

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 ☐

2. NAME OF OPERATOR
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR
105 South Fourth Street

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 990' FNL & 990' FEL
At proposed prod. zone Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 28 miles NE of Roswell, New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 990'

16. NO. OF ACRES IN LEASE 866.14

17. NO. OF ACRES ASSIGNED TO THIS WELL 160.00

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

19. PROPOSED DEPTH 4400'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3649.5' GR

22. APPROX. DATE WORK WILL START* As soon as possible

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	950	750 sacks circulated
7 7/8"	4 1/2	9.5#	TD	300 sacks circulated

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 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 950', brine to 3500', brine/KCL water to TD.

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

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 12-18-89
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
APPROVED BY S/Levi Deike, Acting TITLE Area Manager DATE JAN 18 1990
CONDITIONS OF APPROVAL, IF ANY:

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 EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make any false statement to 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, Artesia, NM 88210

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

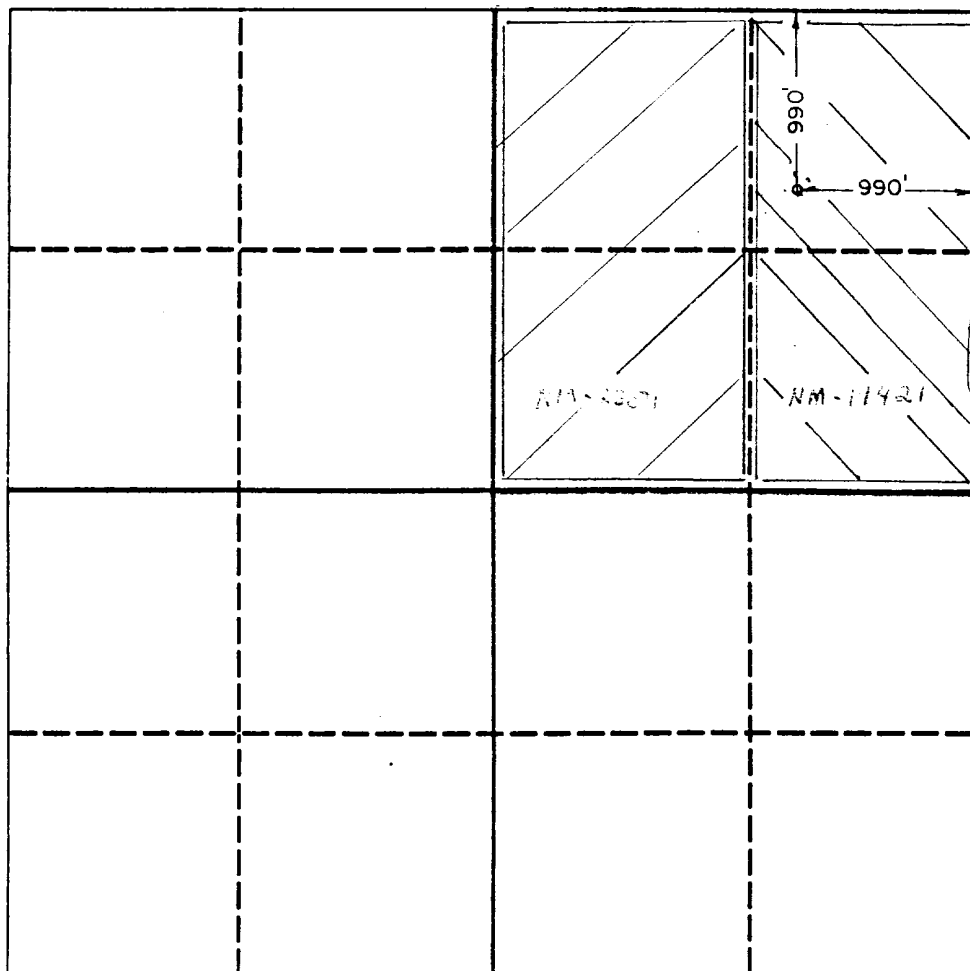
All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease CATTERSON "SS" FED. COM.		Well No. 3
Unit Letter A	Section 7	Township 7 South	Range 26 East	County NMPM	Chaves

Actual Footage Location of Well:

990 feet from the North line and		990 feet from the East line	
Ground level Elev. 3649.5	Producing Formation Abo	Pool PECOS SCOPE 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 **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 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 **12-18-89**

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 **12/12/89**
Signature & Seal of Professional Surveyer **Herschel Jones**
Certificate No. **3640**

YATES PETROLEUM CORPORATION
Catterson "SS" Federal Com. #3
990' FNL & 990' FEL of
Section 7-T7S-R26E
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 BLM requirements.

