

ARTESIA, NM UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

NOV 28 89

5. LEASE DESIGNATION NM-11593

6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A

7. UNIT AGREEMENT NAME N/A

8. FARM OR LEASE NAME Red Rock "NB" Federal

9. WELL NO. 2

10. FIELD AND POOL, OR WILDCAT Pecos Slope Abo

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 28, T6S-R25E

12. COUNTY OR PARISH Chaves

13. STATE NM

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

20. ROTARY OR CABLE TOOLS Rotary

22. APPROX. DATE WORK WILL START\* ASAP

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

2. NAME OF OPERATOR Yates Petroleum Corporation ✓

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 330' FSL & 1980' FWL  
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* Approximately 38 miles N/NE of Roswell, NM

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 330'

16. NO. OF ACRES IN LEASE

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 4100'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3741.9' GR

22. APPROX. DATE WORK WILL START\* ASAP

wt. N

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	650'	700 sacks circulated
12 1/2"	8 5/8"	24.0# J-55	1500'	800 sacks circulated
7 7/8"	4 1/2"	9.5# J-55	TD	350 sacks approx. 3600'

Yates proposes to drill and test the Abo and intermediate formations. Approximately 650' of surfacing casing will be set and cement circulated. Approximately 1500' of intermediate casing will be set and cement circulated. 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 1500', Cut Brine to 3200', Starch/Drlspak to TD.

BOP PROGRAM: BOP will be installed at the offset and tested daily for operational.

GAS NOT DEDICATED:

NOTE: A request for NSL approval has been sent to NMOCD.

Post ID-1  
12-1-89  
New Doc & API

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 7-18-89

(This space for Federal or State office use)  
NSL - R-9247  
PERMIT NO. Appx. 11-21-89 APPROVAL DATE \_\_\_\_\_

APPROVED BY S/Phil Kirk TITLE Area Manager DATE NOV 13 1989

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

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

\*See Instructions On Reverse Side

## INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plate, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

## NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill, deepen, or plug back an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the lessee elects to initiate drilling operations on an oil and gas lease.

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

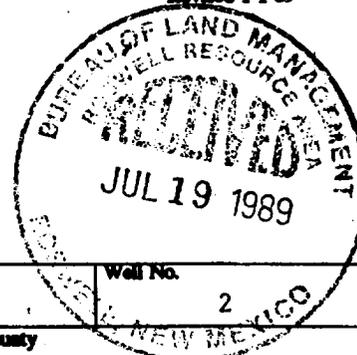
State of New Mexico  
 Energy, Minerals and Natural Resources Department

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, Artesia, NM 88210

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 <b>YATES PETROLEUM CORPORATION</b>			Lease <b>RED ROCK "NB" FEDERAL</b>			Well No. <b>2</b>		
Unit Letter <b>N</b>	Section <b>28</b>	Township <b>6 South</b>	Range <b>25 East</b>	County <b>NMPM Chaves</b>				

