

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

RECEIVED

SUBMIT IN THE
Instructions on
reverse side

Budget Bureau No. 42-R1425 SF/pl

30-005-61676

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL ☒ DEEPEN ☐ ARTESIA OFFICE 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' FSL and 660' FEL

At proposed prod. zone
same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
38 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'

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

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

3959.2' 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.

MUD PROGRAM: FW gel and LCM to 900', Brine to 3200', 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 For Beardsley TITLE Regulatory Coordinator DATE 4/15/82

(This space for State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

JAMES A. GILLHAM
DISTRICT SUPERVISOR

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65
JUN 23 1982

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

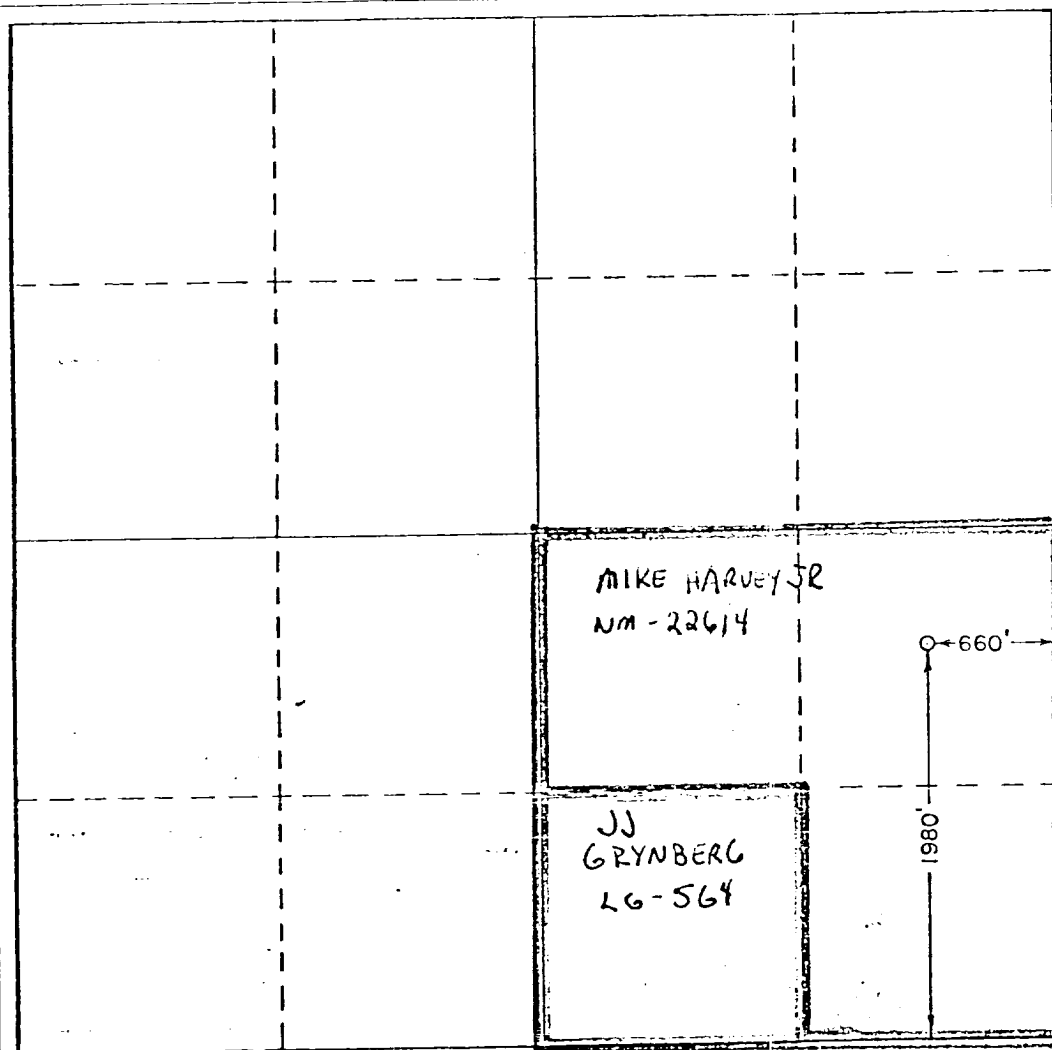
Operator YATES PETROLEUM CORPORATION			Lease Mike Harney "TR" Federal			Well No. ARTESIA, OFFICE	
Unit Letter I	Section 3	Township 5 South	Range 24 East	County Chaves			
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the East line							
Ground Level Elev. 3959.2'		Producing Formation Abo		Pool Unit 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 are true and correct to the best of my knowledge and belief.

MARY L JONES
REGISTERED PROFESSIONAL LAND SURVEYOR

Date Surveyed

April 12, 1982

Registered Professional Engineer and/or Land Surveyor

David J. Smith

Certificate No.

7977

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

YATES PETROLEUM CORPORATION
Mike Harvey "TR" Federal #
1980' FSL and 660' FEL
Section 3-T5S-R24E
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	523'
Glorieta	1405'
Fullerton	2875'
Abo	3509'
TD	4100'

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 3520'

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.

