

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

12-11-92

3. ADDRESS OF OPERATOR

105 South Fourth Street, 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*

Approximately 17 miles east of Roswell, NM

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

320

17. NO. OF ACRES ASSIGNED

TO THIS WELL 160

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

19. PROPOSED DEPTH

5000'

20. ROTARY OR CABLE TOOLS

Rotary

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

3857.5' GR

22. APPROX. DATE WORK WILL START*

ASAP

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"	24# K-55	Approx. 1000'	600 sacks - circulate
7 7/8"	4 1/2"	9.5# K-55	TD	700 sacks

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 1000' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: FW gel/LCM to 1000'; brine to 4200', salt gel and starch to TD.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

GAS NOT DEDICATED.

API NUMBER 30-005-62708

NOTE: ORIGINALLY APPROVED 6-30-89

Post ID-1
12-11-92
R.L. - install
intent

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

Cliff R. May

TITLE Permit Agent

DATE 10-29-92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

James S. Meyer

TITLE

Acting Area Mgr

DATE

12-4-92

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR
CERTIFY THAT THE APPLICANT IS A LEGAL OWNER OF
TITLE TO THOSE LANDS IN WHICH OPERATIONS WOULD
ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION
OF FEDERALLY OWNED MATERIAL FOR CONSTRUCTION
OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT
IN ADVANCE.

By signing this application, the applicant certifies that he is not knowingly and willfully making to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Aztec, NM 88410

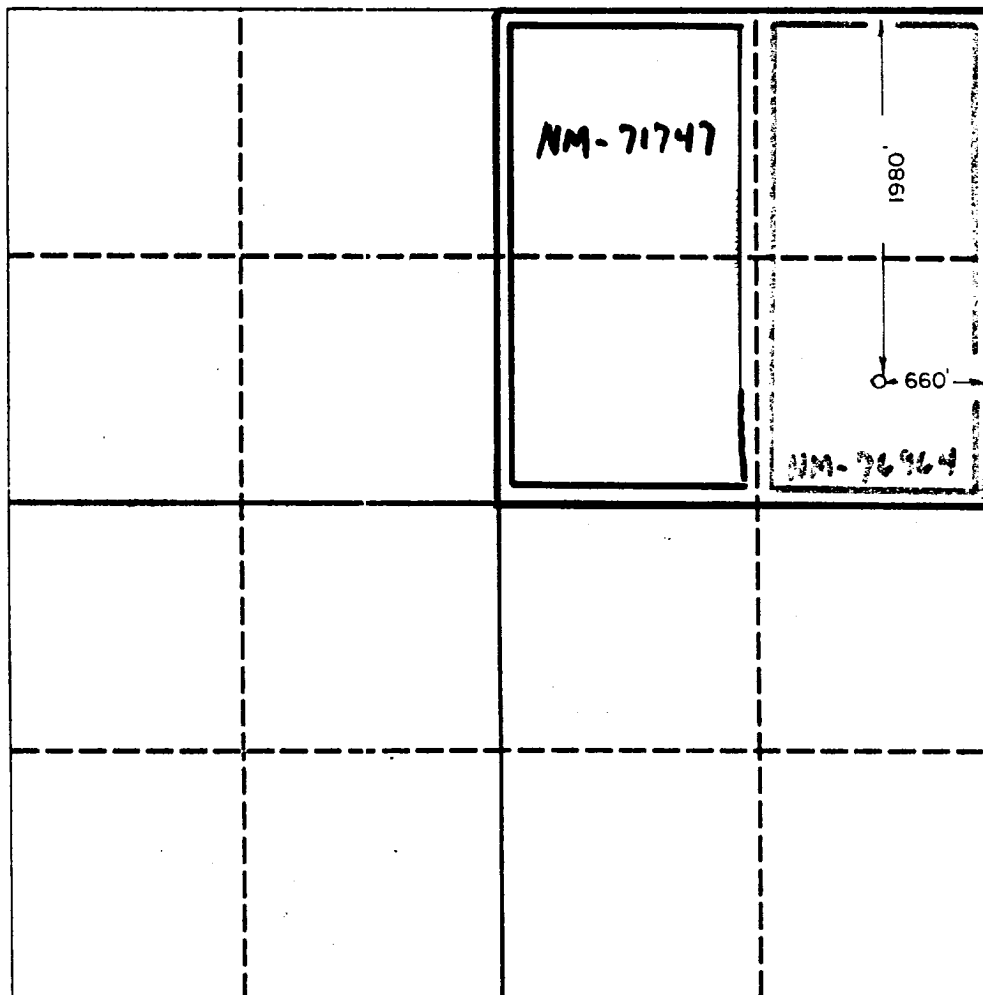
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease DANDELION "AFW" FEDERAL COM.		Well No. 1
Unit Letter H	Section 10	Township 9 South	Range 26 East	County Chaves	
Actual Footage Location of Well: 660 feet from the East line and 1980 feet from the North line					
Ground level Elev. 3857.5	Producing Formation Abo		Pool 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc?
☒ Yes ☐ No If answer is "yes" type of consolidation IS COMMUNITIZATION
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