1. The geological surface formation is Sandy Alluvium.
2. The estimated tops of geologic markers are as follows:

San Andres	496'
Glorieta	1444'
Tubb	3004'
Abo	3697'
TD	4400'

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 3697

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly cock, ; sub with full opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:

Samples: 10' samples out from under surface casing to TD
DST's: As warranted
Coring: None
Logging: CNL/FDC TD to casing with GR-CNL 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
Catterson "SS" Federal Com. #3
990' FNL & 990' FEL of
Section 7-T7S-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 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 a BLM color quad map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 28 miles Northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Proceed North of Roswell on Highway 285 for approximately 22 miles.
- B. Turn East for approximately 10 miles to the NE toward Potters well.
- C. Go past Potters well for approximately 2 miles. New access well start here and go SE.

2. PLANNED ACCESS ROAD

- A. The proposed new access road will be approximately 3400' in length from point of origin to the southwest edge of the drilling pad. The road will lie in the NE to SW 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. No turnouts will be built.

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. 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. 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 constructing the well pad and access road. The surface soil materials may be sufficient.

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 for appropriate approval.
- 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.
- B. The reserve pits will not 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 BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. SURFACE OWNERSHIP: The surface ownership is on private, with Mr. Tom Cooper of Las Cruces, New Mexico. Mineral ownership is federal.

12. OTHER INFORMATION:

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

13. OPERATOR'S REPRESENTATIVE:

A. Through A.P.D. Approval:

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

B. Through Drilling Operations:

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

Catterson "SS" Federal Com. #3

Page 4

15. CERTIFICATION:

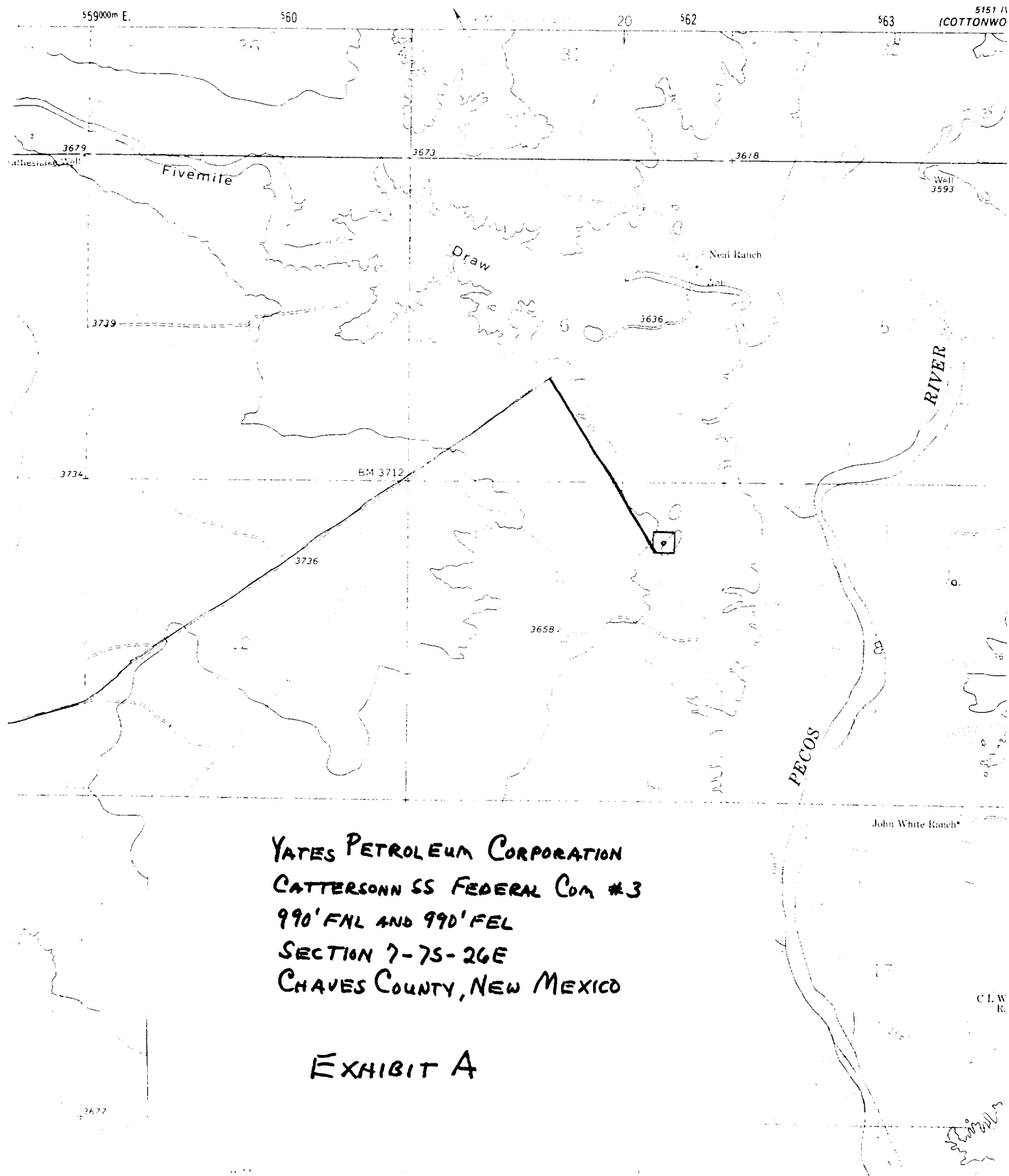
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated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

