

Artesia, NM 88210

RECEIVED
OFFICE FOR
OF COPIES REQUIRED
(Other instructions on
reverse side)

30-005-62735
BHM Roswell District
Modified Form No.
NM60-3160-2

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCT 16 '89

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

3a. Area Code & Phone No.

(505) 748-1471

3. ADDRESS OF OPERATOR

105 South Fourth, Artesia, New Mexico 88210

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

At surface

1980' FNL and 1980' FEL

At proposed prod. zone

Same

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

Approximately 38 miles north 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

1759.06

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.

1320'

19. PROPOSED DEPTH

4200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3924.1' GR

22. APPROX. DATE WORK WILL START*

10-11-89

23.

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	10 3/4"	40.5#	J-55	ST & C	950'	circulated
7 7/8"	4 1/2"	9.5#	J-55	ST & C	TD	300 sacks

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 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'; Cut Brine to 3500'; S. GEL/starch to TD.

BOP PROGRAM: BOP will be installed on the surface casing and tested daily for operational.

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

Clifton R. May

TITLE Permit Agent

DATE

9-20-89

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Phil Kirt

TITLE

Area Manager

DATE

OCT 11 1989

CONDITIONS OF APPROVAL, IF ANY:

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

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

Under the U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make to any department or agency of the

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

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

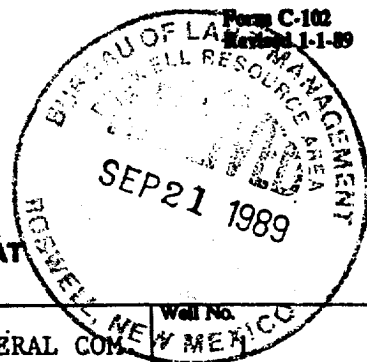
DISTRICT I
P.O. Box 1900, Hobbs, NM 88240

