

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

C/SF

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

2. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

Vates Petroleum Corporation

4. ADDRESS OF OPERATOR

207 S. 4th, Artesia, New Mexico 88210

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

At surface 660' FSL and 660' FSL

At proposed prod. zone

same

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

16 miles ENE of Roswell, New Mexico.

7. DISTANCE FROM PROPOSED

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drg. unit line, if any)

660'

8. DISTANCE FROM PROPOSED LOCATION

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

9. NO. OF ACRES IN LEASE

866.14

10. NO. OF ACRES ASSIGNED TO THIS WELL

160

11. ELEVATIONS (Show whether DP, BP, GIL, etc.)

3752.8

12. PROPOSED DEPTH

4625'

13. ROTARY OR CABLE TOOLS

Rotary

14. APPROX. DATE WORK WILL START

ASAP

15.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	10 3/4"	40.5# J-55	950'	625 sx circulated
7 7/8"	4 1/2"	9.5#	TD	350 sx

Posted ID-1
API + NL Book
4-23-82

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) 8 5/8" intermediate casing will be run to 1500' and cemented with enough cement calculated to tie back into the surface casing. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated 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 at the offset and tested daily.

GAS NOT DEDICATED.

RECEIVED

APR 16 1982

O. C. D.

ARTESIA, OFFICE

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 blow out preventer program, if any.

16.

SIGNED

Ken Brander

TITLE Regulatory Coordinator

DATE 3/25/82

OTHER (Name for Federal or State Oil - Use)

PERMIT NO.

(Orig. 384) GEORGE H. STEWART

APPROVAL DATE

APPROVED BY

APR 1 1982

TITLE

DATE

FOR

JAMES A. GRHAM
DISTRICT SUPERVISOR

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.

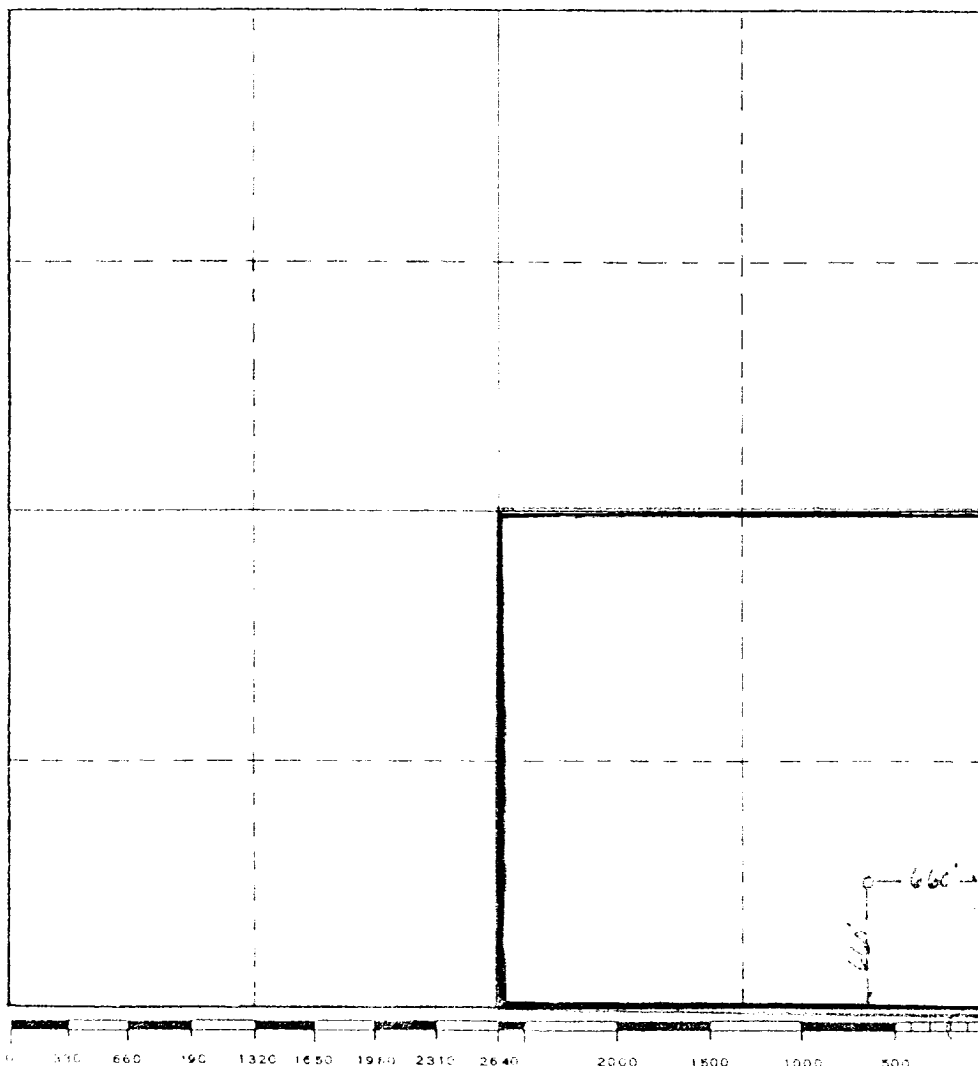
Operator YATES PETROLEUM CORPORATION			Lease Catterson "SS" Federal		Well No. 1
Section Letter P	Section 21	Township 7 South	Range 26 East	County Chaves	
Actual Plotting Location of Well: 660 feet from the South line and 660 feet from the East line					
Ground Level Elev. 3752.8	Producing Formation Abo		Foot Undes. Pecos Slope 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.

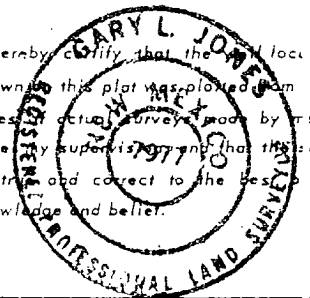


CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Ken Beardemphl
Position
Regulatory Coordinator
Company
Yates Petroleum Corporation
Date
3/29/82

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
March 26, 1982
Registered Professional Engineer
and/or Land Surveyor

Certificate No.
7977

YATES PETROLEUM CORPORATION

Patterson "SS" Federal #1
660' FSL and 660' FEL
Section 21-T7S-R26E
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	694'
Glorieta	1624'
Fullerton	3264'
Abo	4032'
TD	4625'

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

Water: approximately 260'-330'

Oil or Gas: Abo 4050'

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

Coring: None anticipated

Logging: CNL-FDL TD to casing with GR-CNL on no surface and DLS from TD to casing with RAO.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

EXHIBIT B



WELL CONTROL SYSTEM REQUIREMENTS

- 1. All prevention of blowout devices shall be under manual controls installed prior to drilling out from the casing.
- 2. Choke outlet shall be marked and labeled.
- 3. Kill line to be installed and constructed of 1/2 inch diameter.
- 4. All connections from the wellhead to the rig floor to be all steel, both on the wellhead and on the rig floor.
- 5. The outlet of the kill line shall be located at least 10 feet from the wellhead and shall be marked and labeled.
- 6. All connections to and from prevention devices shall be equivalent to that of the wellhead.
- 7. Inside layout preventer to be installed on the rig floor.
- 8. Operating controls shall be under manual control on the rig floor.
- 9. Hole must be kept filled on rig floor during casing running. Operator not responsible for loss of cement or loss of casing hole fill.
- 10. D. P. float shall be installed and must be tested for gas intrusion.

30-005-61941