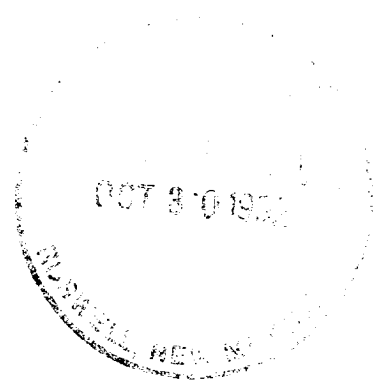
Signature Clifton R. May
Printed Name Clifton R. May
Position Permit Agent
Company Yates Petroleum Corporation
Date October 29, 1992

SURVEYOR CERTIFICATION

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 10/29/89
Signature of Professional Surveyor L. JONES
Certificate No. 3640

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



YATES PETROLEUM CORPORATION
Dandelion "AFW" Federal Com #1
1980' FNL and 660' FEL
Section 10-T9S-R26E
Chaves County, New Mexico
DRILLING PROGNOSIS

1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

San Andres	1,118'
Glorieta	2,264'
Yeso	2,332'
Abo	4,532'
TD	5,000'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water:	250' - 300'
Gas:	4532'

3. PRESSURE CONTROL EQUIPMENT - (Schematic Attached)

A. The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above)
2. One (1) pipe ram (below)
3. Kill line (2-inch minimum)
4. One (1) kill line valve (2-inch minimum)
5. One (1) choke line valve
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available
8. Safety valves & subs to fill all drill strings in use
9. 2-inch (minimum) choke line
10. Fill-up line above the upper most preventor

B. Pressure Rating: 2,000 PSI

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft.</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J-55	8RD	ST&C	0-1000'	1000'
7 7/8"	4 1/2"	9.5#	J-55	8RD	ST&C	0-5000'	5000'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
2. Yates Petroleum Corporation requests that a variance be granted in requiring the casing to be tested to 1500 PSI to testing the casing to 1000 PSI. The rig pumps will be used to test the casing. Rig pumps used in this area cannot safely test above 1000 PSI. We would have to go to the greater expense of hiring an independent service to do the testing. Also, the maximum shut-in bottom hole pressure is 1100 PSI. Pressure at the surface is much less. Most of the time the Abo formation requires treatment before it flows.



B. CEMENTING PROGRAM:

Surface Casing: Set with 350 sx HL "C" + 1/4#/sx Flocele + 2% CaCl₂ with weight of 12.7 ppg and Yield 1.84 cu.ft./sx. Tail in 250 sx "Class C" with 2% CaCl₂ with weight of 14.8 ppg and yield 1.32 cu.ft./sx, circulated to surface.

*Intermediate Casing: If needed will be set with 250 sx Class C with 2% CaCl₂ with weight of 14.8 ppg and yield 1.32 cu.ft./sx with top of cement being approximately 1200'.

Production Casing: Set with 700 sx 65/35 Poz "C" with 2% Gel + .6% Halad - 332 + 2#/sx salt with weight of 14.1 ppg and yield 1.22 cu.ft./sx with cement top being approximately 4150'.

A greater amount of cement will be used if necessary to ensure that all potentially productive hydrocarbon zones are cemented off. Fill-up to be determined from logs.

5. MUD PROGRAM:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1000'	FW Gel/LCM	8.6-9.9	32-40	N/C
1000'-4200'	Cut Brine	8.6-9.9	28	
4200' - TD	S.Gel/Starch & Diesel	9.3	31-39	15cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: Every 10' out from under surface casing.

Logging: CNL/LDT - TD to casing w/GR/CNL to surface; DLL w/RXO - TD to casing.

Coring: None Anticipated.

DST's: Any tests will be based on the recommendation of the well site geologist as warranted by breaks and shows.

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H₂S has been reported or is known to exist from previous drilling in this area at this depth.

8. ANTICIPATED STARTING DATES

Plans are to drill this well before the end of the year. It should take approximately 15 days to drill the well with completion taking another 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

**Yates Petroleum Corporation
Dandelion "AFW" Federal Com #1
1980' FNL and 660' FEL
Section 10-T9S-R26E
Chaves County, New Mexico**

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 the 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 operations.