DISTRICT II
P.O. Box 100, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

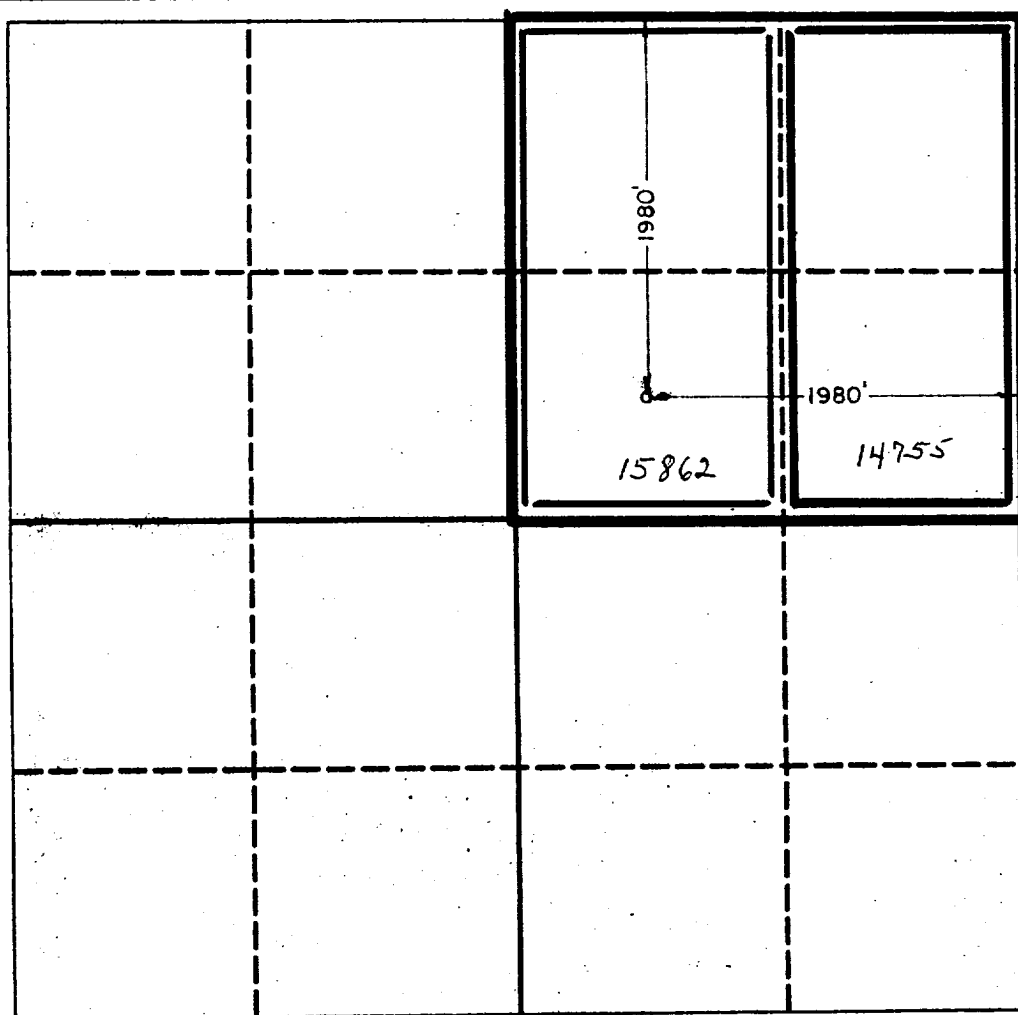


Operator YATES PETROLEUM CORPORATION			Lease BURROGRASS "ABG" FEDERAL COM		Well No. NEW MEXICO
Unit Letter G	Section 15	Township 6 South	Range 25 East	County Chaves	

Actual Footage Location of Well:

1980	feet from the	North	line and	1980	feet from the	East	line
Ground level Elev. 3924.1	Producing Formation Ab6		Pool Pecos Slope Ab6		Dedicated Acreage: 160 Acres		

1. Outline the acreage dedicated to the subject well by colored pencil or machine 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 TO BE COMMUNITED
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

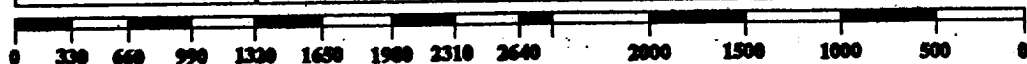
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature <i>Clifton R. May</i>
Printed Name CLIFTON R. MAY
Position PERMIT AGENT
Company YATES PETROLEUM CORPORATION
Date 9/15/89

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 9/12/89
Signature & Seal of Professional Surveyor <i>Herschel</i> Certificate No. 3840640 REGISTERED LAND SURVEYOR



YATES PETROLEUM CORPORATION
Burrograss "ABG" Fed. Com. #1
1980' FNL & 1980' FEL
Sec. 15-T6S-R25E
Chaves County, New Mexico



In conjunction with Form 3160-3, 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 geological surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	555'
Glorieta	1592'
Fullerton	3032'
Abo	3679'
TD	4200'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: Approximately 250-300'
Oil or Gas: 3700'
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3.
6. Mud Program: See Form 3160-3.
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: 10 foot samples out from under surface casing to TD.
DST's: As warranted
Coring: None
Logging: CNL-LDT from TD to casing with GR-CNL up to surface; DLL(with min RXO) from TD to casing; Possible long spaced sonic.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Burrograss "ABG" Fed. Com. #1
1980' FNL & 1980' FEL
Section 15-T6S-R25E
Chaves County, New Mexico



This plan is submitted with Form 3160-3, 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 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 county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 38 miles north of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Go north of Roswell on Highway 285 for approximately 25 miles to Santa Ana Road. Turn east and go approximately 8 miles to Sierra Road. Turn right (SE) and follow road approximately 2.5 miles. Turn right (south) and go approximately one mile and turn left (east). Follow road approximately two miles to the Red Rock NB Fed. #3. Turn right (south) approximately .4 of a mile. Turn east and go approximately .3 of a mile. New road will start here and go north approximately .1 of a mile to the SW corner of pad.
- B. Off lease right-of-way is applied for in W $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 8, SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 10, and in the NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and SW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 15 with all being T6S-R25E. The roads are marked in yellow on Exhibit A on ROW copy with all being existing roads except for the 500' of new construction on lease.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately .1 mile in length from point of origin to the southwest edge of the drilling pad. The road will lie in a east to northerly direction.
- B. The new road will be 14 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side. One traffic turnout be will be built.
- D. The route of the road is visible.

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 of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. The road and location will be constructed out of native materials.
- B. No construction materials will be taken off federal land except that taken off location which is on federal lands.

