

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

C/SF

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 S. 4th, Artesia, New Mexico 88210

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

At surface

1980' FNL and 660' FEL

At proposed prod. zone
same

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

29 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)

660'

16. NO. OF ACRES IN LEASE

80

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

3950'

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

4014.2' GL

23.

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 | Appr. 900' | 600 sx circulated |
| 7 7/8" | 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) 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 900', Brien to 3500', Brine & KCL water to TD.

BOP PROGRAM: BOP's will be installed at the offset 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 Coordinator

DATE

4/15/82

(This space for Federal or State official use)

APPROVED STEWARD

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL:

FOR

JAMES A. GILLHAM
DISTRICT SUPERVISOR

TITLE

DATE

5. LEASE DESIGNATION AND RECEIVED

NM-29413

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

MAY - 4 1982

7. UNIT AGREEMENT NAME

O. C. D.

8. FARM OR LEASE NAME ARTESIA OFFICE

Two Jacks "TM" Federal

9. WELL NO.

1

10. FIELD AND POOL, OR WILDCAT

Undes. Pecos Slope Abo

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

Sec. 33-T6S-R24E

12. COUNTY OR PARISH 13. STATE

Chaves

NM

MEXICO OIL CONSERVATION COMMISS
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.

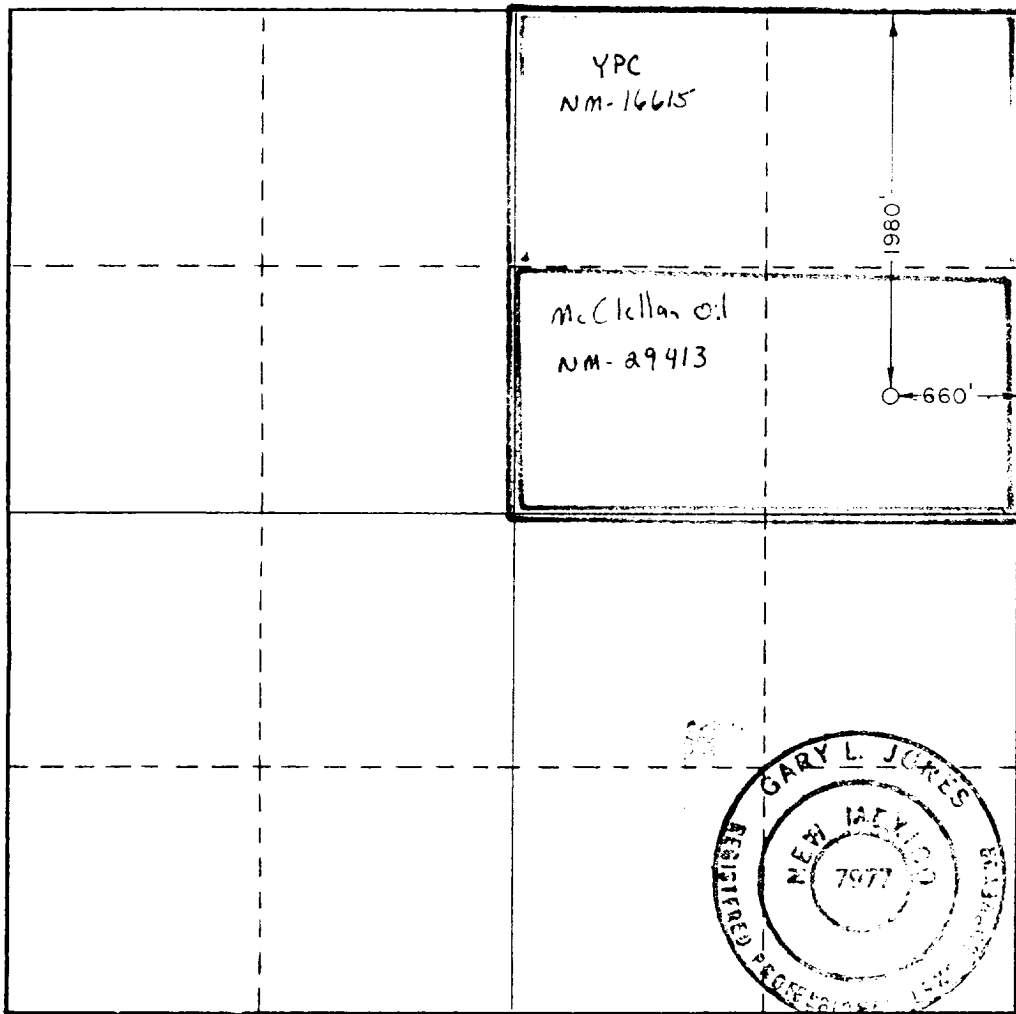
| | | | | | |
|---|-----------------------------------|----------------------------|--|-------------------------|--|
| Operator YATES PETROLEUM CORPORATION | | | Lease Two Jacks "TH" Federal | | Well No. 1 |
| Unit Letter H | Section 33 | Township 6 South | Range 24 East | County Chaves | |
| Actual Footage Location of Well: 1980 feet from the North line and 660 feet from the East line | | | | | |
| Ground Level Elev. 4014.2' | Producing Formation Abo | | Pool Undes. 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 to be communitized

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.