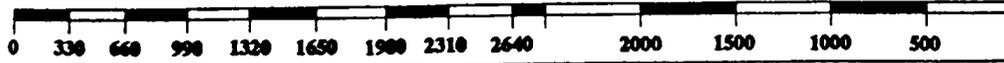
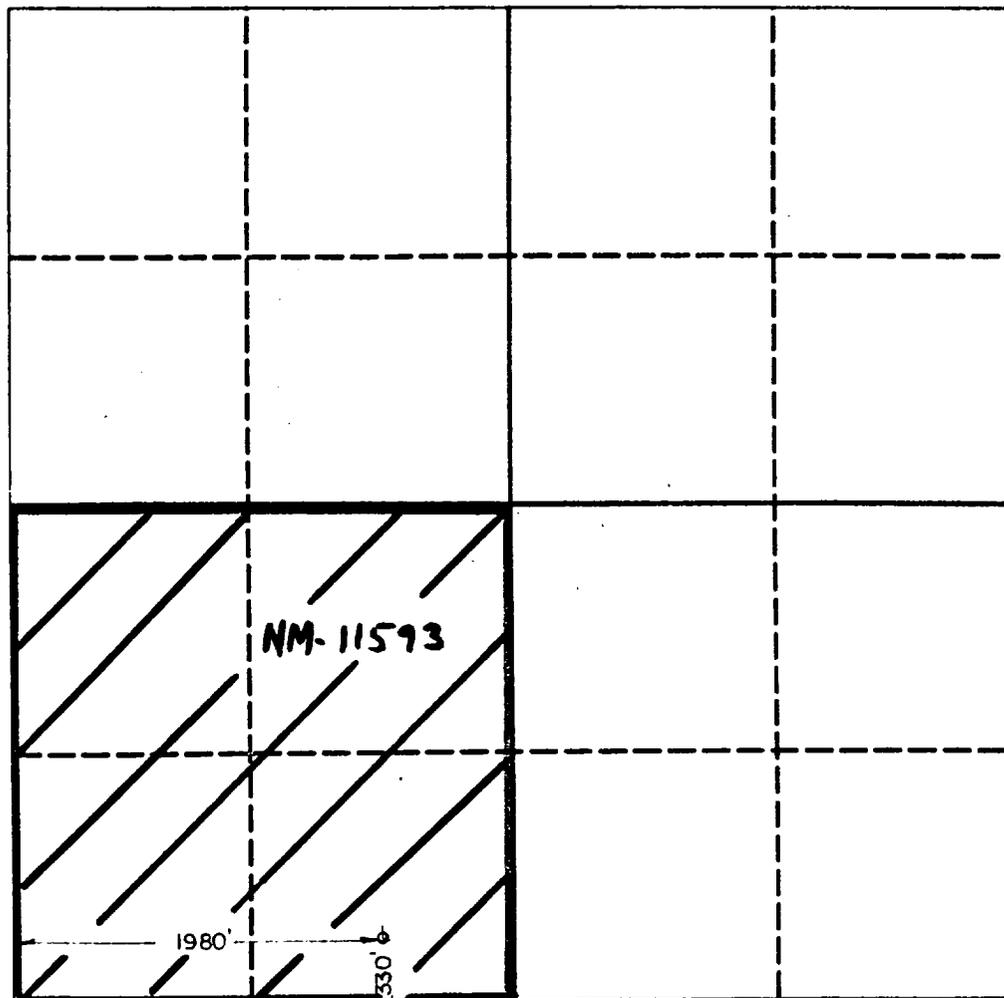
Actual Footage Location of Well:  
 1980 feet from the West line and 330 feet from the South line

Ground level Elev. <b>3741.9</b>	Producing Formation <b>Abo</b>	Pool <b>PECOS SLOPE ABO</b>	Dedicated Acreage: <b>160</b> Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 \_\_\_\_\_

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  
 JULY 18, 1989

**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  
 7/17/89

Signature & Seal of Professional Surveyor  

 Certificate No. 35640

YATES PETROLEUM CORPORATION  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28-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	475'
Glorietta	1330'
Abo	3470'
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 - 3470'
4. Proposed Casing Program: See Form 3160-3
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B
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: Surface casing to TD  
DST's: As warranted  
Coring: None anticipated  
Logging: CNL/FDC from TD to casing with GR-CNL on to surface; DLL from TD to casing.
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  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28, 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 Topographic map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 38 miles N/NE of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go north of Roswell on 285 approximately 23.5 miles to Cottonwood Ranch Road (MM136). Turn right (east) and go approximately 6.5 miles. You leave the county road taking the right fork. Continue east approximately 2.7 miles to Mesa Ric #4. Road angles right. Go approximately .6 of a mile to the Sparrow "SP" St. #2 well.