1. EXISTING ROADS:

Exhibit A is a portion of BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 17 miles southeast of Roswell, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Go east of Roswell to the Acme School House. Turn south for approximately 4.5 miles.
- B. Just past the windmill, turn northeast and continue to the McConkey #1 well.
- C. Turn right approximately 400' and the new access road will start here and go east.

2. PLANNED ACCESS ROAD

- A. The planned access road will be approximately 3600' in length from point of origin to the southeast corner of the drilling pad.
- B. The road will have a 14 feet driving surface and will be adequately drained to control runoff and soil erosion.
- C. The surface will not be calched. (No material available)
- D. Route is flagged visible.
- E. This road is on private surface.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are no 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 gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. A local water trucking firm will be contracted to furnish the water. They will provide the water obtaining it from whatever sources available to them at their discretion. It will be trucked to the location over the existing and proposed roads shown in Exhibit A. A probable source is LL Cattle Company #1 located in the NWNW of Section 28-T9S-R27E.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Additional construction materials may not be needed for drilling the well or construction the access road into the location during drilling. The surface materials may be sufficient. If additional material is needed, they will come from BLM pit located SWSW of Section 34-T8S-R26E.
- B. The local dirt contractor will be responsible for proper permits for any material used for constructions of this road and pad.

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.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

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, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION

- 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 been levelled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Landowner Agreement 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. Refer to the archaeological report dated June 8, 1989 F89-149 for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. Waterways: None.

12. SURFACE OWNERSHIP:

- A. Surface is owned by Christine R. Leisey, 901 Bank Street, Webster City, Iowa 50595.
- B. Yates has made a verbal Operator Landowner Agreement with Ms. Leisey.

13. OPERATOR'S REPRESENTATIVE

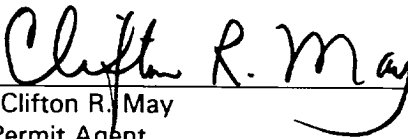
- | | |
|---|--|
| A. Through A.P.D. Approval: | B. Through Drilling Operations,
Completions and Production: |
| Clifton R. May, Permit Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 | Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471 |

14. CERTIFICATION:

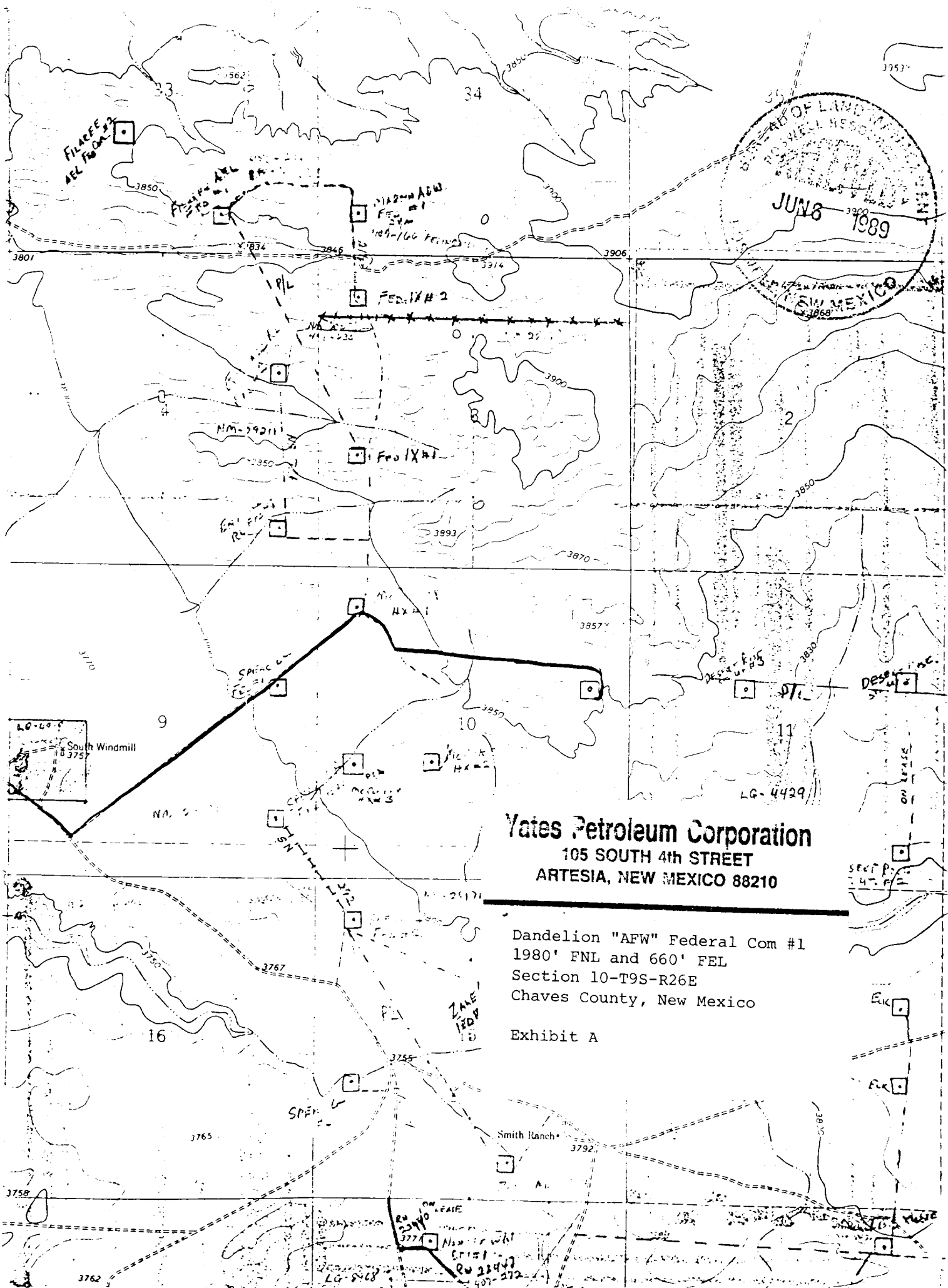
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

