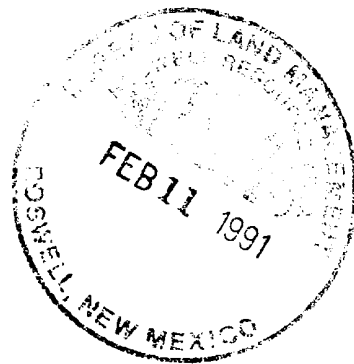


**YATES PETROLEUM CORPORATION**

**Salt Creek Unit #1  
1980' FSL and 1980' FWL  
Section 21-T6S-R21E  
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 BLM requirements.

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

Glorieta	310'
Tubb	1,841'
Abo	2,417'
Wolfcamp Penn	2,815'
Pre-Cambrian	3,715'
TD	3,850'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	250' - 300'
Oil or Gas:	2420'
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 connections.
8. Testing, Logging and Coring Program:

Samples: 10' samples from under surface casing to TD.

DST's: As warranted by drilling breaks and shows.

Coring: None anticipated.

Logging: CNL/FDC from 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**

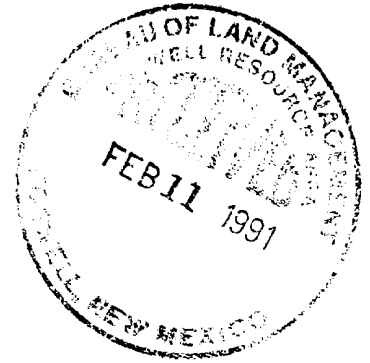
**Yates Petroleum Corporation**

**Salt Creek Unit #1**

**1980' FSL and 1980' FWL**

**Section 21-T6S-R21E**

**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 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 38 miles northeast 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 Highway 285 approximately 23 miles to Stargrass Road. Turn west and go approximately 8 miles and Stargrass turns north. Continue west approximately 2 miles going through barn yard and taking right fork after leaving last cattleguard. New road will start and go west for approximately 4 1/2 miles down fence line.

### **2. PLANNED ACCESS ROAD**

- A. The proposed new access will be approximately 4 1/2 miles in length from point of origin to the southeast edge of drilling pad. The road will lie in an easterly direction.
- B. The new road will be 11 feet in width (driving surface) and will be a primitive road for drilling purposes.
- C. The new road will be spot bladed. Eight traffic turnouts will be built.

### **3. LOCATION OF EXISTING WELL**

- A. There is no 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:

If any is needed, it will come from a private pit belonging to Bill M. Knight, Section 17-T6S-R22E.

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. 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. 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

- 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: Federal administered by the BLM, Roswell, NM.

12. OTHER INFORMATION:

- A. Topography: Refer to the existing 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. OPEFATOR'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:

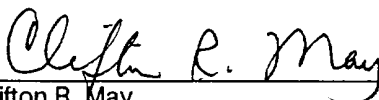
Mike Slater, Operations Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471

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 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 te rms 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.

2-11-91

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Clifton R. May  
Permit Agent

YATES PETROLEUM CORPORATION

Salt Creek Unit #1  
1980' FSL and 1980' FWL  
Section 21-T6S-R21E  
Chaves County, NM

EXHIBIT A

Scale: 1" = 100'

North Arrow

Map Labels: 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

YATES PETROLEUM CORPORATION

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YATES PETROLEUM CORPORATION

Salt Creek Unit #1  
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Chaves County, NM

