercial sources and will be transported over the existing and proposed access roads.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. The existing surface material will be used for surfacing the new access road and drill site pad as much as possible. In the event that additional caliche or gravel is required, it will be obtained from a private pit in the SE $\frac{1}{4}$, SE $\frac{1}{4}$ of Sec. 30-T6S-R26E. Top soil from the location will be stockpiled near the location for future rehabilitation use. No surface materials will be disturbed except for those necessary for actual grading and leveling of the drill site and access road.

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. All pits will be fenced with normal fencing materials to prevent livestock from entering the area.
- D. 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 approval.
- E. Oil produced during operations will be collected in tanks until sold.
- F. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- G. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches of dirt. All waste material will be contained to prevent scattering by the wind.
- H. All trash and debris will be removed from the well site or buried within 30 days after finishing drilling and/or completion operations.

8. ANCILIARY FACILITIES:

- A. None required.

9. WELLSITE LAYOUT:

- A. Exhibit "D" shows the relative location and dimensions of the well pad, reserve pit and major rig components. The pad and pit area has been staked and flagged.
- B. Mat Size: 270' X 240', including the reserve pits. The reserve pits will be placed to the east to avoid a 50' x 50' archaeological site in the northwest corner of the 400' x 400' area.
- C. Cut and Fill: There will be a 2 - 3 foot cut on the west side which will be filled to the east due to the west to east slope of the terrain.
- D. The surface will be topped and compacted with the existing surface and pit materials. The reserve pit will be plastic lined.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After completion of drilling and/or completion operations all equipment and other material not used for operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite in an aesthetically pleasing a condition as possible.
- B. Any unguarded pits containing fluids will be fenced until filled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management and the Minerals Management Service will be complied with and will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. Topography: The land surface in the vicinity of the wellsite is sloping from west to east at 2 - 3 feet per hundred feet.
- B. Soil: The topsoil at the wellsite is a sandy loam with gravel. The arch. site is a rock quarry on the NW corner.
- C. Flora and Fauna: The vegetative cover consist of mesquite, creosote, yucca, cacti and broom snakeweed along with a sparse grass cover consisting of tobosa, grama, muhly and other miscellaneous grasses. Wildlife in the area is that typical of semi-arid desert land and includes coyotes, rabbits, rodents, reptiles, dove and quail.
- D. Ponds and Streams: None within a mile.
- E. Residences and Other Structures: There is a ranch house approximately one mile southeast of the location and a tank battery 2500 feet south.
- F. Land Use: Cattle grazing.
- G. Surface Ownership: Proposed location and access road on Federal surface.
- H. There is a 50' x 50' rock quarry arch. site in the NW corner or the 400 X 400 foot area. The pad has been turned to avoid this site. An archaeological survey has been conducted by New Mexico Archaeological Serv. of Carlsbad, NM and their report has been submitted BLM, MMS and NM state.

12. OPERATOR'S REPRESENTATIVE:

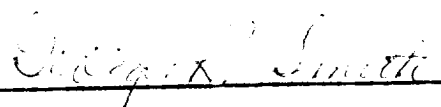
- A. The field representative responsible for assuring compliance with the approved surface use and operations plan is as follows:

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

13. CERTIFICATION:

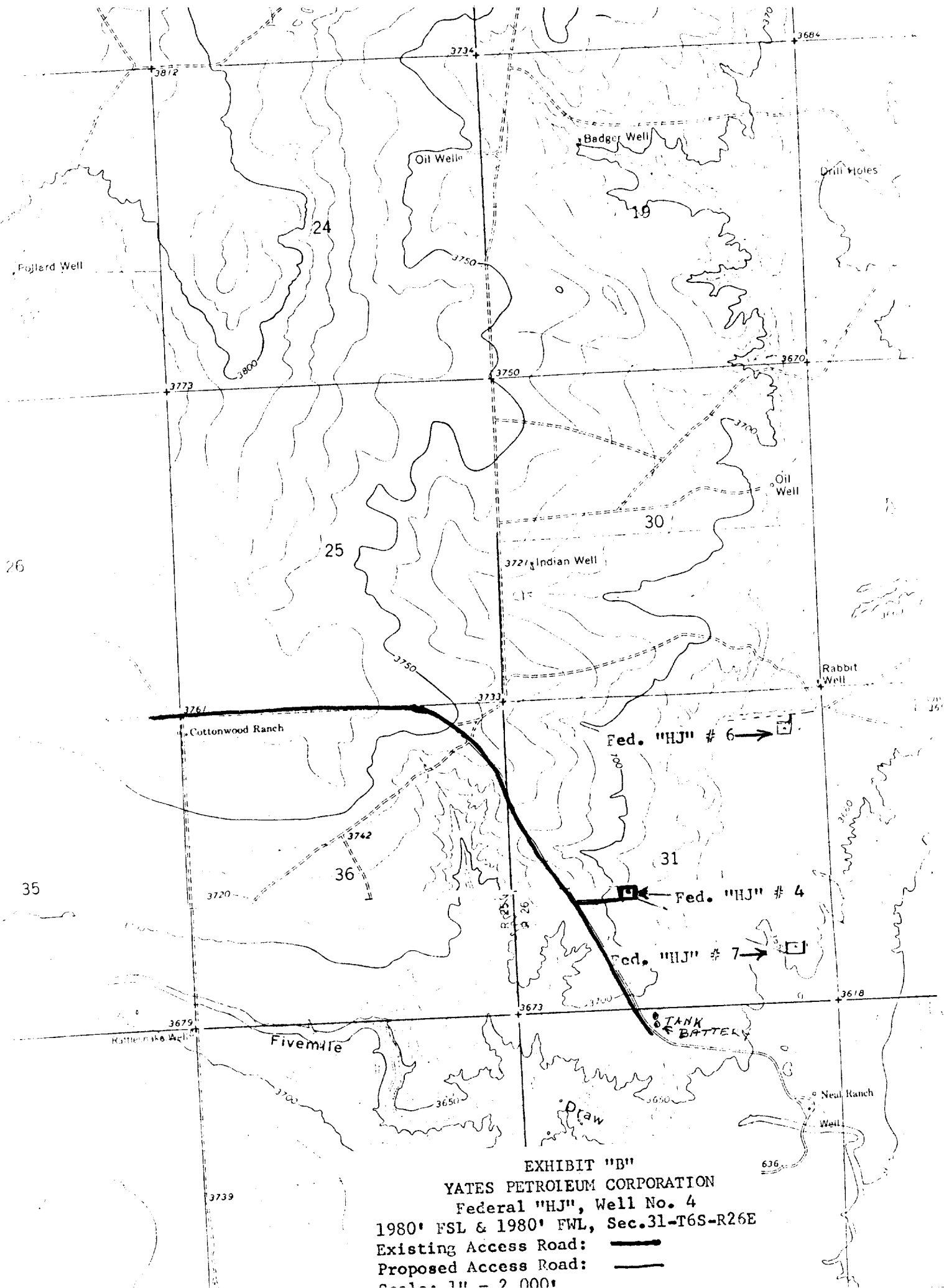
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in the plan are, to the best of my knowledge true and correct; and that the work associated with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