Ken Beardemphl

Name

Ken Beardemphl

Position

Regulatory Coordinator

Company

Yates Petroleum Corp.

Date

4/19/82

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

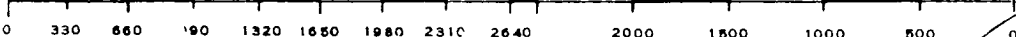
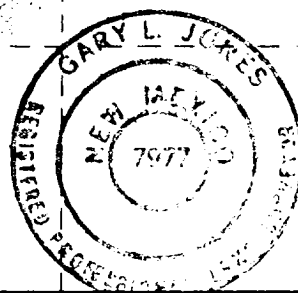
March 30, 1982

Registered Professional Engineer and/or Land Surveyor

[Signature]

Certificate No.

7977



YATES PETROLEUM CORPORATION

Two Jacks "TM" Federal #1
1980' FNL and 660' FEL
Sec. 33-T6S-R24E

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 | 100' |
| Glorieta | 1078' |
| Fullerton | 2520' |
| Abo | 3364' |
| TD | 3950' |

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

Water: Approximately 250-300'

Oil or Gas: Abo 3390'

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

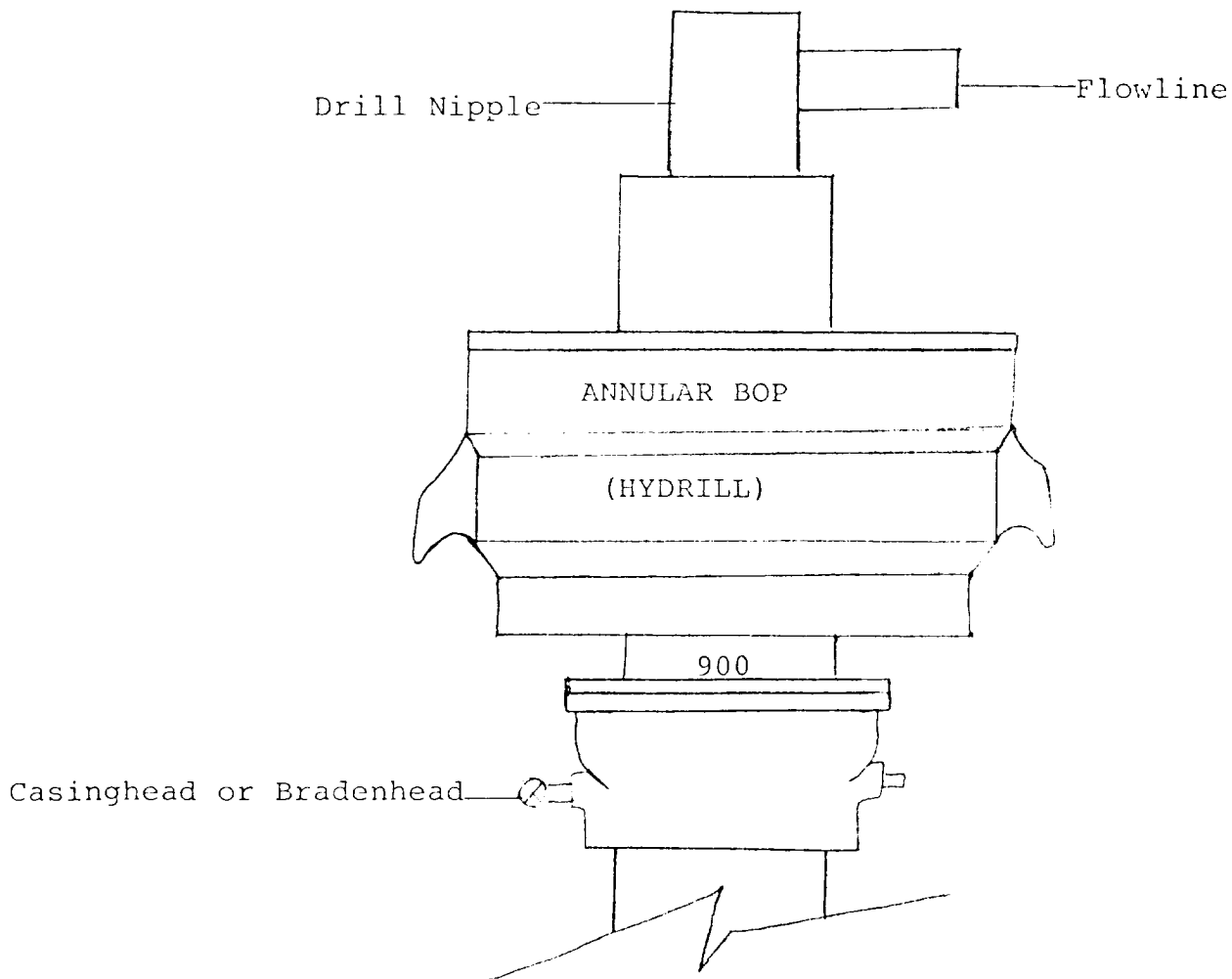
Coring: none

Logging: CNL-FDC TD to casing w/GR-CNL onto surface & DLL from TD to csg.

9. No abnormal pressures or temperatures are anticipated.

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

Exhibit R



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. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.