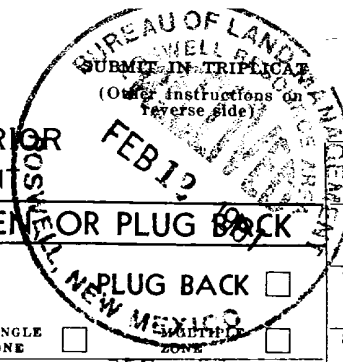


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



30-005-62858

Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

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

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, NM 88210

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

At surface

Unit B; 660'FNL and 1980'FEL

At proposed prod. zone
same

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

Approximately 38 miles N/NE of Roswell, New Mexico

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

1980'

16. NO. OF ACRES IN LEASE

Approx. 800

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.)

-3763.8 GR - 3824 GR

22. APPROX. DATE WORK WILL START*

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 Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 650' of surface 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/Gwl/LCM to 1500'; cut Brine to 3200'; Starch/Salt Gel/Oil to TD.

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

GAS NOT DEDICATED

Post ID-1
6-14-91
New Log + 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 2-12-91
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY S/Homer Meyer, Acting TITLE Area Manager DATE JUN 5 1991
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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-182
Revised 1-1-89

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. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Arriba Rd., Artesia, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION		Lease RED ROCK "NB" FEDERAL		Well No. 6
Unit Letter B	Section 28	Township 6 SOUTH	Range 25 EAST	County NMPM CHAVES
Actual Footage Location of Well: 1980 feet from the EAST line and 660 feet from the NORTH line				
Ground level Elev. 3834	Producing Formation A60	Pool PECOS SLOPE A60	Dedicated Acreage: 160 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or ink on the plat below.

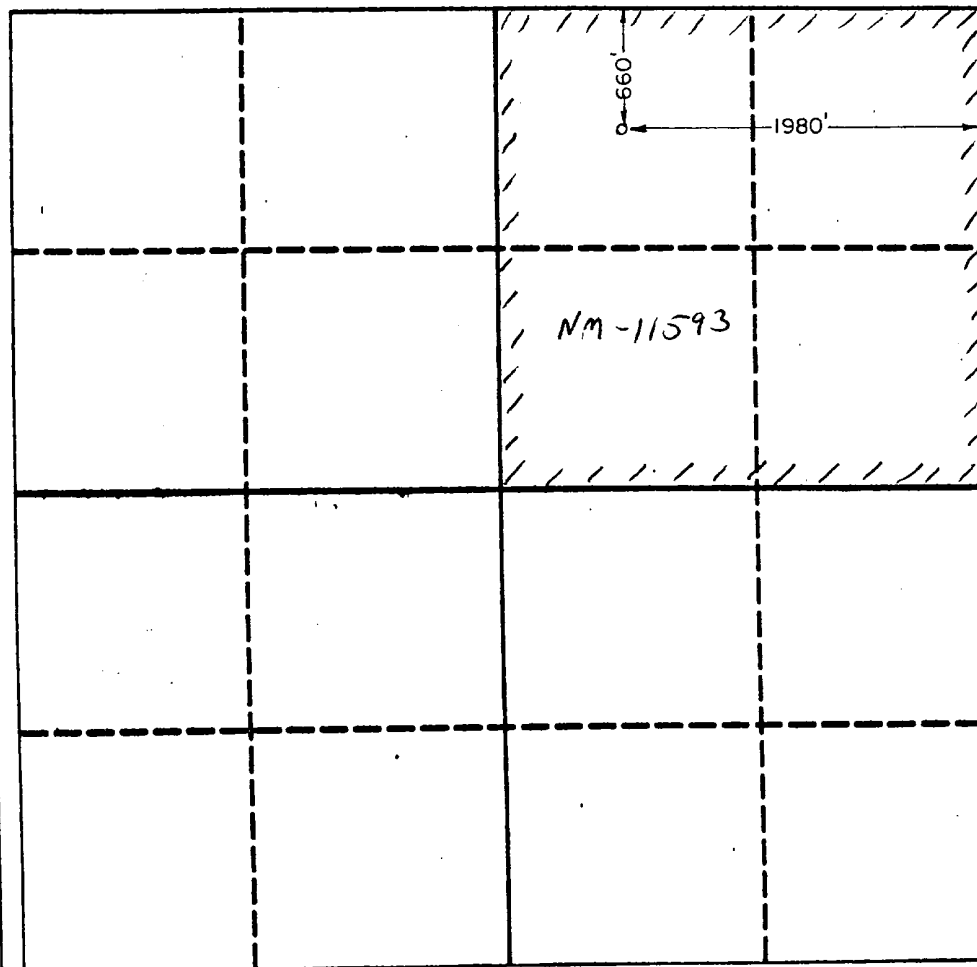
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 _____

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, force-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 Corp.