EXHIBIT A

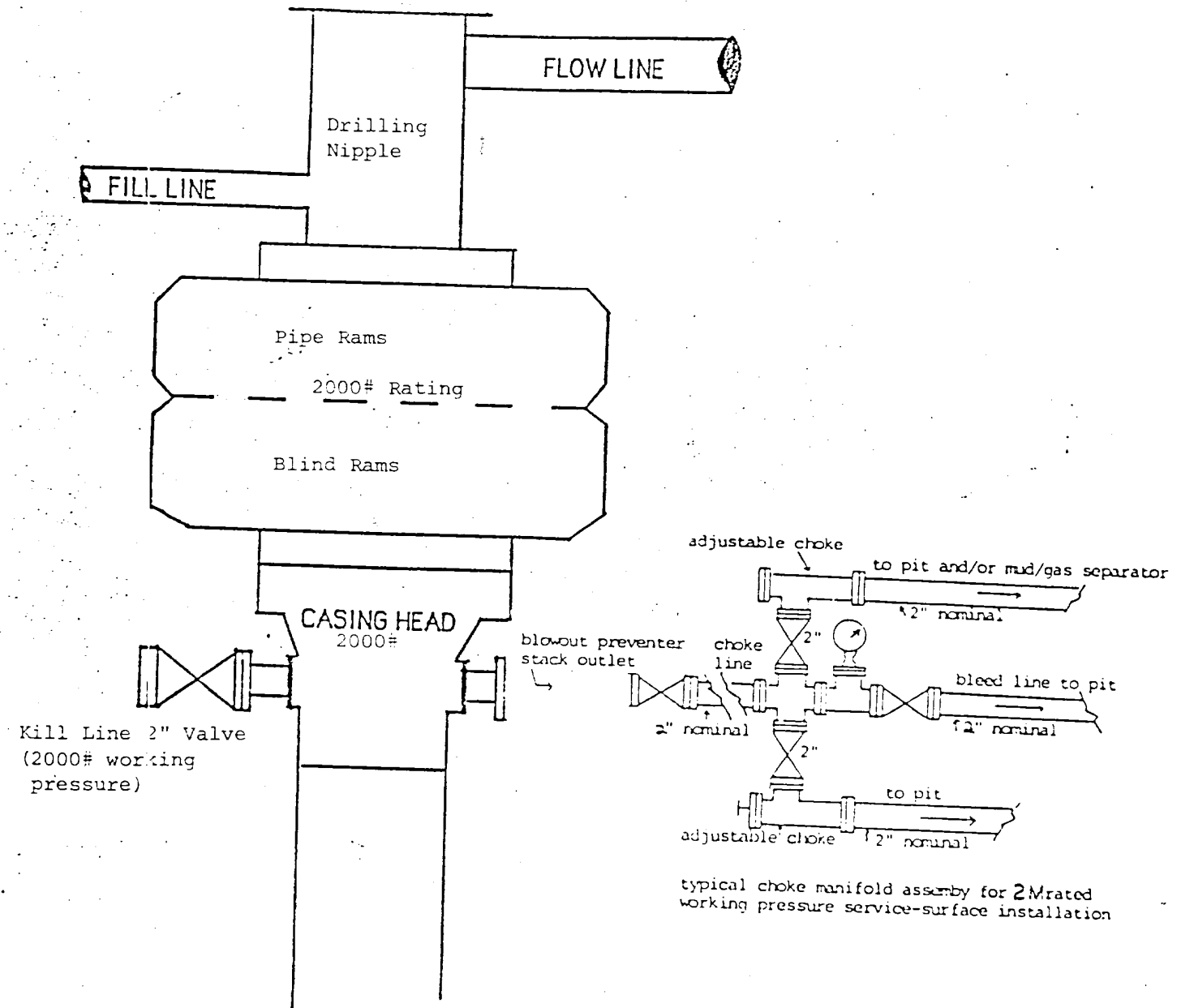
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# YATES PETROLEUM CORPORATION