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. 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.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

8. ANCILLIARY 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. A cross section of drill pad with approximate cuts, fills and pad orientation is shown on Exhibit E.
- B. The reserve pits will be plastic lined.
- C. A 400' X 400' area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After finishing drilling and/or completion operations, all material not needed for further operations will be removed. The wellsite will be cleaned of all trash and junk to leave the wellsite in as pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced and been levelled.
- C. If the proposed well is non-productive, all rehabilitation and requirements of the Bureau of Land Management stipulations will be accomplished as expeditiously as possible. The well will be filled level within 90 days after abandonment.

11. SURFACE OWNERSHIP: Federal ownership administered by the Bureau of Land Management, Roswell, New Mexico Phone (505) 624-1790.

12. OTHER INFORMATION:

- A. Topography: Refer to the archaeological report for a description of topography, flora, fauna, soil characteristics, dwellings, historic and cultural sites.
- B. The primary surface use is for grazing.

13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:

Clifton R. May, Permit Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505)-748-1471

B. Through Drilling Operations, Completions and Production:

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 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 to 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, my statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

September 20, 1989
Date

Clifton R. May
Clifton R. May
Permit Agent

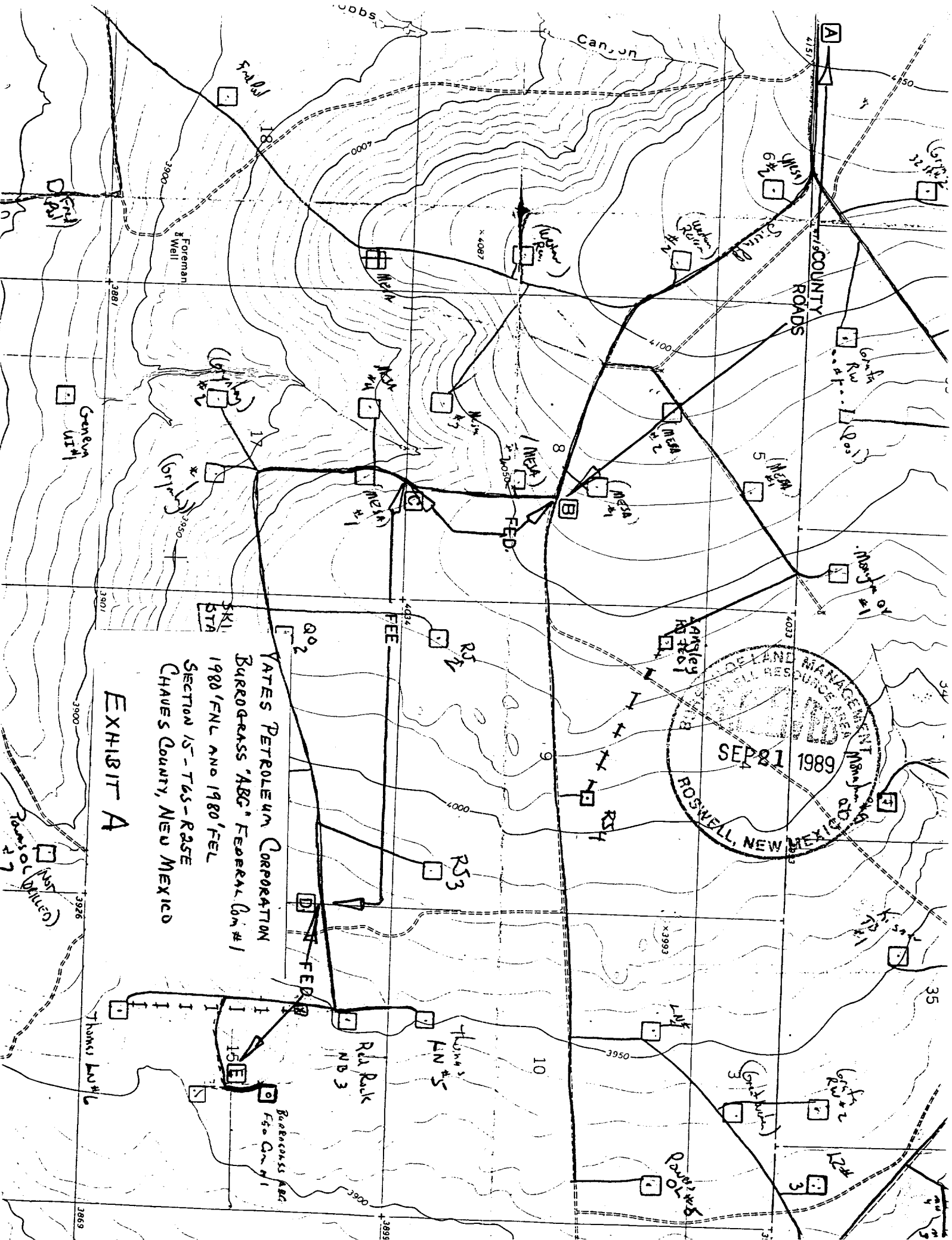
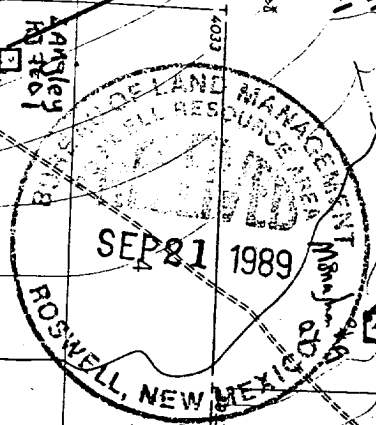