Road goes left approximately .6 of a mile to the Powers "OL" Fed. 10-Y location. The new access will start here and go north approximately 2280' to the SE corner of the pad. (Pits to the west)

2. PLANNED ACCESS ROAD

- A. The proposed access road will be approximately 2280' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a northerly direction.
- B. The new road will be 14' in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. One traffic turnout will be built.
- D. The route of the road is visible.
- E. The surface will not be caliched. (no material available)

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 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, and 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. Additional construction materials may not be needed for drilling the well or constructing the access road into the location during drilling. The surface soil materials may be sufficient. If additional material is needed, they will be bought from a private source.
- 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 not included as the cut and fill is less than 3'.

- 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 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 Bureau of Land Management 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 for a description of the topography, flora, fauna, soil characteristics, swelling, historical and cultural sites.
- B. Waterways: None - Five Mile Draw is due north approximately 400'.

12. SURFACE OWNERSHIP:

- A. The wellsite and access road is on federal surface administered by BLM.
- B. The surface is leased to Bronson Corn, Dunlap Route, Box 1101, Roswell, New Mexico 88201.

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:

Al Springer, Drilling Superintendent  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505)-748-1471

Red Rock "NB" Federal #2

Page 4

14. CERTIFICATION:

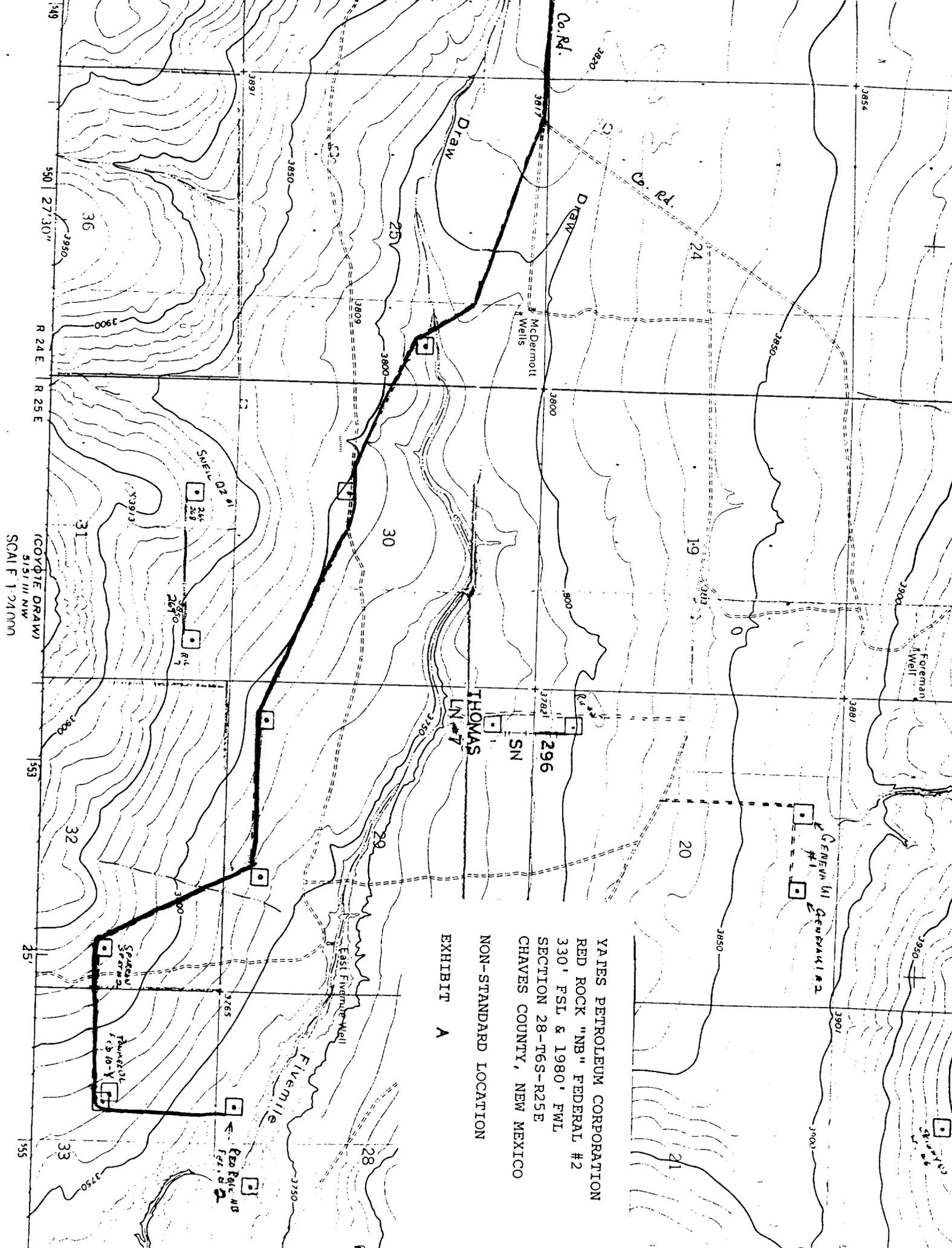
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated 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.