Date

2-12-91

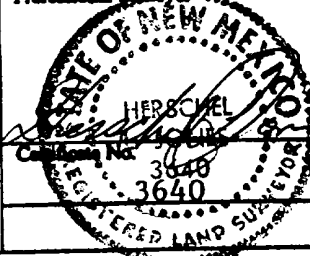
SURVEYOR CERTIFICATION

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

2/04/91

Signature & Seal of
Professional Surveyor



YATES PETROLEUM CORPORATION

**Red Rock "NB" Federal #6
660' FNL and 1980' FEL
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 BLM requirements.

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

San Andres	407'
Glorieta	1,344'
Tubb	2,882'
Abo	3,531'
TD	4,100'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	250' - 300'
Oil or Gas:	Abo 3531'
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: Surface casing to TD.

DST's: As warranted.

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
Red Rock "NB" Federal #6
660' FNL and 1980' FEL
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 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 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 Highway 285 for approximately 23.5 miles to Cottonwood Ranch Road (NM 136). Turn right (east) and go approximately 6.5 miles. Take left fork and go approximately 3.0 miles. Turn left to the Red Rock NB Federal #4 well pad. New access will start here and so SE to the SW corner of pad.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1700' in length from point of origin to the southwest edge of the drilling pad. The road will lie in an easterly direction.
- B. The new road will be 14 feet 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.

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, 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:

None available. BLM is to furnish information on closest Federal pit.

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 a 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: The wellsite and access road is on federal surface administered by BLM.

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. 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:

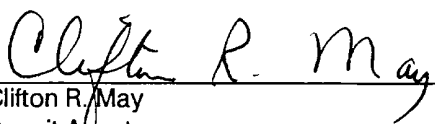
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

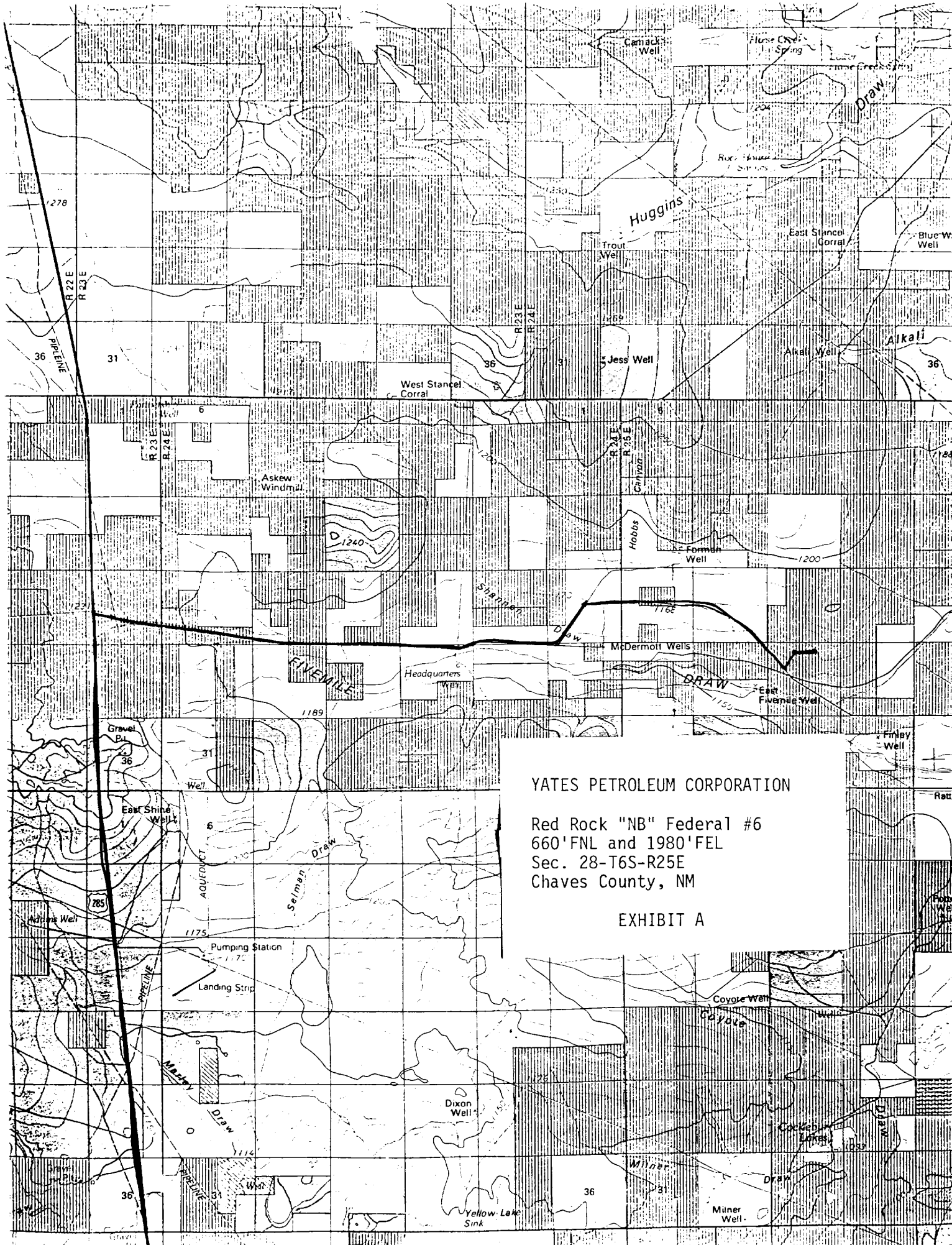
14. CERTIFICATION:

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 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.

2-12-91

Date

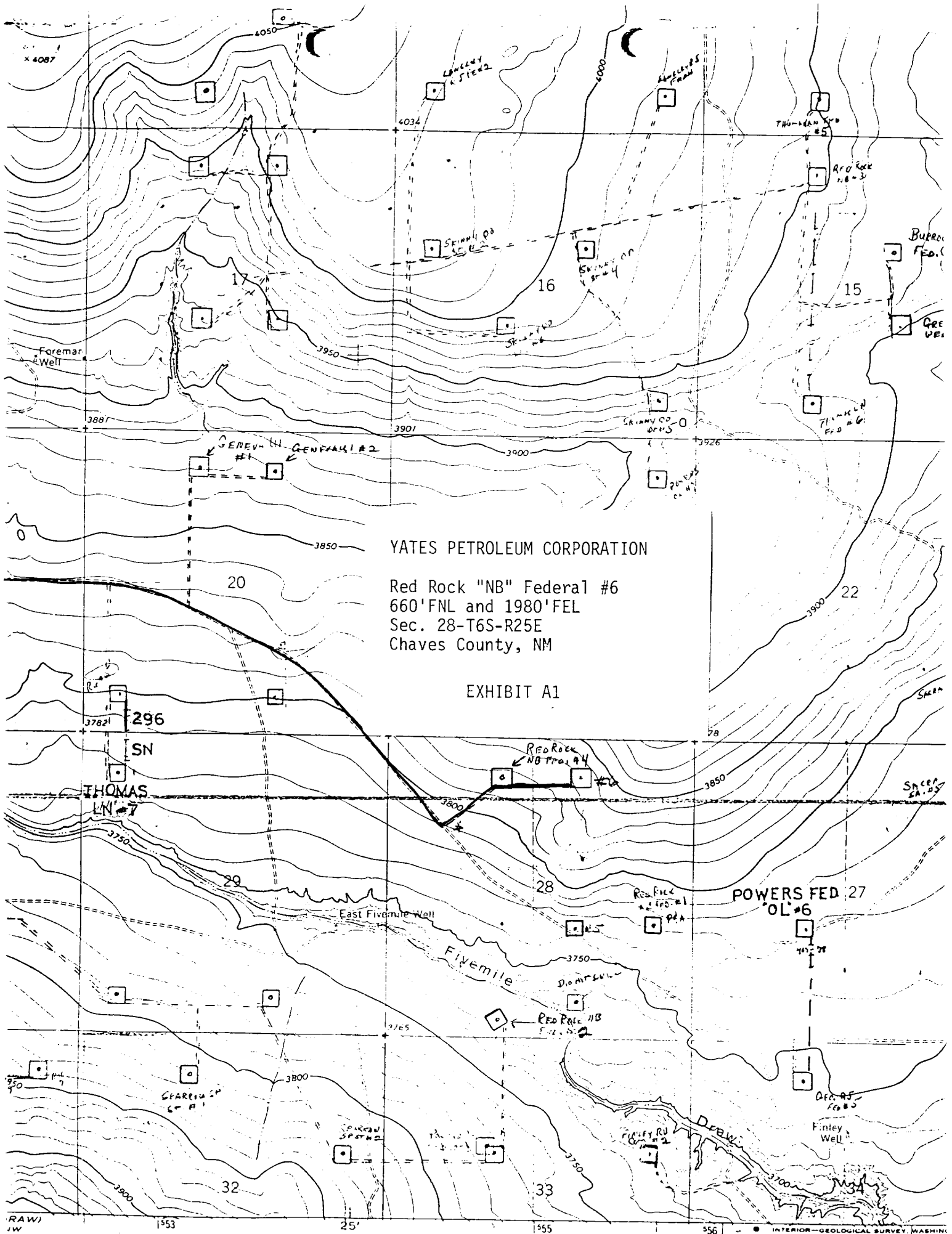

Clifton R. May