December 18, 1989

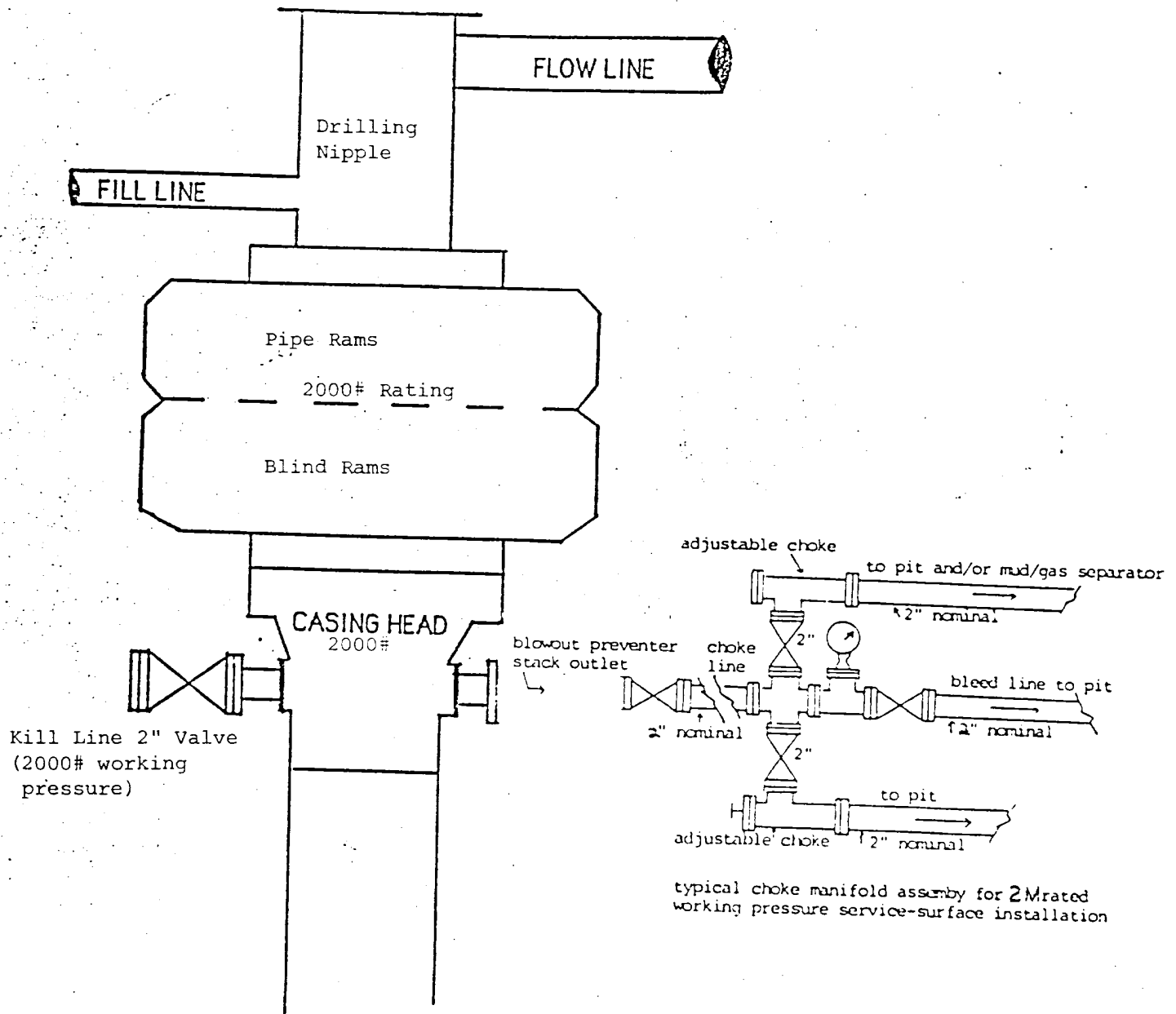
Date

Clifton R. May
Clifton R. May
Permit Agent

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND SURVEY



YATES PETROLEUM CORPORATION

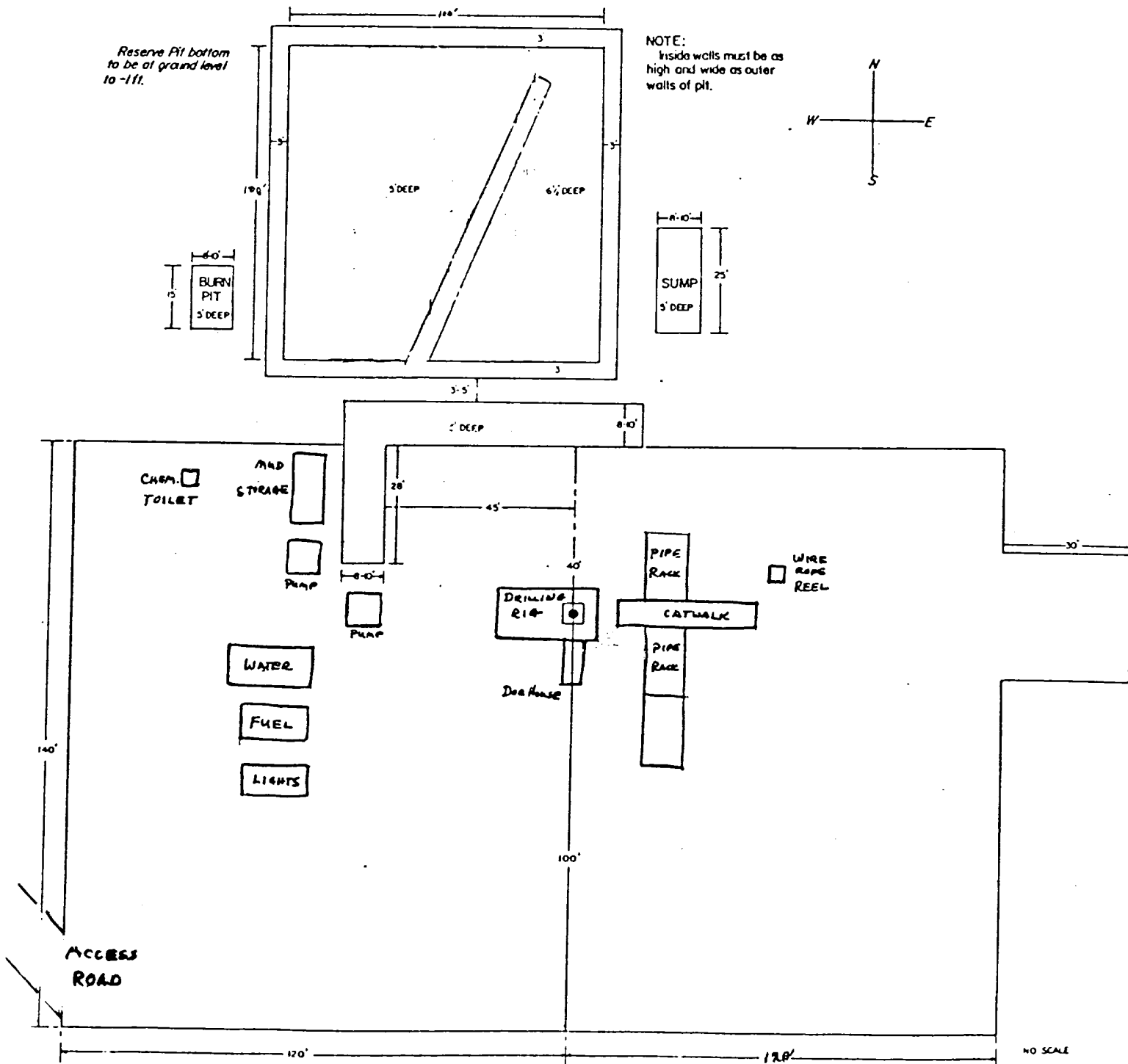


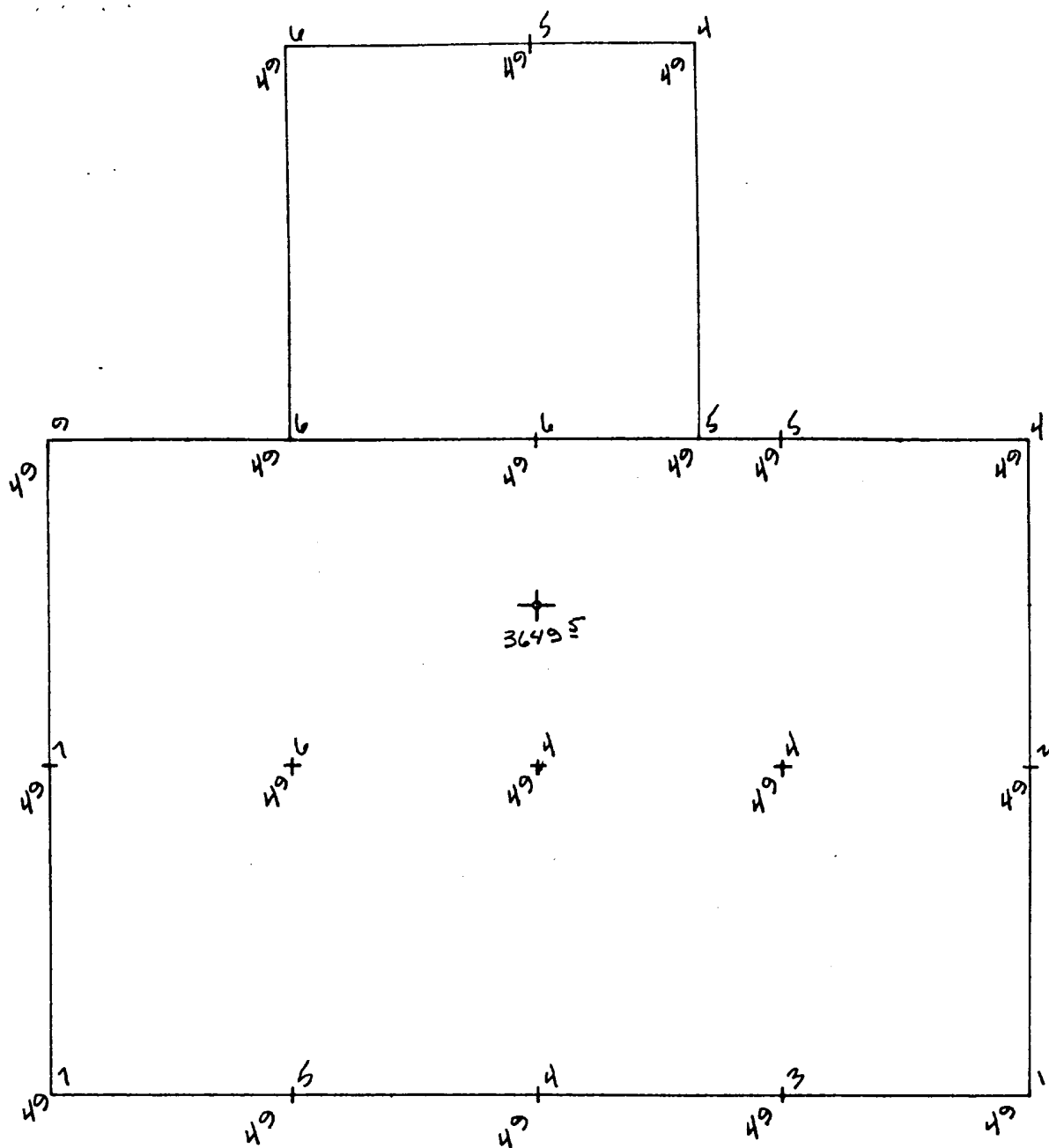
typical choke manifold assembly for 2M rated working pressure service-surface installation

**BLOWOUT PREVENTER
2M SYSTEM**

EXHIBIT B

EXHIBIT C





Highest Point NW Cor. of Pad 3649.9
Lowest Point SE Cor. of Pad 3649.1

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 MEETS THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

YATES PETROLEUM CORPORATION

CATTERSON "SS" FEDERAL COM. #3
990/N & 990/E
Sec.7, T.7 S., R.26 E.,
Chaves County, New Mexico

PLAN VIEW PAD

P.O. Box 996

Lovington, New Mexico 88260

Herschel L. Jones
HERSCHEL L. JONES
R.L.S. No. 3840



SCALE: 1" = 40'	DRAWN BY: erb
DATE: 12/13/89	SHEET OF

EXHIBIT D