7-18-89

Date

Clifton R. May

Clifton R. May  
Permit Agent



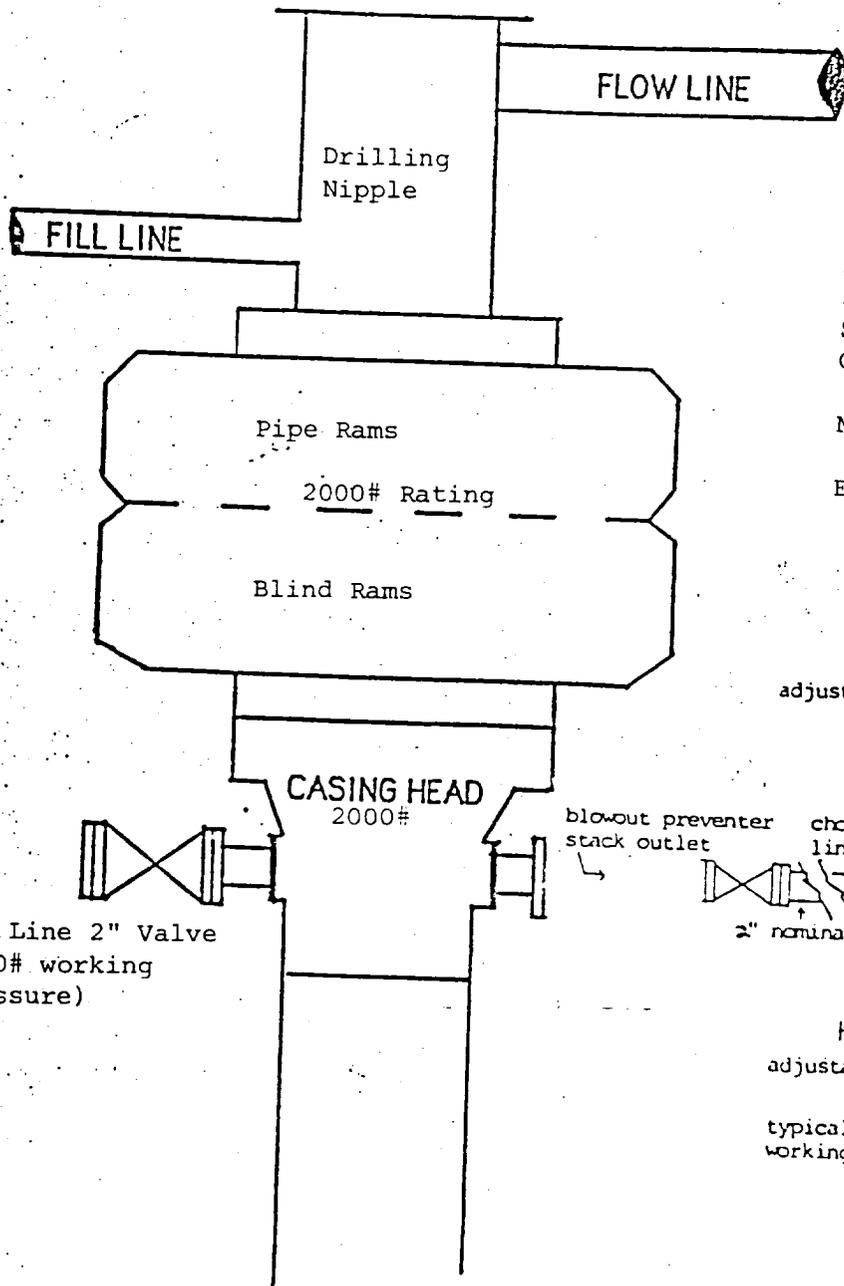
YATES PETROLEUM CORPORATION  
 RED ROCK "NB" FEDERAL #2  
 330' FSL & 1980' FWL  
 SECTION 28-T6S-R25E  
 CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