Permit Agent



YATES PETROLEUM CORPORATION

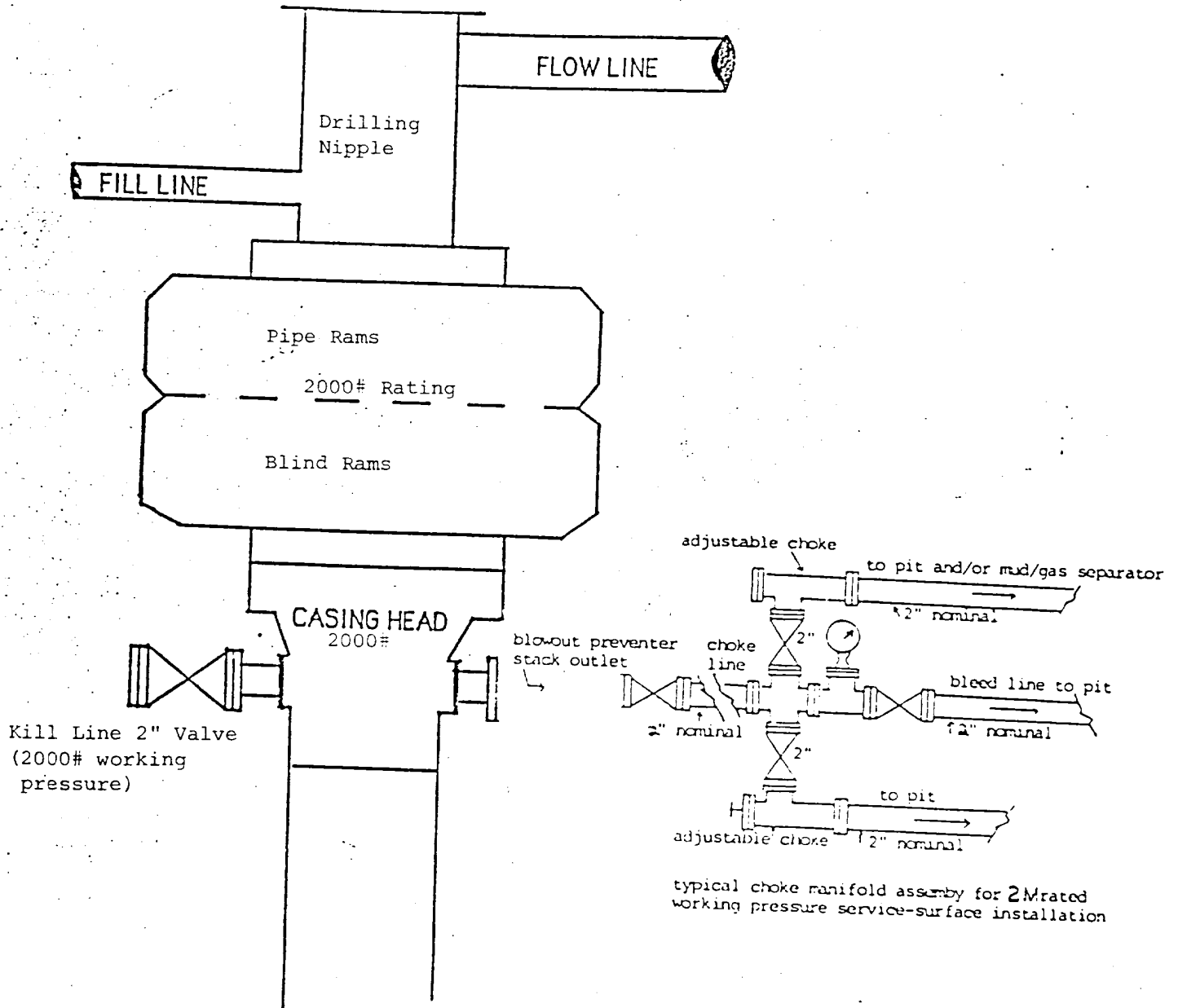
Red Rock "NB" Federal #6
660' FNL and 1980' FEL
Sec. 28-T6S-R25E
Chaves County, NM