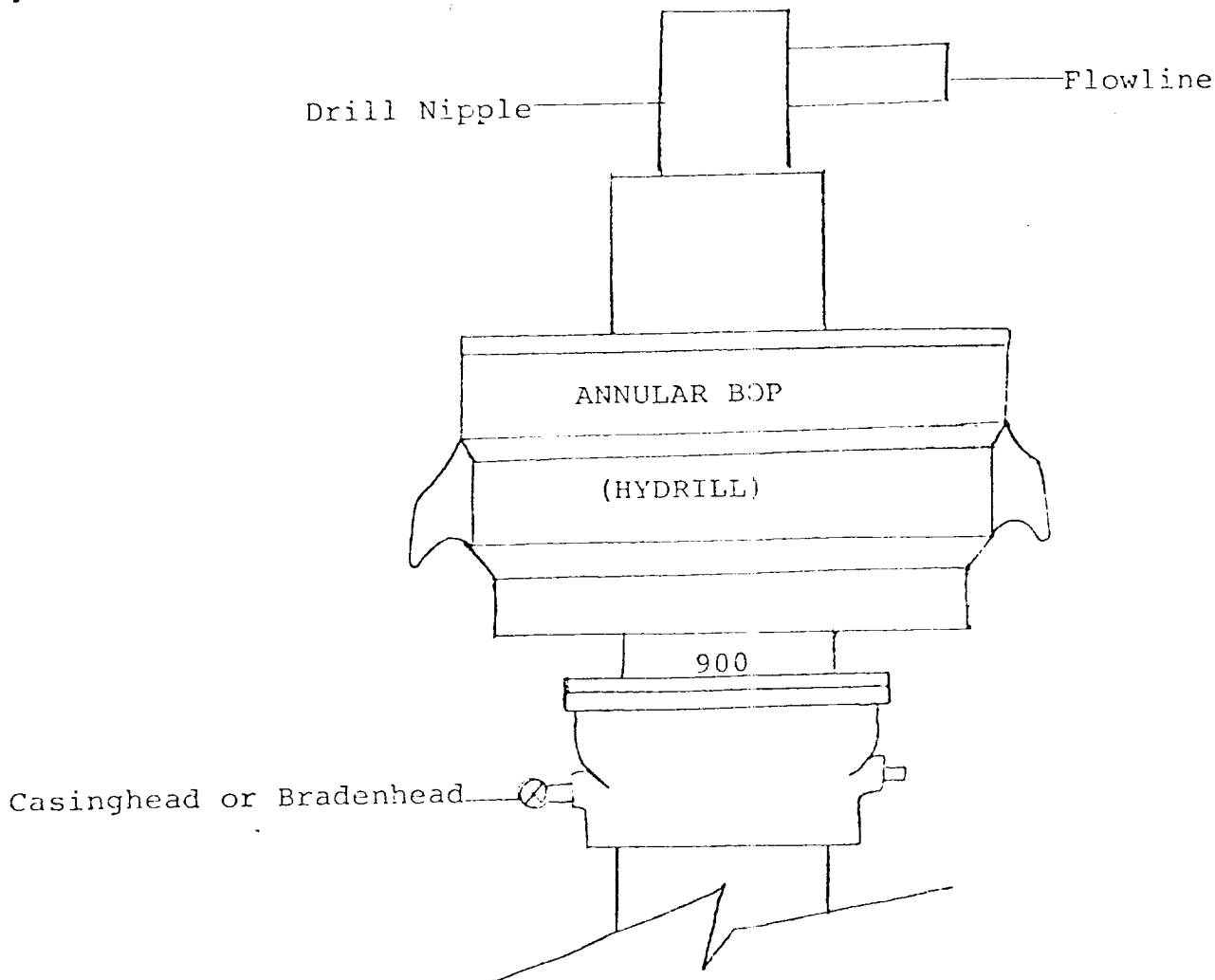
DST's: As warranted.

Coring: None

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

9. No abnormal pressures or temperatures are anticipated.

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



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.



United States Department of the Interior

OFFICE OF THE SECRETARY
Minerals Management Service

ROSWELL DISTRICT

SPECIAL APPROVAL STIPULATIONS

THE FOLLOWING DATA IS REQUIRED ON THE WELL SIGN

YATES PETROLEUM CORPORATION
1 Mike Harvey "TR" Fed.
NE $\frac{1}{4}$ SE $\frac{1}{4}$ sec 3 T5S R24E
Chaves County, New Mexico
Lease No. NM-22614

THE SPECIAL STIPULATIONS CHECK MARKED BELOW ARE APPLICABLE TO THE ABOVE-DESCRIBED WELL AND APPROVAL OF THIS APPLICATION TO DRILL IS CONDITIONED UPON COMPLIANCE WITH SUCH STIPULATIONS IN ADDITION TO THE GENERAL REQUIREMENTS. EACH PERMITTEE HAS THE RIGHT OF ADMINISTRATIVE APPEAL TO THESE STIPULATIONS PURSUANT TO TITLE 30 CFR 290.