EXHIBIT A

(COYOTE DRAW)  
 5151 III NW  
 SCALE 1:241000

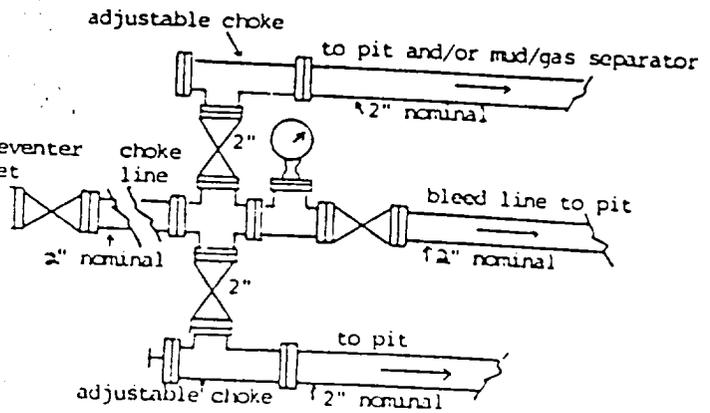
# YATES PETROLEUM CORPORATION



YATES PETROLEUM CORPORATION  
 RED ROCK "NB" FEDERAL #2  
 330' FSL & 1980' FWL  
 SECTION 28-T6S-R25E  
 CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