10-29-92

Date



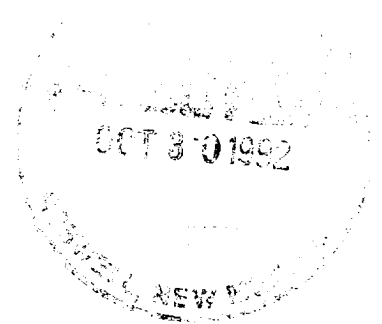
Clifton R. May
Permit Agent

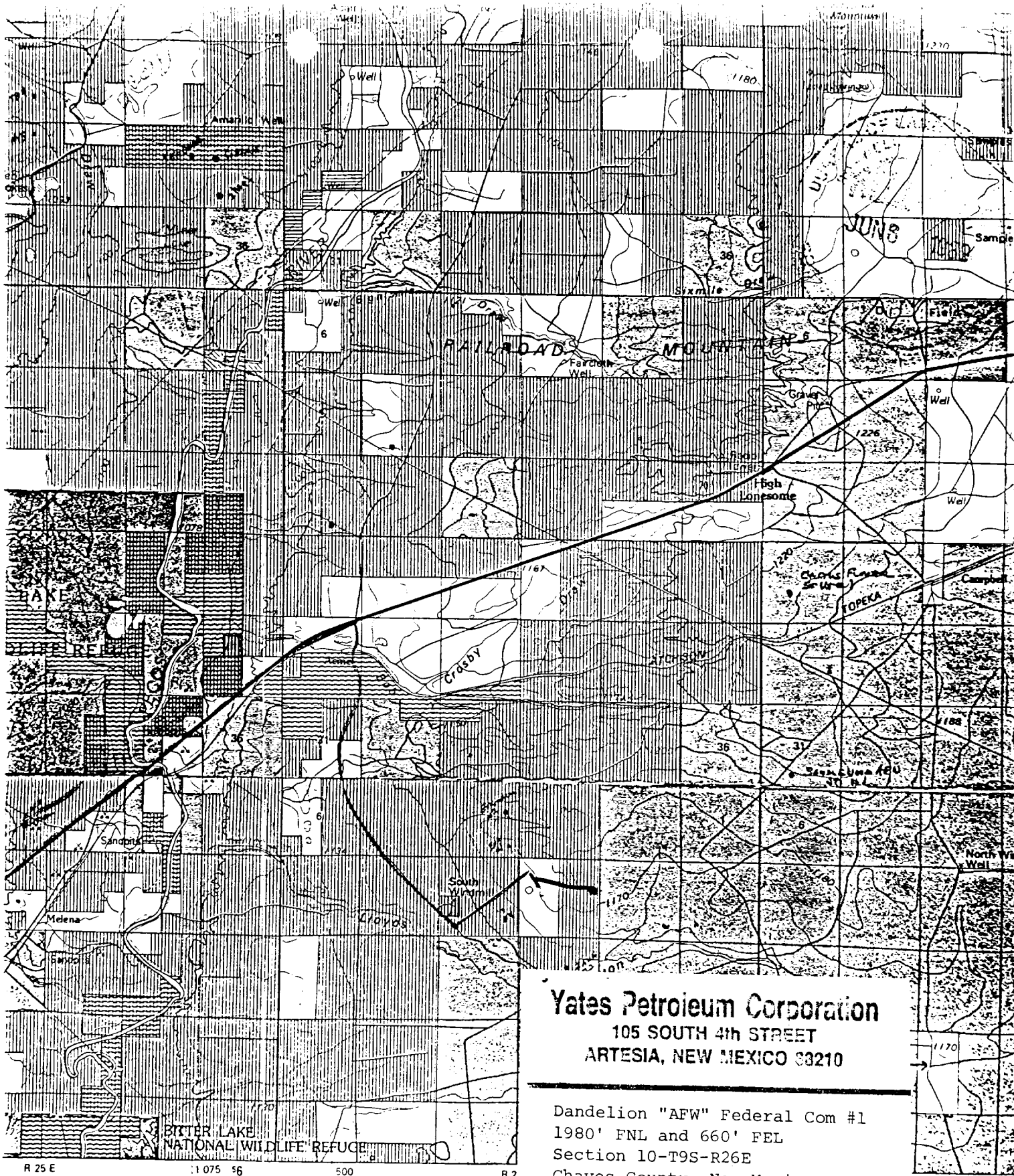


Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Dandelion "AFW" Federal Com #1
1980' FNL and 660' FEL
Section 10-T9S-R26E
Chaves County, New Mexico

Exhibit A

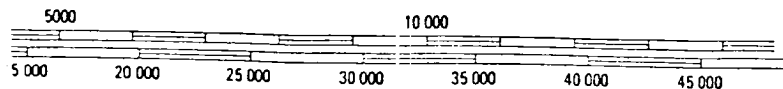




Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Dandelion "AFW" Federal Com #1
1980' FNL and 660' FEL
Section 10-T9S-R26E
Chaves County, New Mexico