February 27, 1982


George R. Smith
Agent for:
Yates Petroleum Corporation

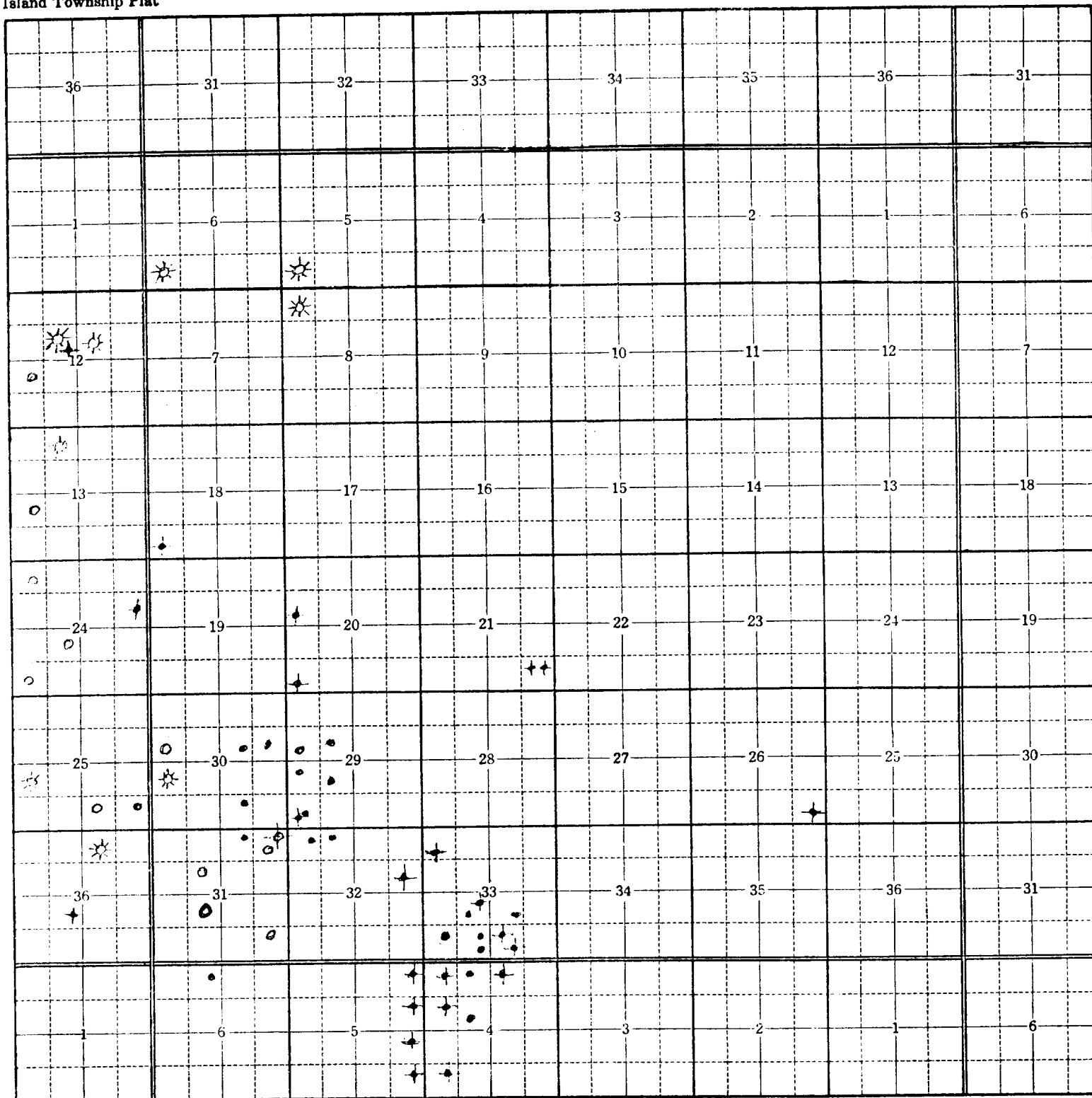


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Township 6S, Range 26E, County CHAVES, State N.MEX.