EXHIBIT A



YATES PETROLEUM CORPORATION

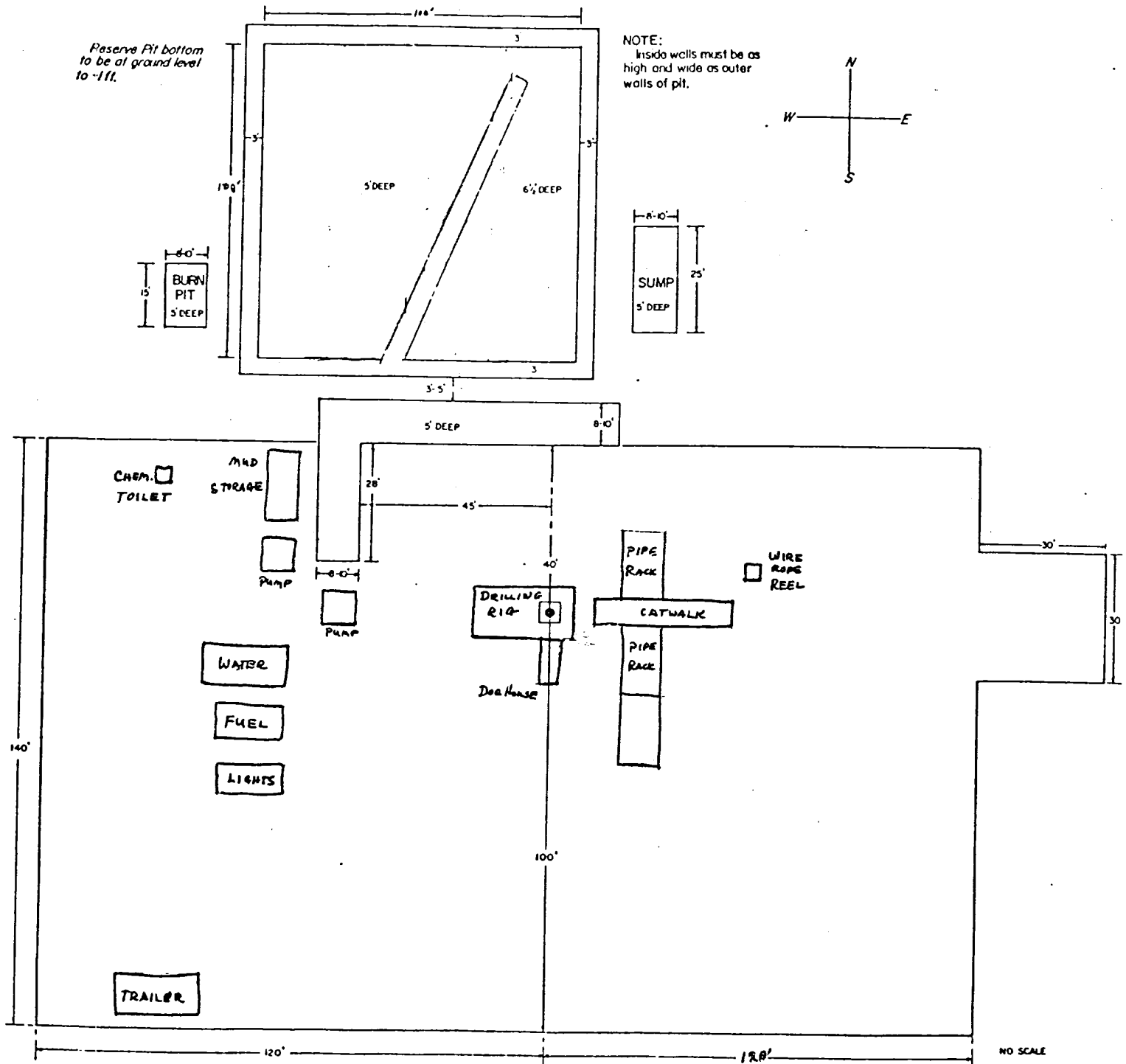
EXHIBIT B

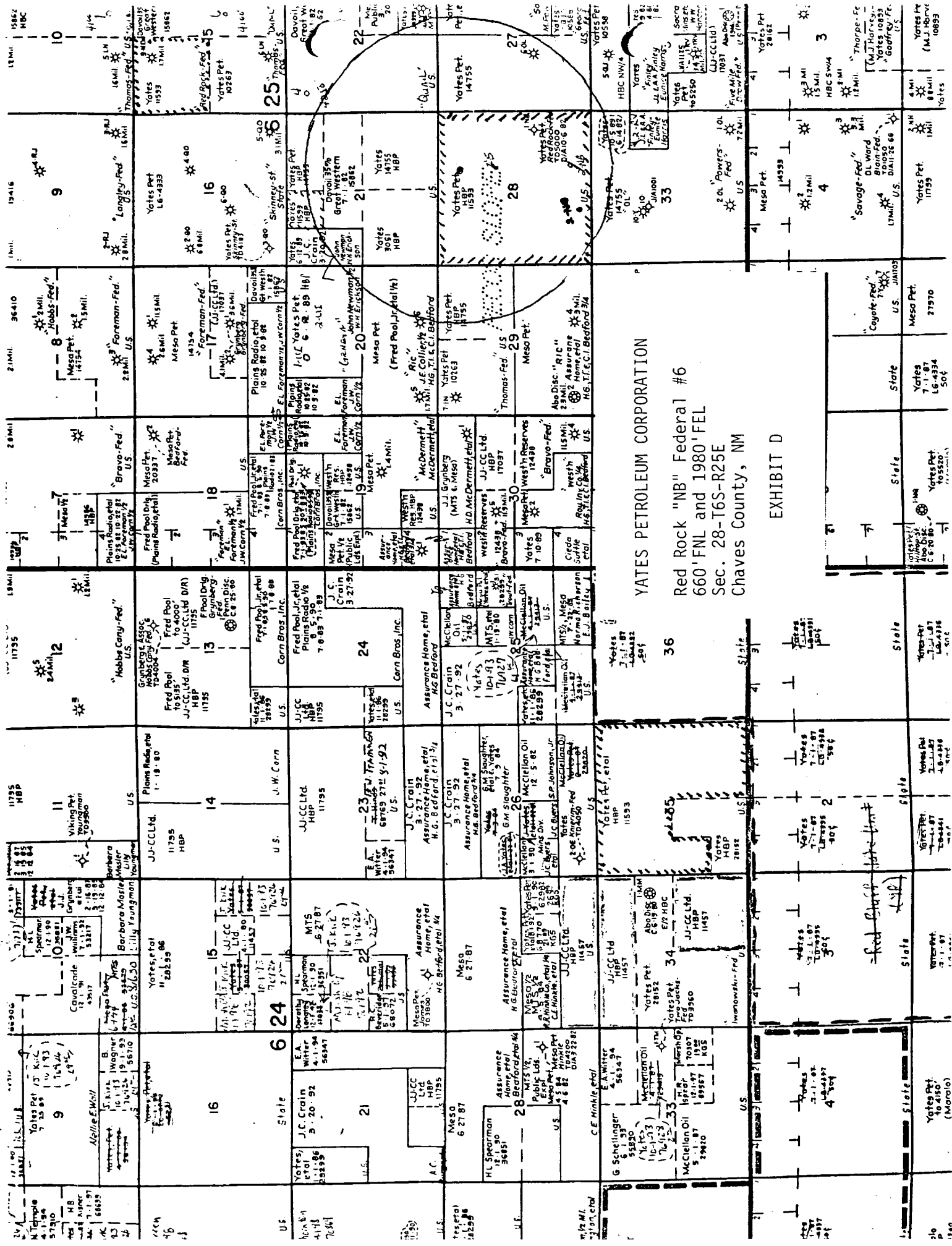