Exhibit A₁



Department of Energy

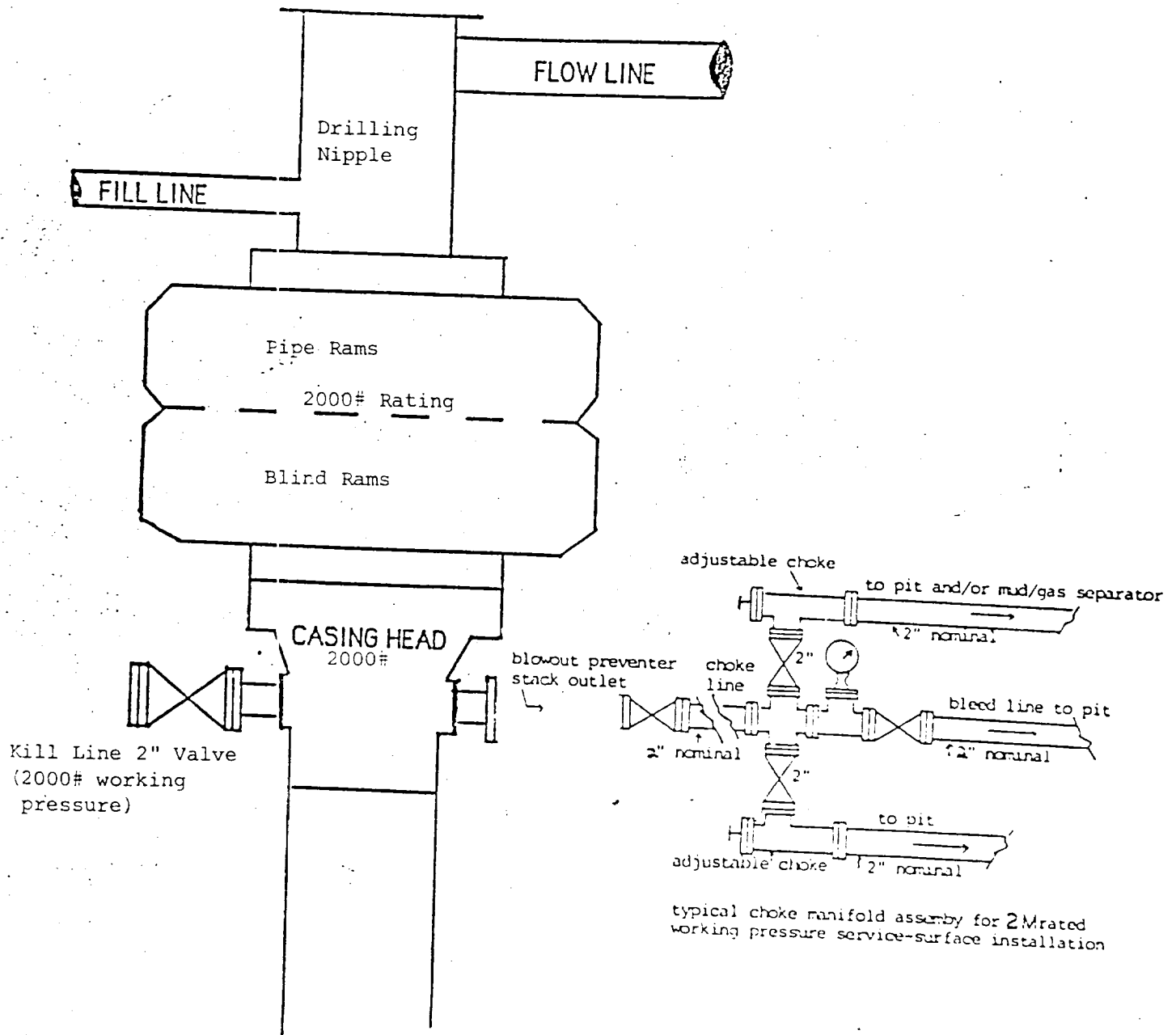
NONE

State, County, City, Wildlife,
Park and Outdoor Recreation Areas