EXHIBIT B

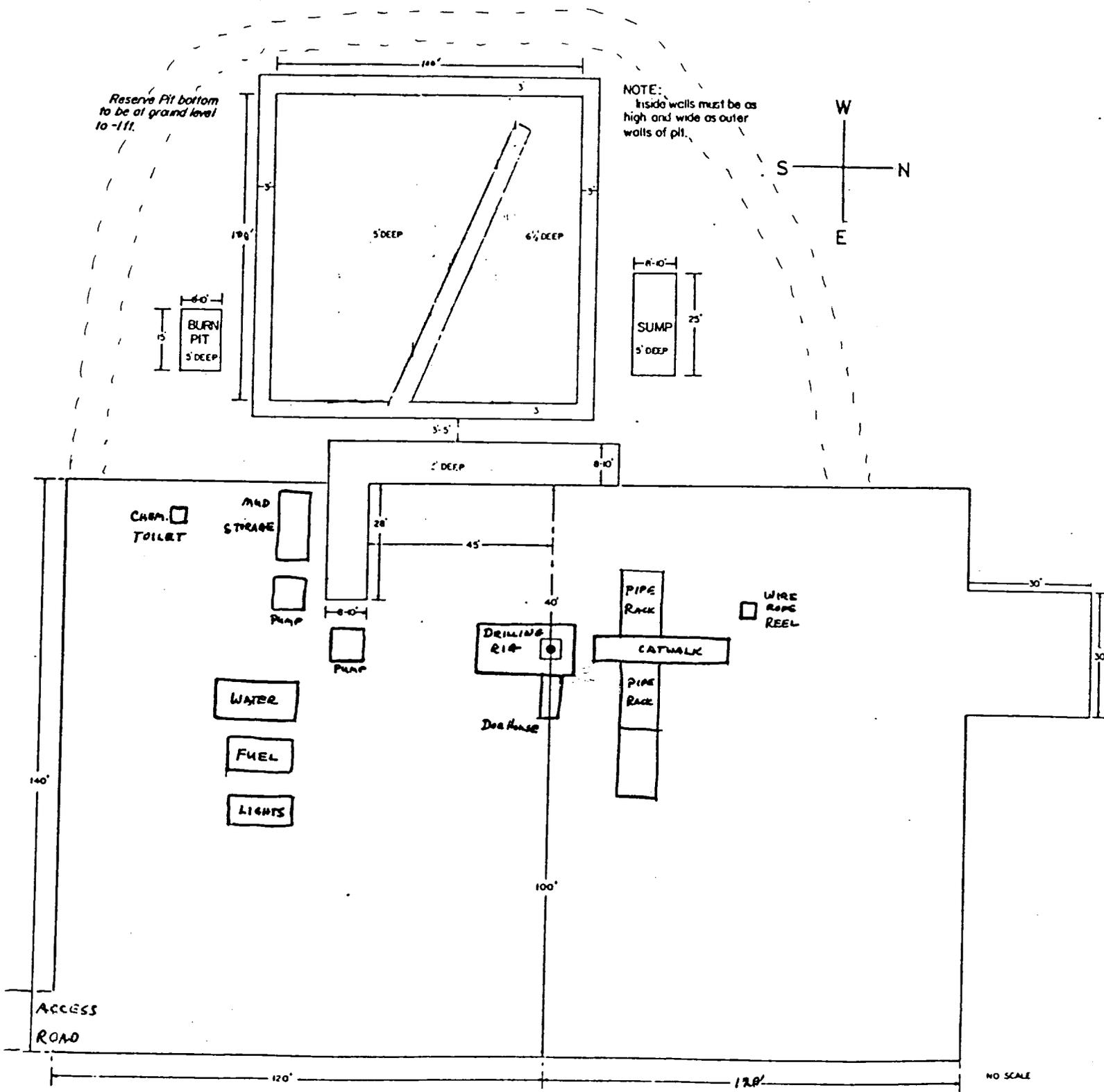


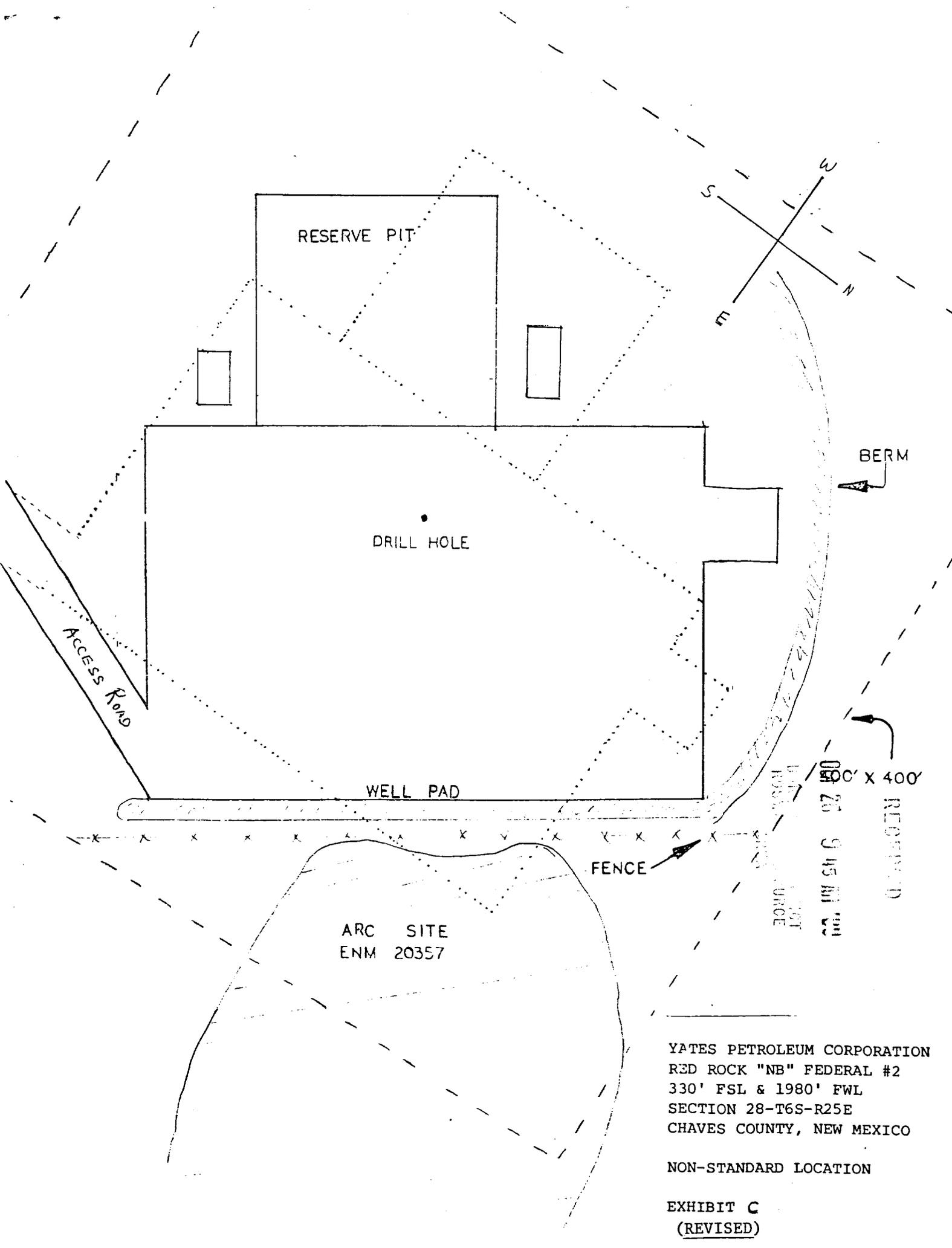
typical choke manifold assembly for 2M rated working pressure service-surface installation

**BLOWOUT PREVENTER  
 2M SYSTEM**

# YATES PETROLEUM CORPORATION

## EXHIBIT C





RESERVE PIT

DRILL HOLE

ACCESS ROAD

WELL PAD

BERM

FENCE

08 26 9 45 AM '91

RETURN ROAD

ARC SITE  
ENM 20357

YATES PETROLEUM CORPORATION  
RED ROCK "NB" FEDERAL #2  
330' FSL & 1980' FWL  
SECTION 28-T6S-R25E  
CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