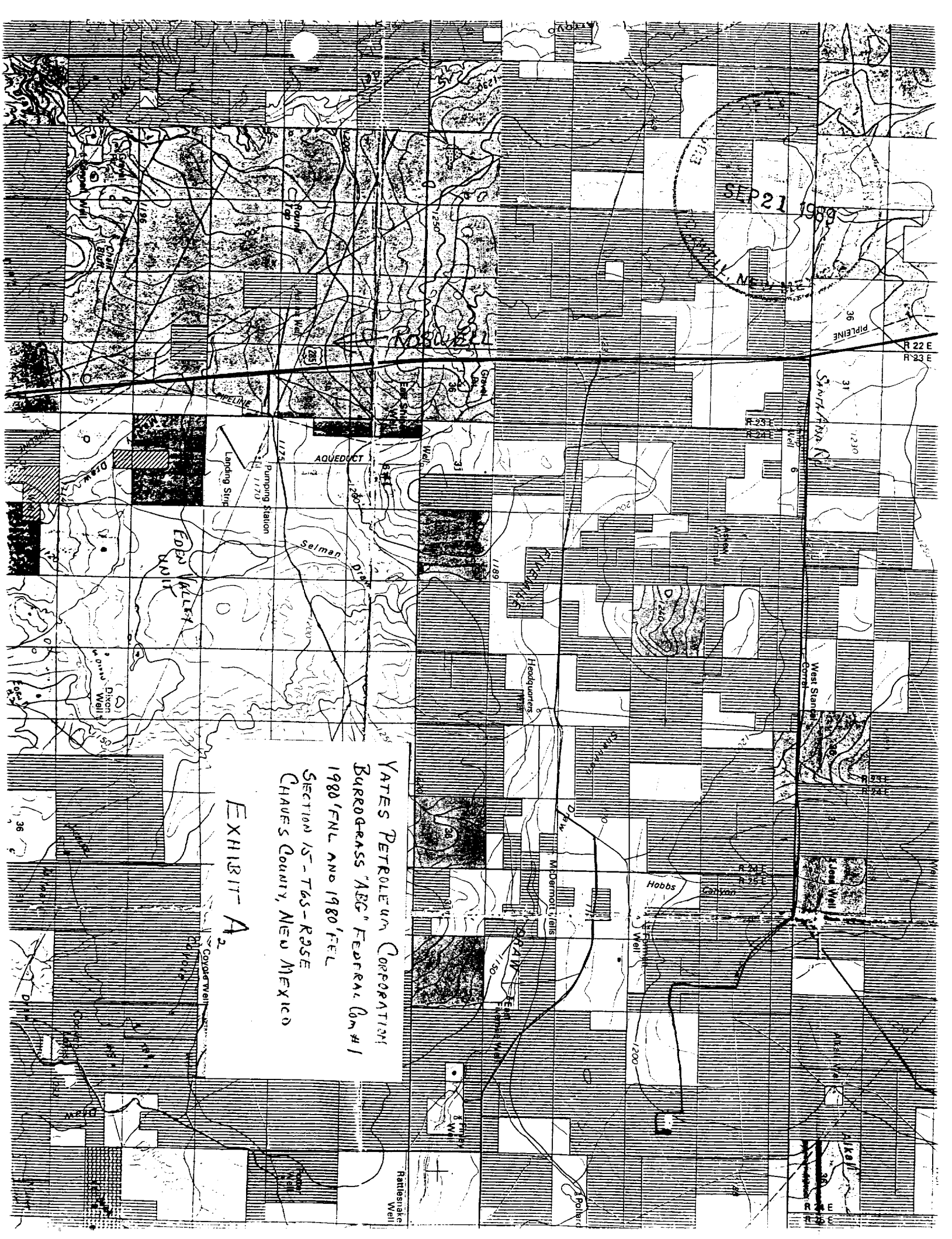
EXHIBIT A

YATES PETROLEUM CORPORATION
BUREAU OF 'ABC' FEDERAL COM #1
1980' FNL AND 1980' FEL
SECTION 15 - T&S - R&SE
CHAVES COUNTY, NEW MEXICO