NONE



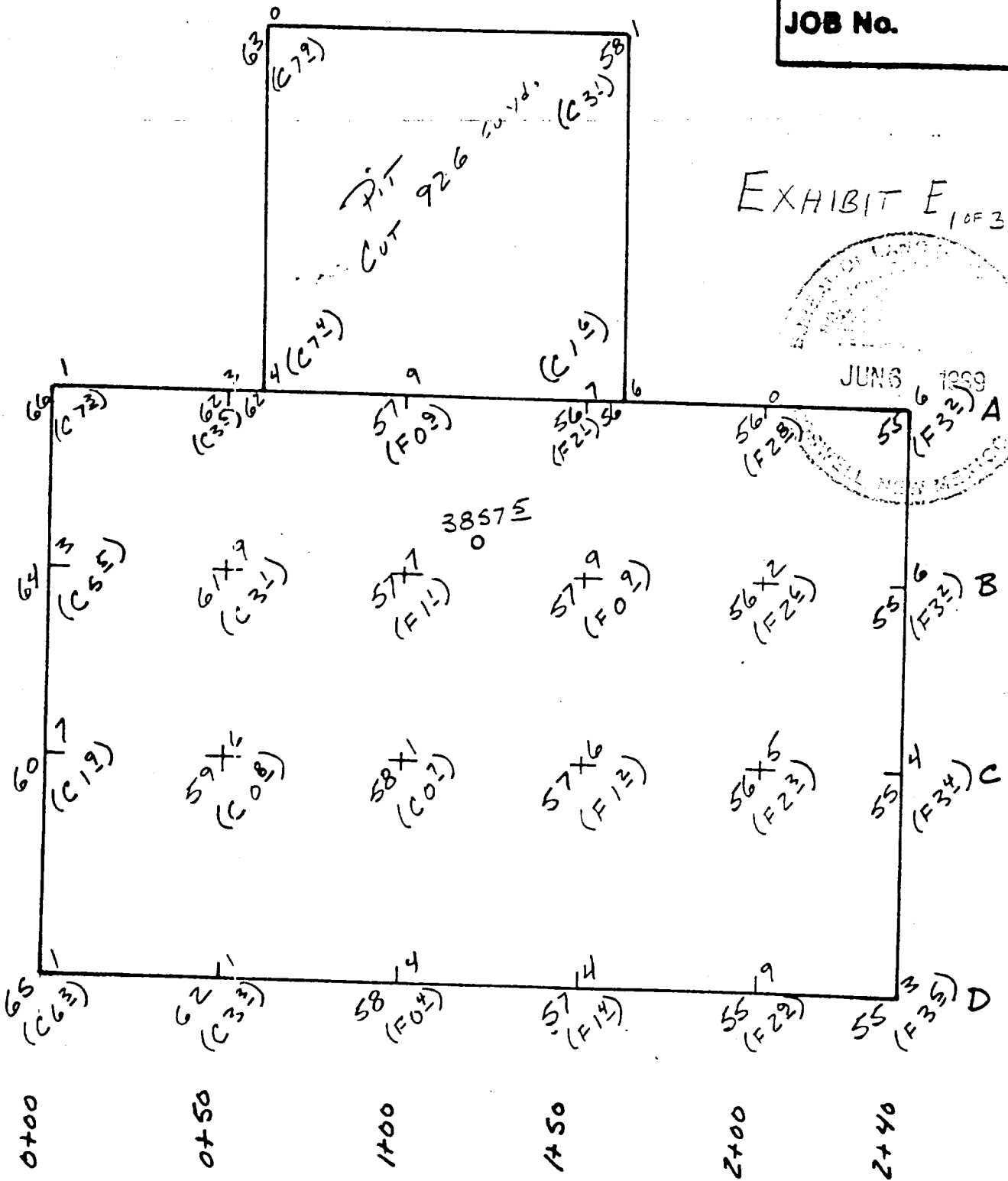
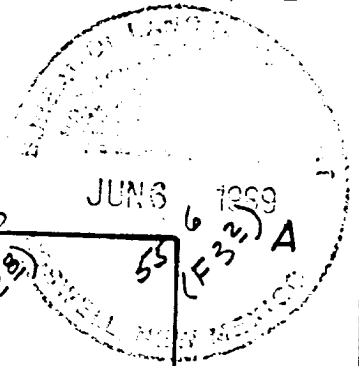
YATES PETROLEUM CORPORATION