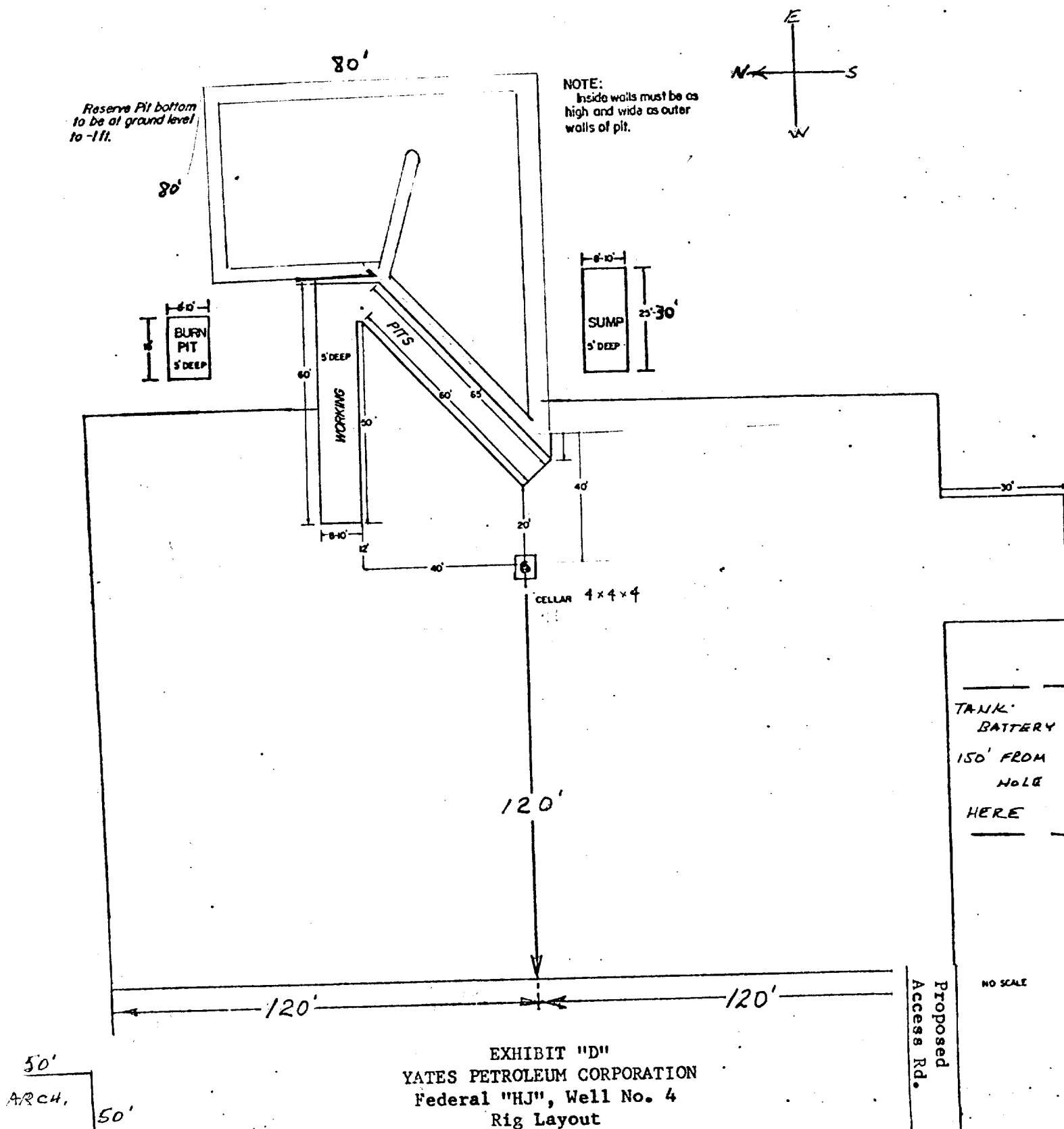
Island Township Plat

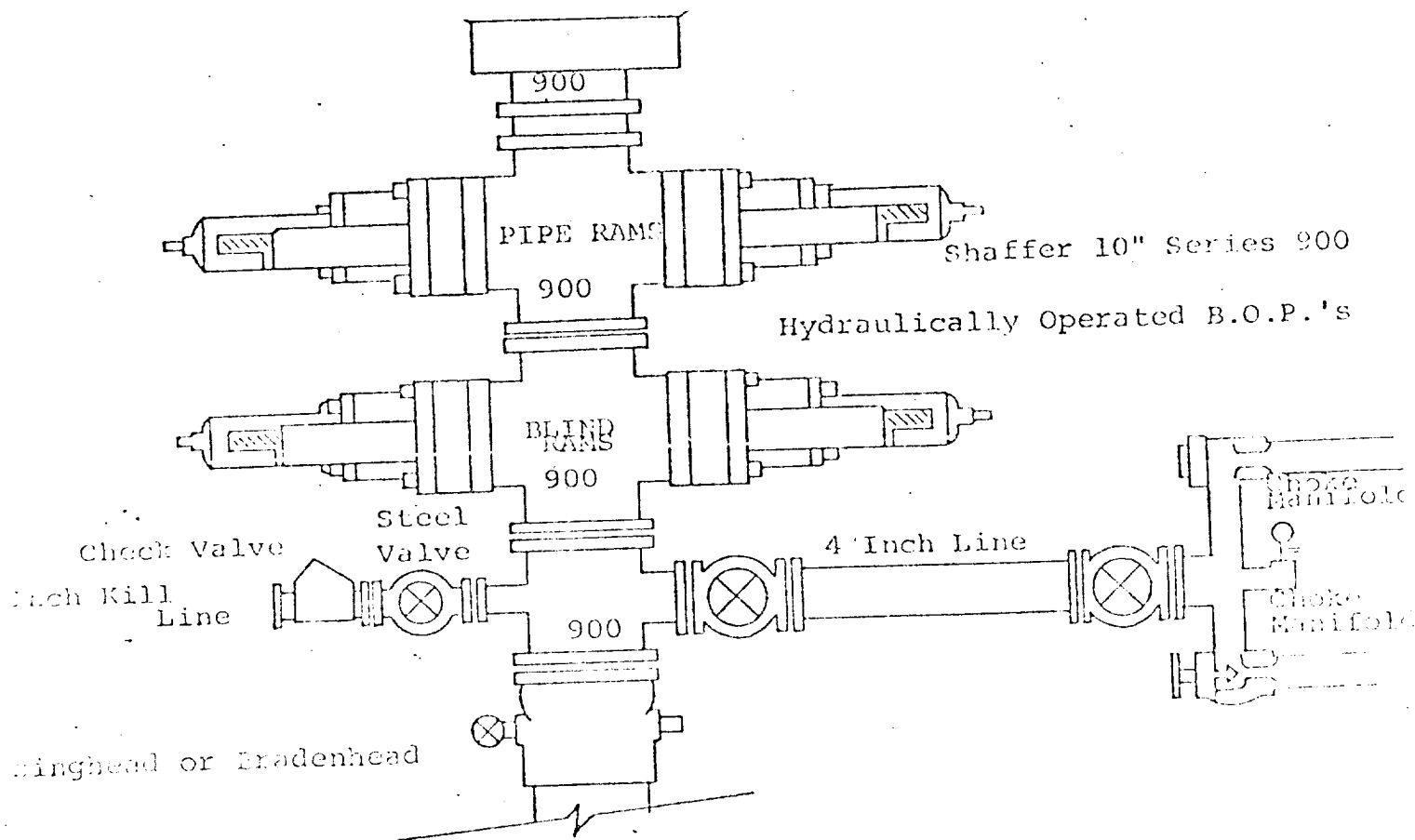


- Producing Oil Well
- ★ Plugged or Abandoned Oil Well
- ☀ Producing Gas Well
- ⊗ Plugged or Abandoned Gas Well
- Well Drilling or Applied For

EXHIBIT "C"
YATES PETROLEUM CORPORATION
Federal "HJ", Well No. 4
Existing Wells

YATES PETROLEUM CORPORATION





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.
- B. O. P. float must be installed and used below zone of first gas intrusion.