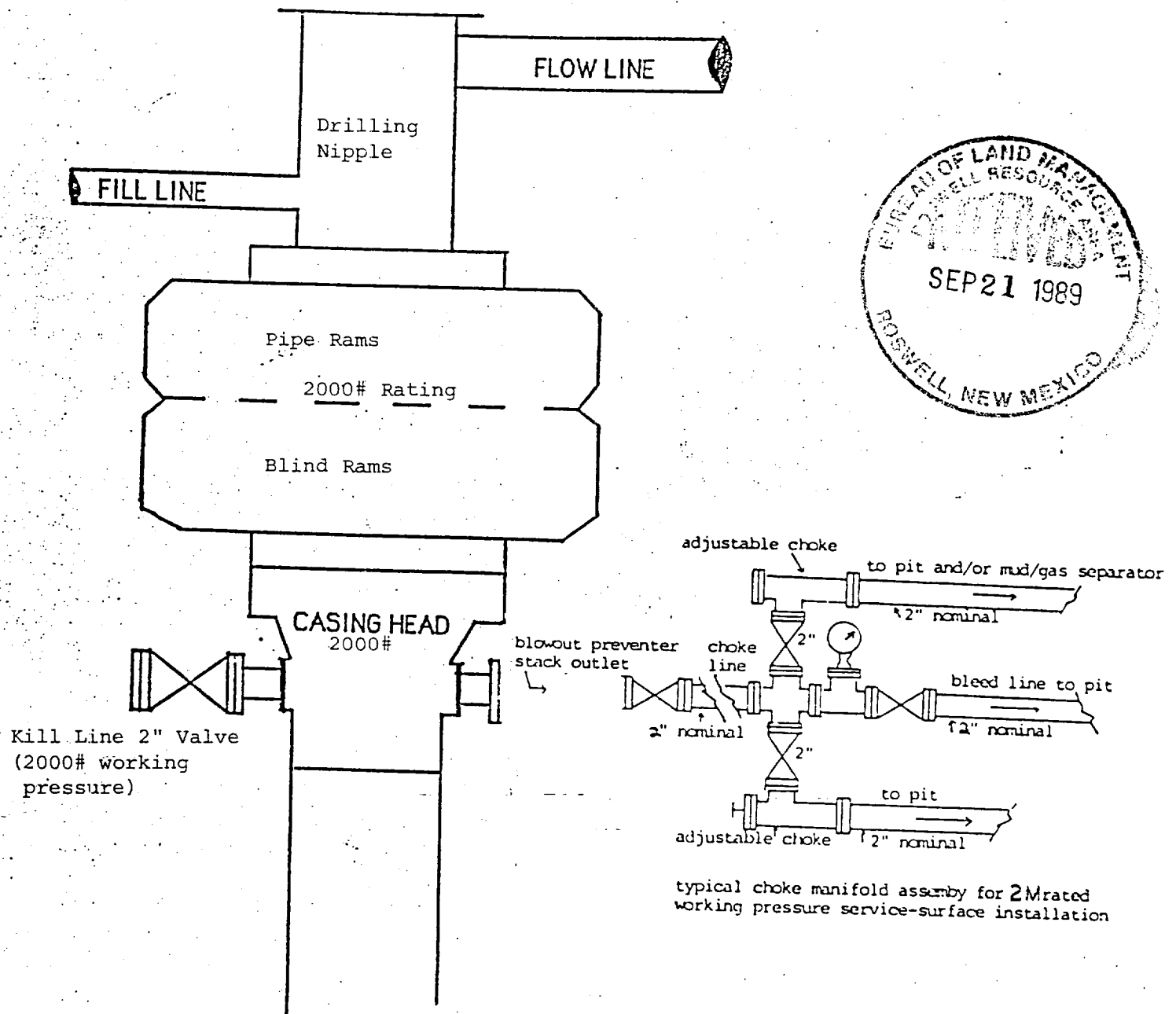


YATES PETROLEUM CORPORATION
BURROGESS "AEG" FEDERAL OIL #1
1980' FNL AND 1980' FEL
SECTION 15-T6S-R2SE
CHAVES COUNTY, NEW MEXICO