**BLOWOUT PREVENTER
2M SYSTEM**

JOB No.

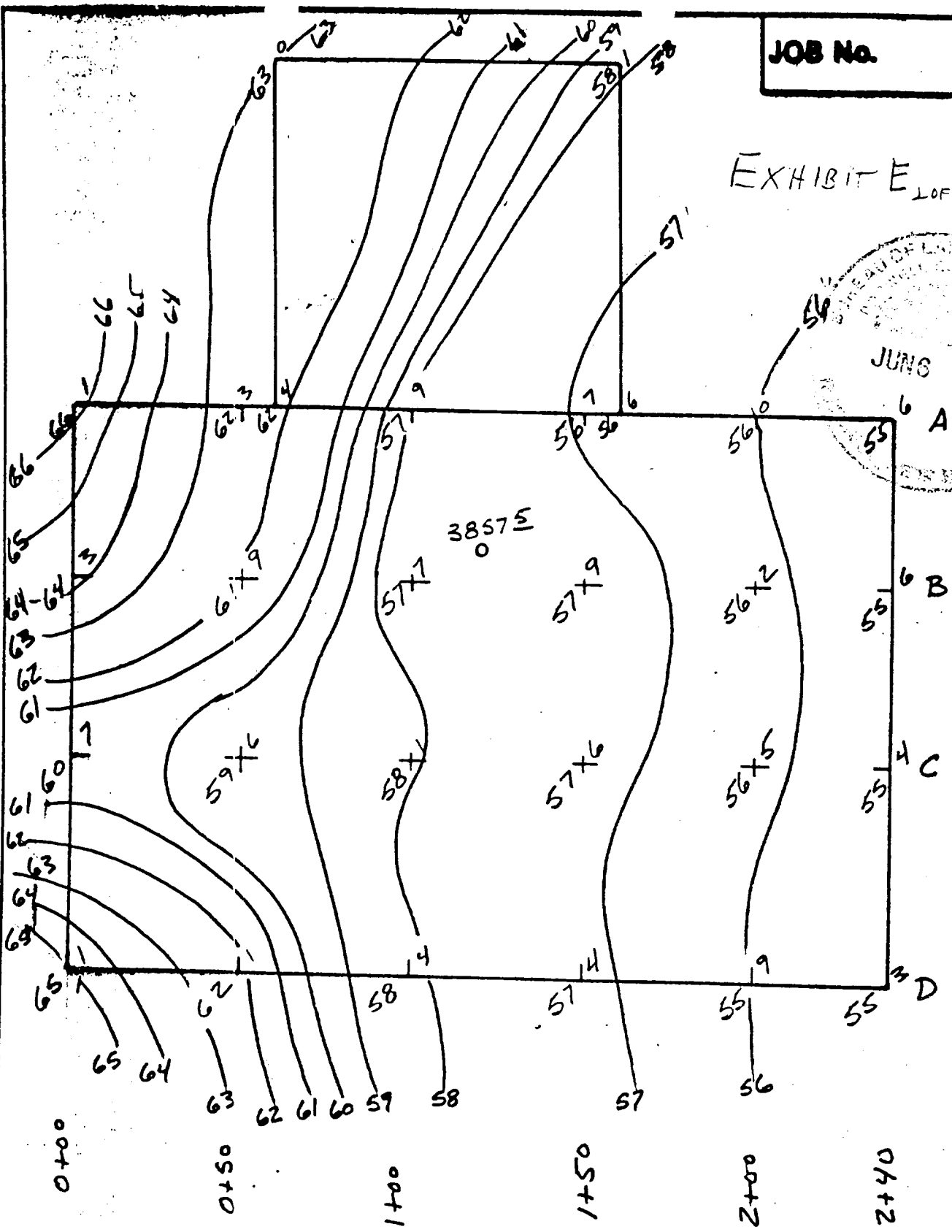
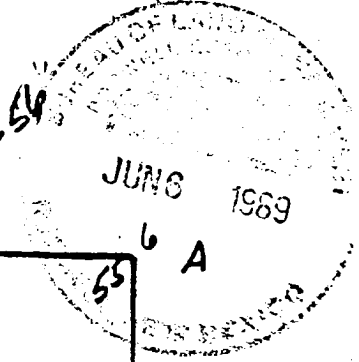
EXHIBIT E_{1 OF 3}



AVE. GR. 3858.8

JOB No.