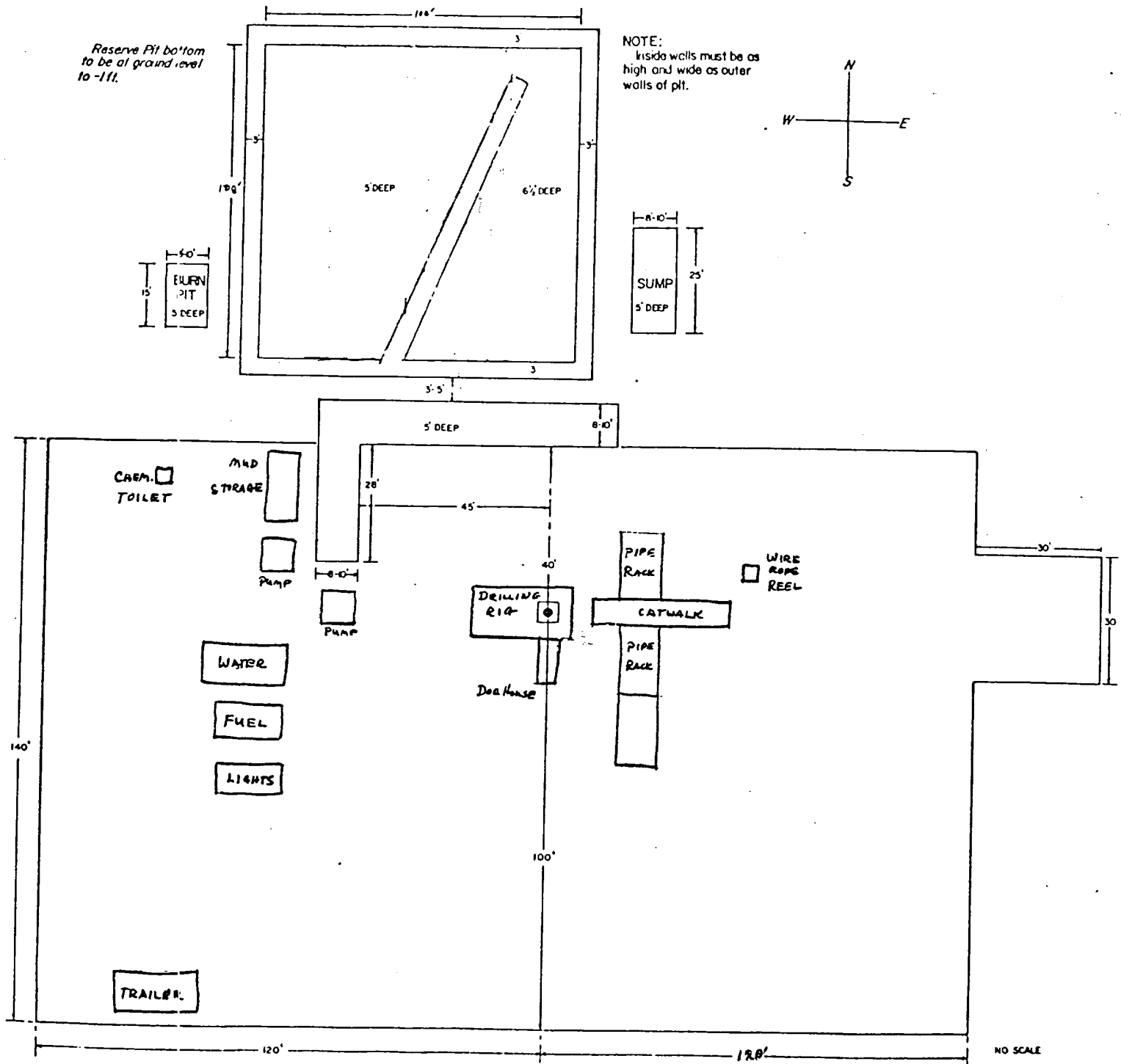
## EXHIBIT B

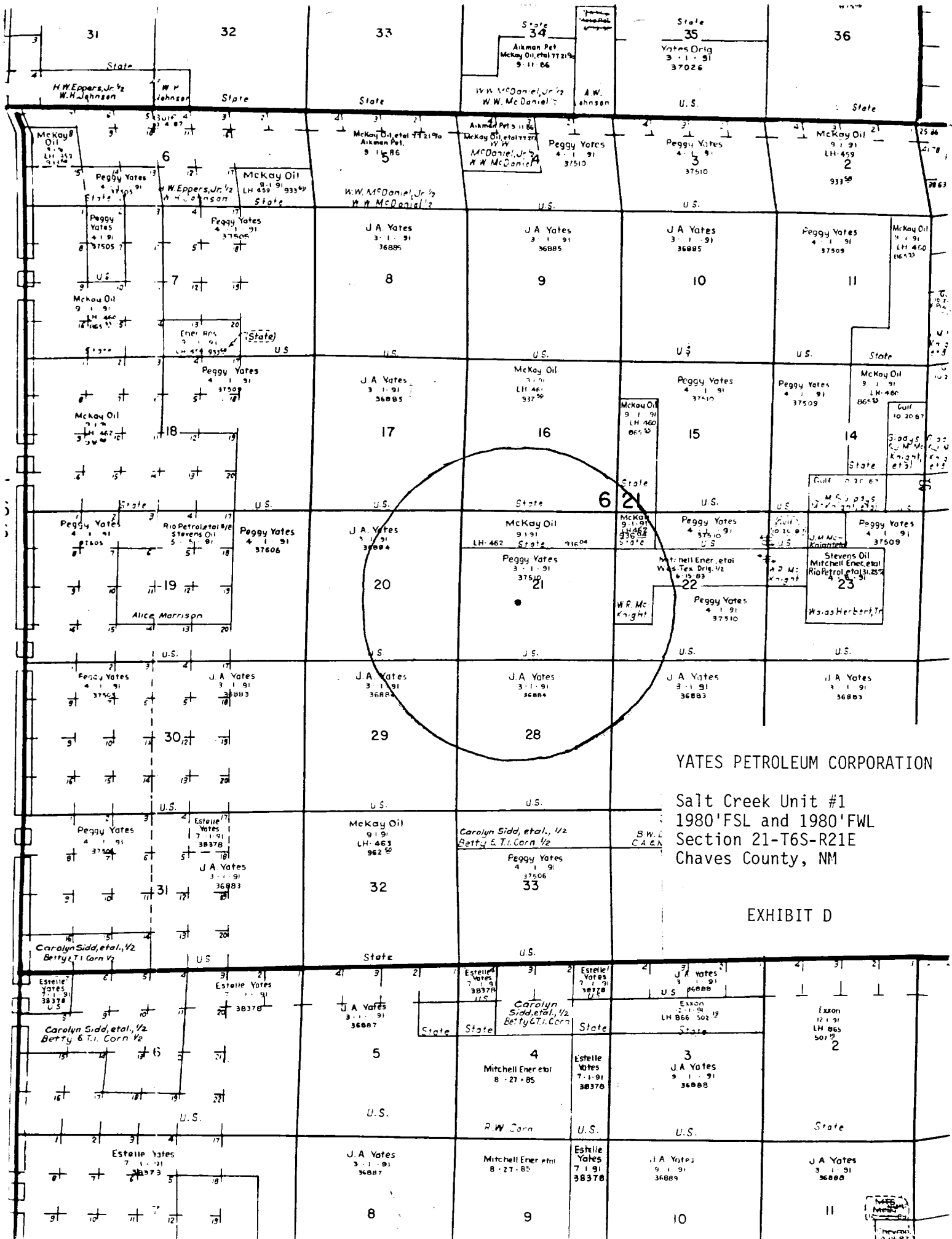


**BLOWOUT PREVENTER  
2M SYSTEM**

# YATES PETROLEUM CORPORATION

## EXHIBIT C





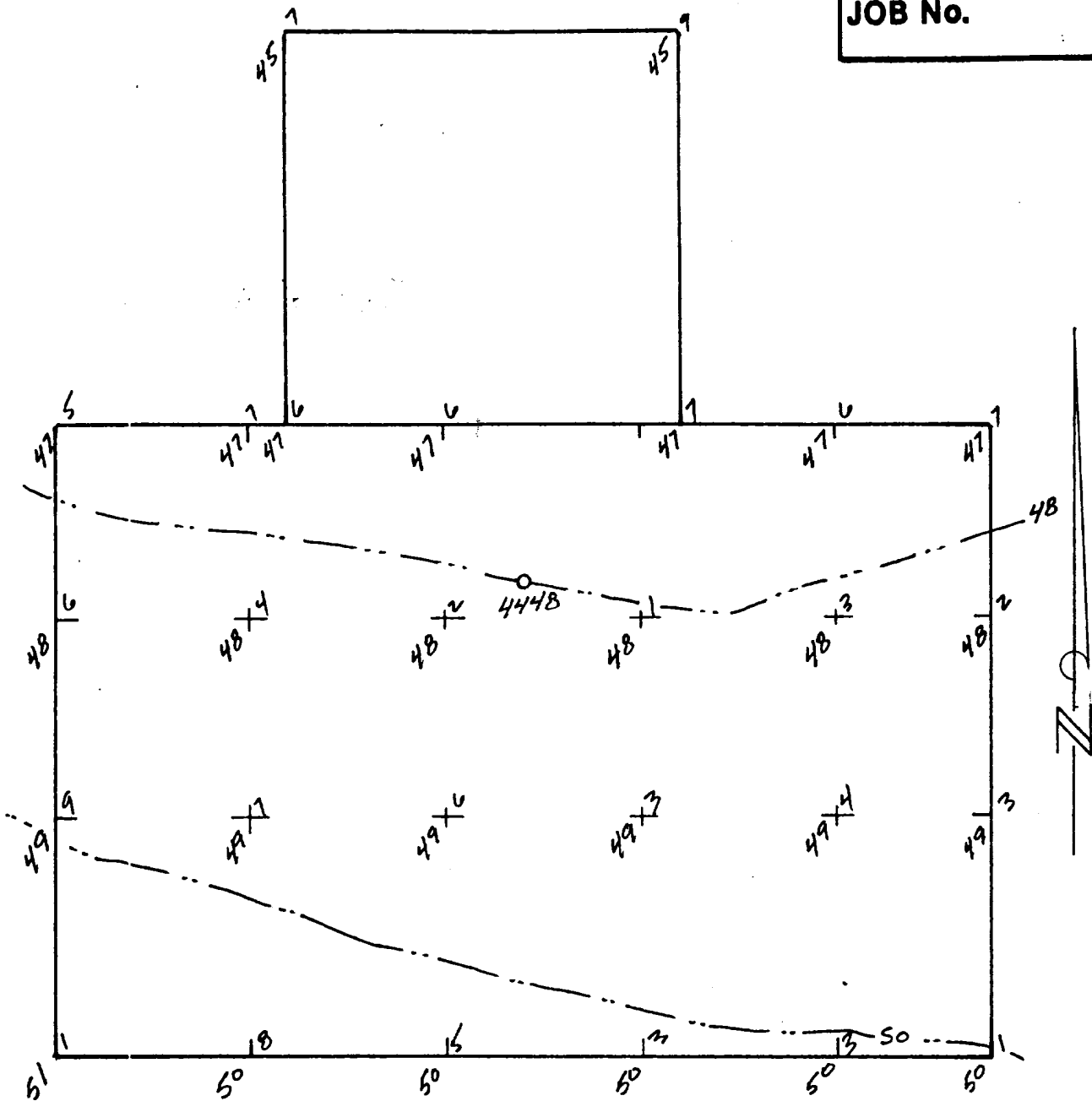
YATES PETROLEUM CORPORATION

Salt Creek Unit #1  
1980'FSL and 1980'FWL  
Section 21-T6S-R21E  
Chaves County, NM

EXHIBIT D



JOB No.



HIGH POINT SW COR. PAD 4451.1  
LOW POINT NW COR. PAD 4447.5

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

ELEVATION PLAN VIEW  
SALT CREEK UNIT #1  
1980/S & 1980/W  
Sec. 21-6S-21E  
CHAVES COUNTY, NEW MEXICO

P.O. Box 986

Lovington, New Mexico 88260

SCALE:

" =

DRAWN BY: ERB

DATE:

SHEET OF

*Herschel L. Jones*  
HERSCHEL L. JONES  
R.L.S. No. 3640