EXHIBIT A₂

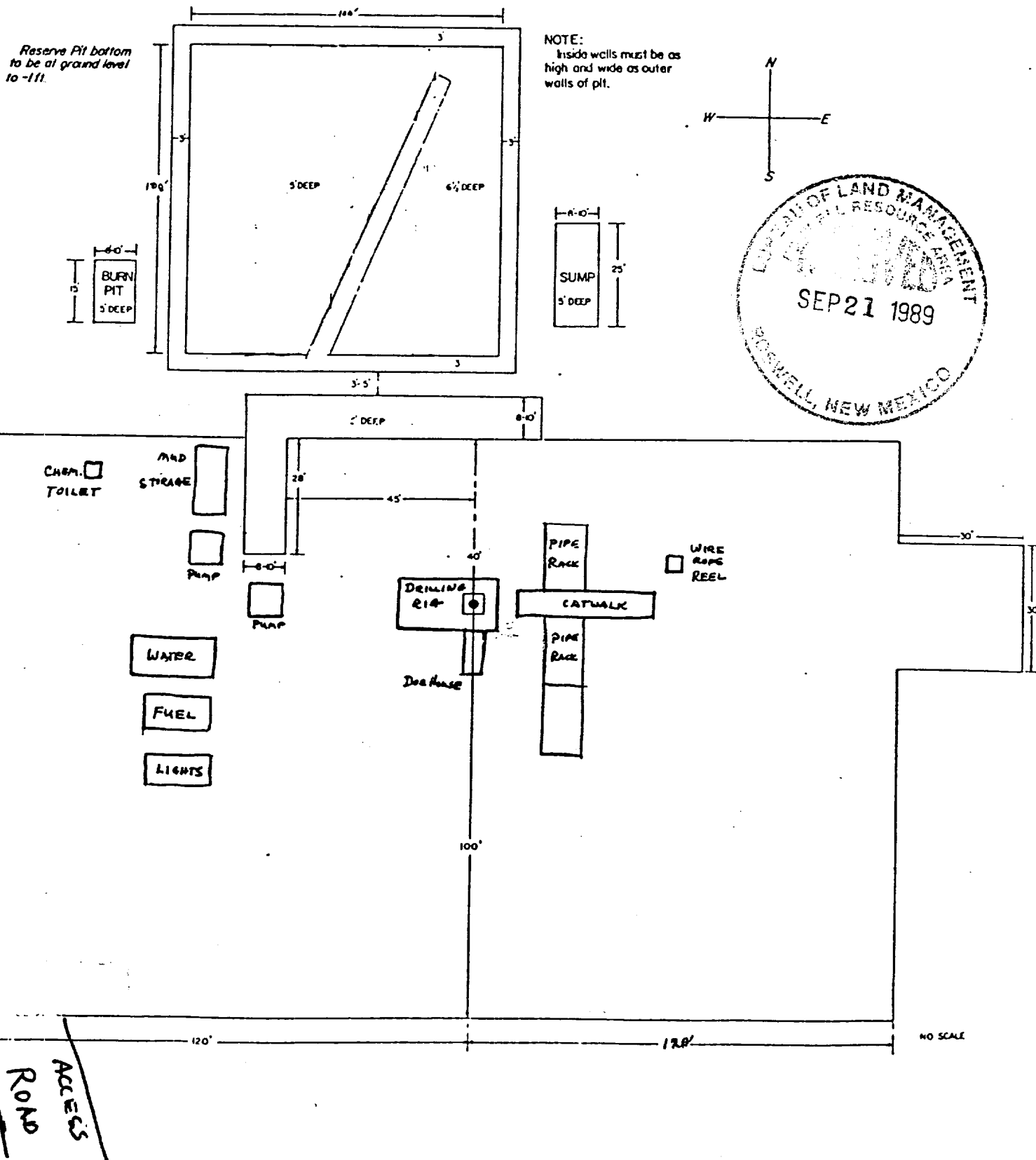


YATES PETROLEUM CORPORATION



**BLOWOUT PREVENTER
2M SYSTEM**

EXHIBIT B



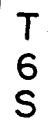