☒ A. The Minerals Management Service office is to be notified at:

- ☒ (505) 622-1332 Roswell
- ☐ (505) 756-9838 Artesia
- ☐ (505) 393-5146 Hobbs

in sufficient time for a representative to witness:

- ☒ 1. Spudding
- ☒ 2. Cementing casing

10 $\frac{3}{4}$ inch
8 $\frac{5}{8}$ inch
4 $\frac{1}{2}$ inch

☐ 3. BOP tests

☐ B. At least one working day prior to constructing the well pad, access roads and/or related facilities, the operator or dirt contractor shall notify the authorized officer of the surface management agency. The surface management agency may be contacted at:

- ☐ BLM phone (505) 887-6544 Carlsbad, New Mexico
- ☐ BLM phone (505) 622-7670 Roswell, New Mexico

☐ He shall also notify the surface management agency within two working days after completion of earth-moving activities.

☐ C. Roads in the area of operation of this authorization will require surfacing.

☒ D. 10 $\frac{3}{4}$ " surface casing should be set in the Rustler Anhydrite formation and cement circulated to the surface. If surface casing is set at a lesser depth, the casing must be cemented from the casing shoe to the surface or cemented to the surface through a stage tool set at least 50 feet below the top of the Rustler after cementing around the shoe with sufficient cement to fill to the base of the salt section.

☒ E. Before drilling below the 10 $\frac{3}{4}$ " casing, the blowout preventer assembly will consist of a minimum of ~~one annular type and two ram type preventers.~~

☒ F. Minimum required fill of cement behind the 8 $\frac{5}{8}$ (IF USED) casing is to TIE BACK TO SURFACE CSG.

☒ G. After setting the 10 $\frac{3}{4}$ " casing string and before drilling into the G. CORIETHA formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures ~~by an independent service company.~~ Any equipment failing to test satisfactorily shall be repaired or replaced. ~~This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report.~~

☐ H. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before drilling into the _____ formation and used until production casing is run and cemented. Monitoring equipment shall consist of the following:

- ☐ 1. A recording pit level indicator to determine pit volume gains and losses.
- ☐ 2. A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
- ☐ 3. A flow sensor on the flow-line to warn of any abnormal mud returns from the well.

☒ I. A kelly cock will be installed and maintained in operable condition.

☐ J. A Communitization Agreement covering the acreage dedicated to the well must be filed for approval with the Minerals Management Service, P.O. Box 26124, Albuquerque, New Mexico 87125. The effective date of the agreement must be prior to any sales.

☒ K. Above ground structures, not subject to applicable safety requirements shall be painted. The paint color is to simulate:

☒ Sandstone Brown, Fed. Std. 595-20318 or 30318

☐ Sagebrush Gray, Fed. Std. 595-26357 or 36357

☐ _____

☐ L. A Gamma Ray-Compensated Neutron log is required from the base of the salt section to the surface with cable speed not to exceed 30 feet per minute.

M. Rehabilitation

☐ At least 3 working days prior to commencing any of the following rehabilitation activities, the operator shall notify the appropriate surface managing agency, shown in part B.

☐ 1. Upon the conclusion of drilling and completion operations when mud pits are dry they will be leveled, plastic will be removed and area reseeded with mixture No. _____ shown on last page of General Requirements.

☒ 2. Following the down-hole plugging and abandonment of all operation:

☐ a. The drill pad and _____ miles of access road shall be ripped to a minimum of 12" in depth. Ripping shall be on the contour with rips being approximately 3 feet or less apart.

☐ b. The drill site and _____ miles of access road will be reseeded with mixture No. _____ shown on the last page of the General Requirements.

☐ c. All ripped surfaces are to be protected from vehicular travel by constructing a dead-end ditch and earthen barricade at the entrance to these ripped areas. The barricade is to be constructed using spoil material from the ditch and should be of sufficient magnitude to discourage vehicle entry.

☒ d. Private Surface: Abandonment stipulations to coincide with operator-landowner agreement. (Where no agreement exists, BLM will be requested to provide abandonment stipulations.)

☐ e. The surface location is to be cleaned and leveled.

☒ 3. Modifications in the rehabilitation stipulations made necessary by unforeseen circumstances or improvements in rehabilitation methods may be made when the Notice of Intention to Abandon is filed.

☐ N. Other:

YATES PETROLEUM CORP.
 MIKE HARVEY "TR" FED #1
 1980 FSC 1660 FEL
 Sec. 3-TSS-R24E
 CHAVES COUNTY, NV
 .7 miles of access road

Segment of
 New Road

2400ft.
 500ft.
 Road
 to be
 improved
 7-5-5
 50ft. of
 Access Road

MIKE
 HARVEY

Horse 3

TESUQUE

Horse Creek Spring

Lower Horse Creek Spr

10

11

HUGGINS

R-24-E

USGS Swallows Nest & Canyon

7.5 Minute Series, 1967

Climax 1967

Camacho Well

4

9

8

5

32

33

Canyon

WC 3996

4045

3971

3972

3968

4000

3949

3976

3912