EXHIBIT E_{LOF 3}

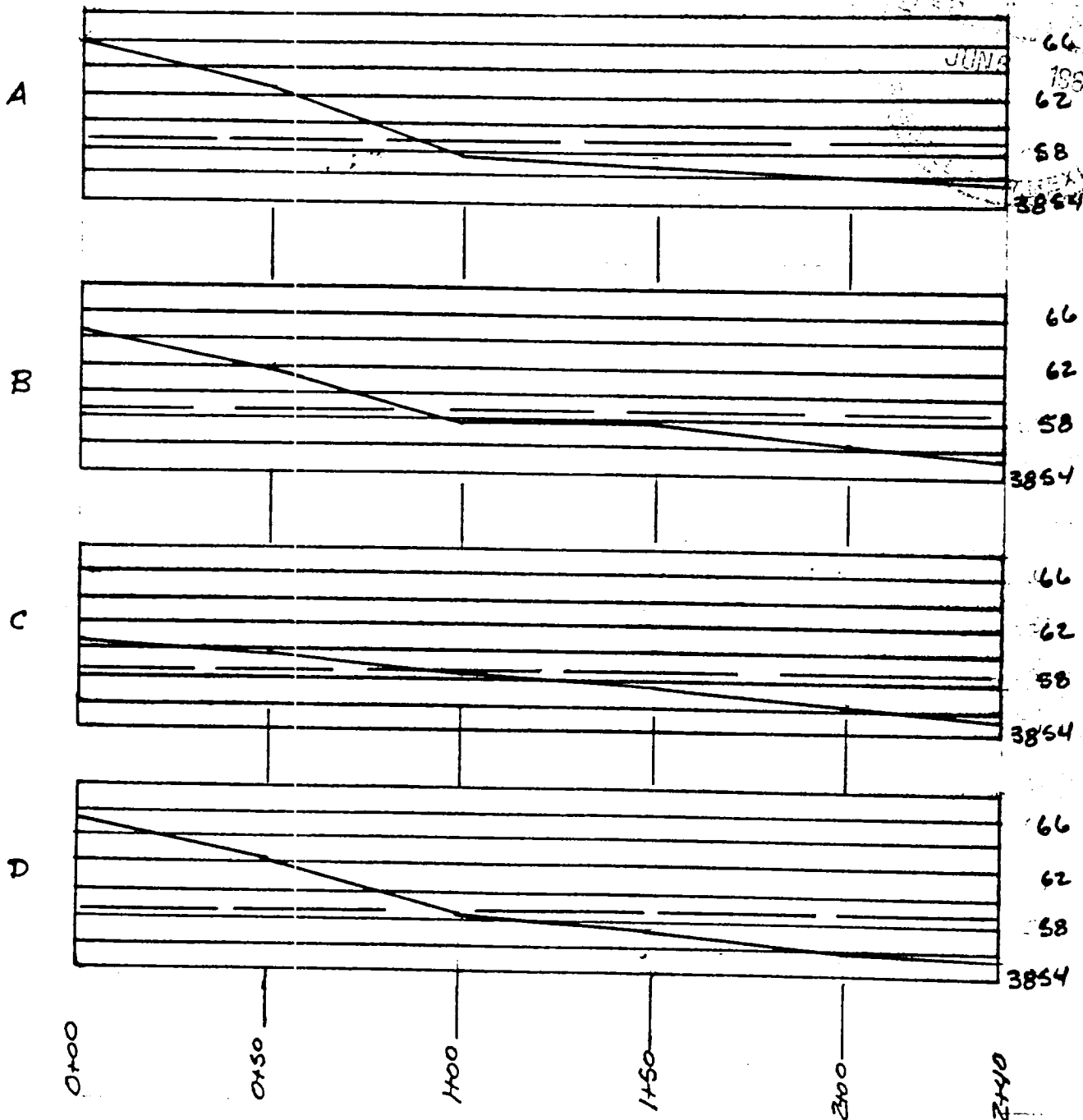


THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY SUPERVISION AND THE PLAT ACCURATELY REFLECTS THE RESULTS OF SAID SURVEY AND MEETS THE REQUIREMENTS OF THE STATUTES FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF SURVEYORS AND MAPPERS.



EXHIBIT E_{3 OF 3}

JOB No.



Ave. G.D. 3858.8

PAD CUT 1407 cu. yds

PAD FILL 1385 cu. yds.