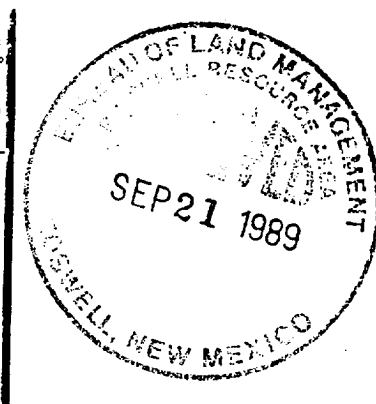
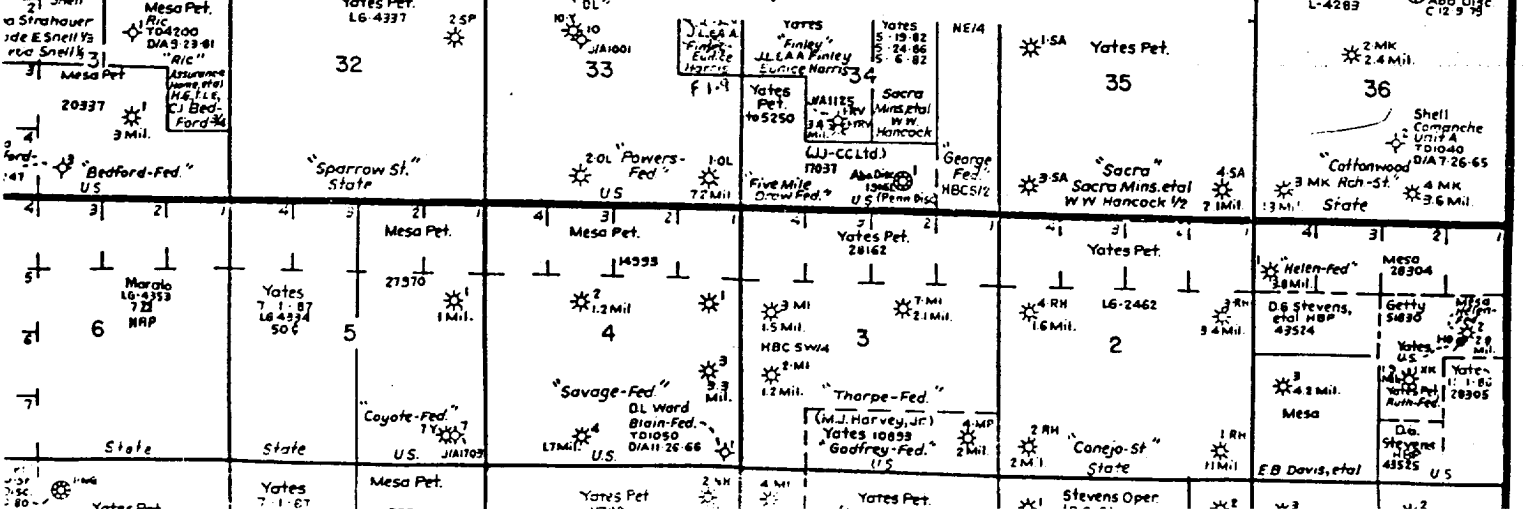
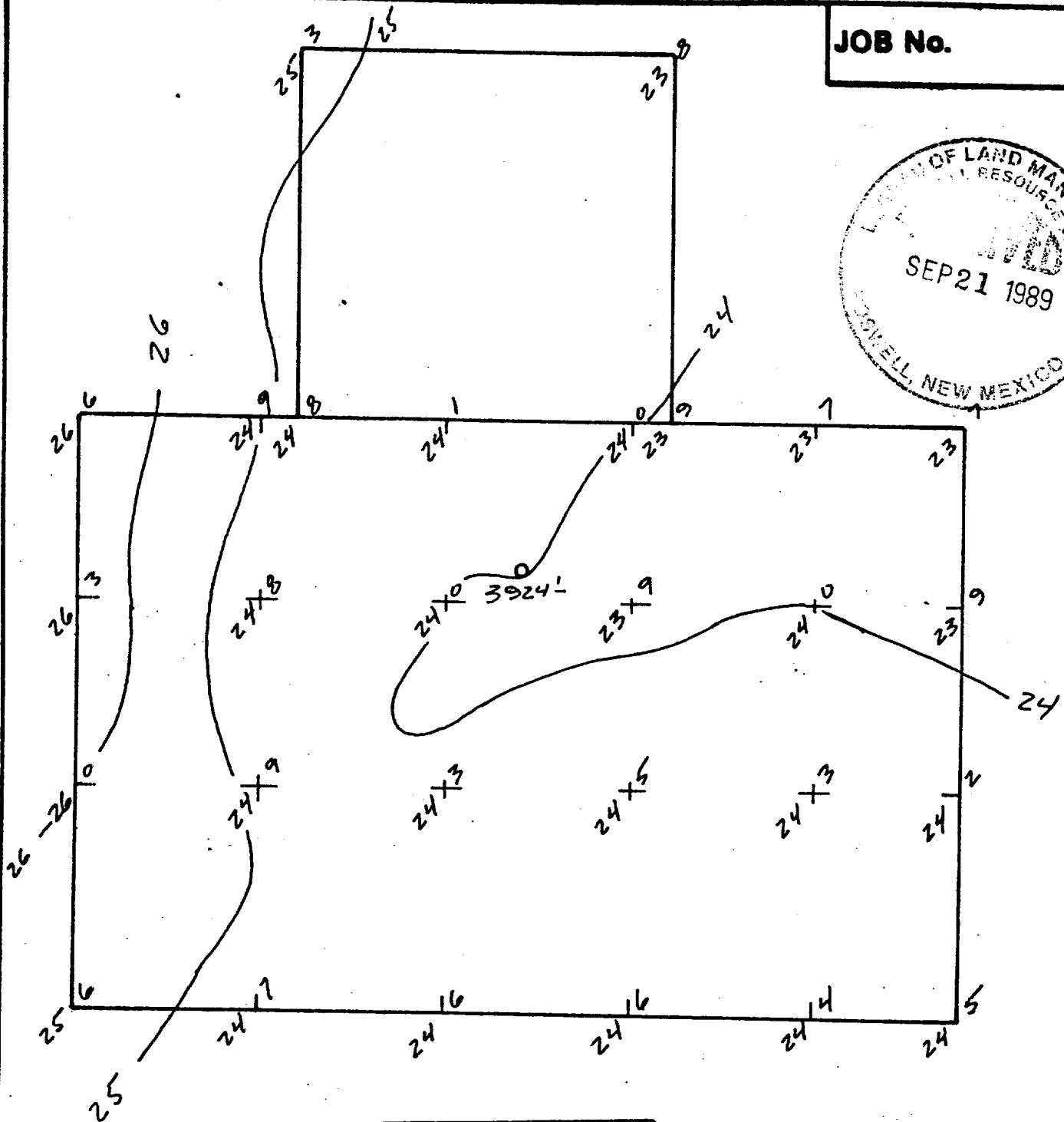


EXHIBIT D



JOB No.



YATES PETROLEUM CORPORATION

BURROGRASS "ABG" FEDERAL COM. #1
1980/N & 1980/E
Sec. 15-6S-25E, N.M.P.M.,
Chaves County, New Mexico

P.O. Box 888

Lovington, New Mexico 88260

SCALE: 1" = 40'

DRAWN BY: erb

DATE: 9/12/89

SHEET 2 OF 2

EXHIBIT E