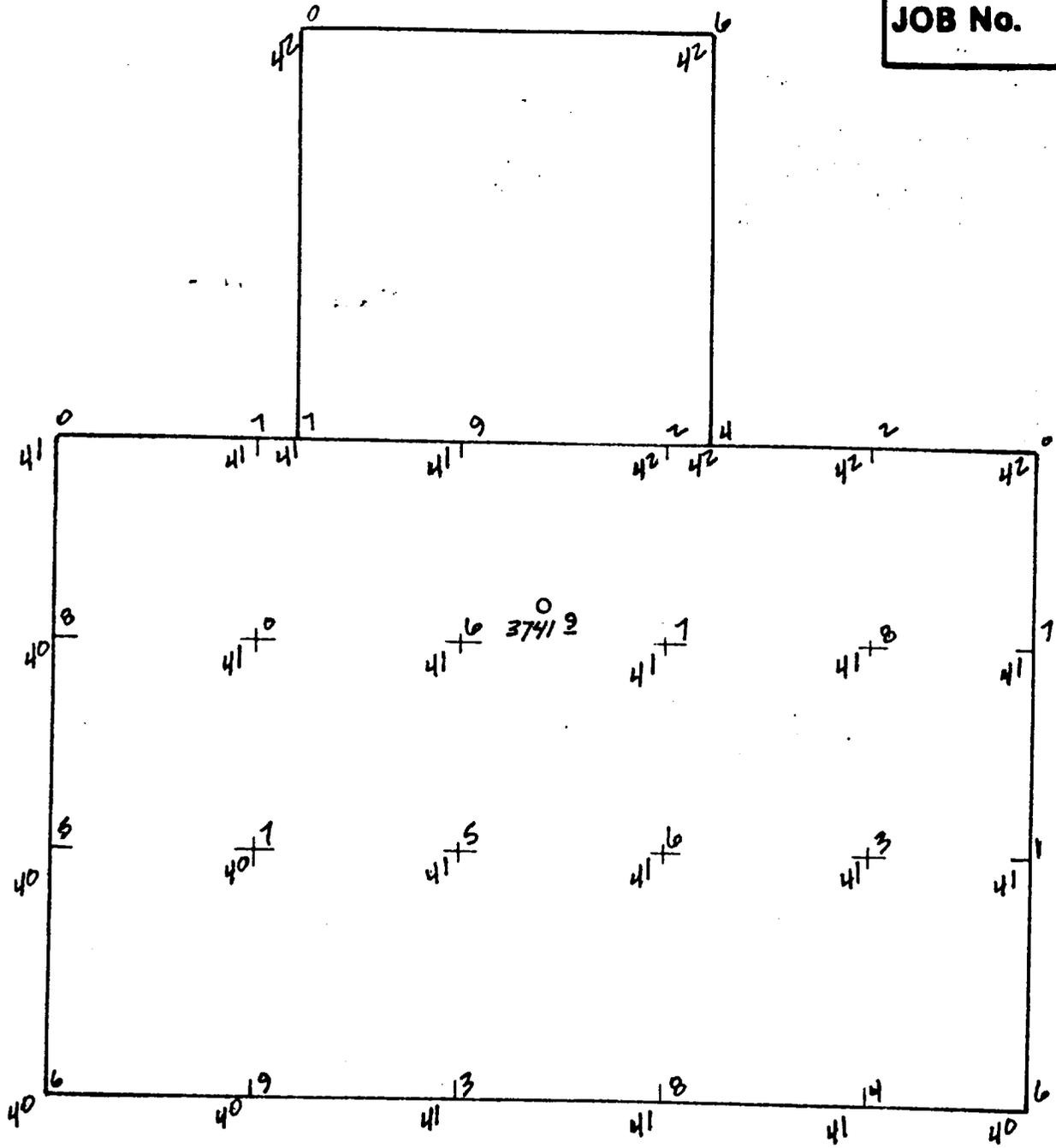
EXHIBIT C  
(REVISED)

Yates Petroleum Corporation  
Red Rock "NB" Federal #2  
330' FSL & 1980' FWL  
Section 28-T6S-R25E

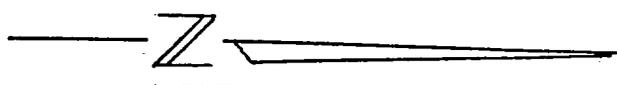
Yates proposes to rotate well pad putting the pits to the SW instead of to the West. By rotating the well pad approximately 30 degrees, we will miss the arc site by approximately 25 feet. Yates proposes to have a contract archaeologist to monitor the well pad construction starting with marking the route for a 3-strand barbed wire fence running from the 400 X 400 boundary. An earthen berm along the NE edge of the pad continuing around the NW side past the stinger. This berm will protect the Five Mile Draw, as well as the arc site, from a potential spill. The road will follow the original route until inside the 400 X 400. It will then swing to the East corner of the well pad.



JOB No.



HIGH POINT 37426  
 LOW POINT 37405  
 21



YATES PETROLEUM CORPORATION  
 RED ROCK "NB" FEDERAL #2  
 330' FSL & 1980' FWL  
 SECTION 28-T6S-R25E  
 CHAVES COUNTY, NEW MEXICO

NON-STANDARD LOCATION

EXHIBIT E

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MAPS.