**BLOWOUT PREVENTER
2M SYSTEM**

YATES PETROLEUM CORPORATION

EXHIBIT C



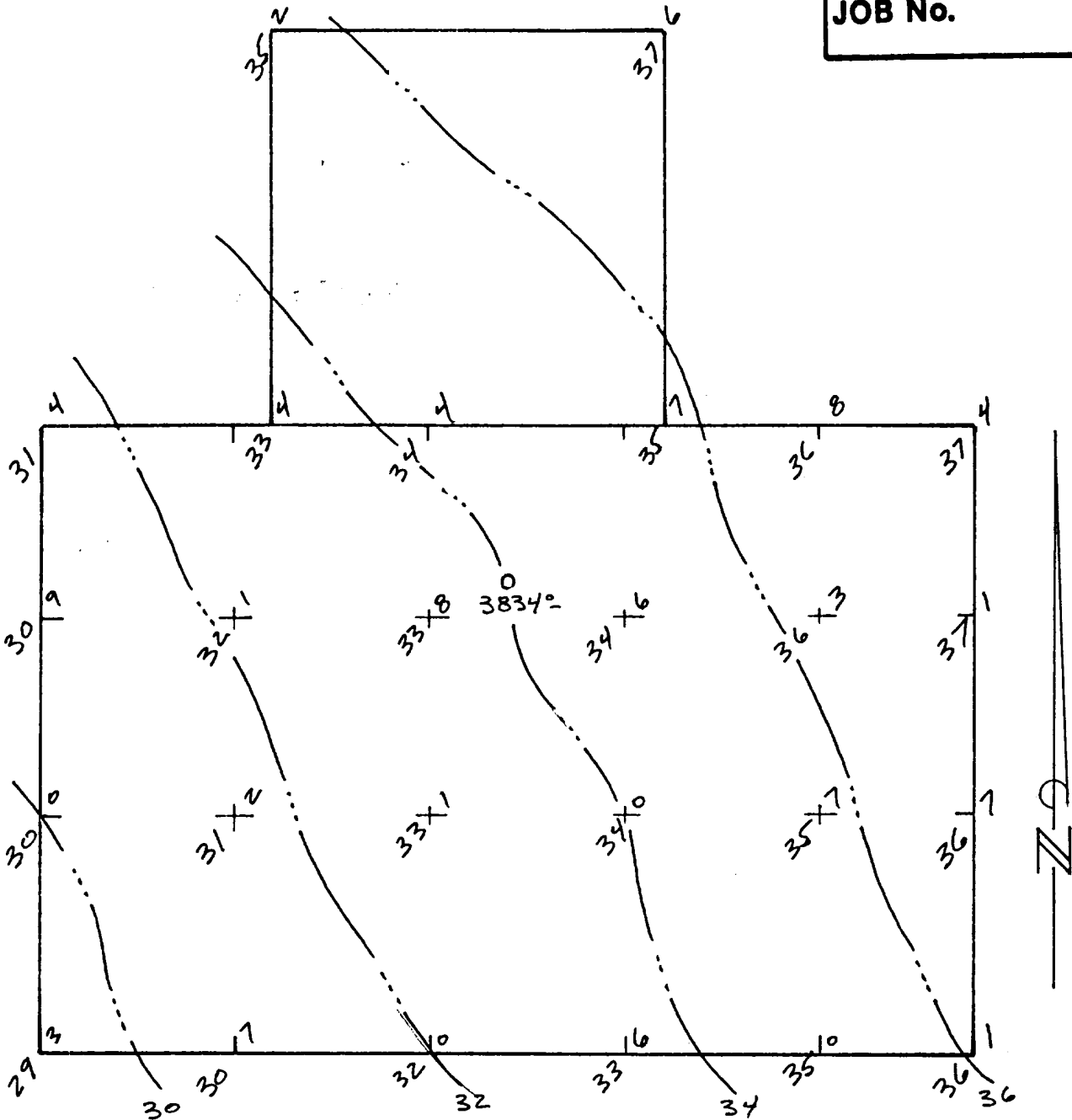


YATES PETROLEUM CORPORATION
Red Rock "NB" Federal #6
660 FNL and 1980 FEL
Sec. 28-T6S-R25E
Chaves County, NM

EXHIBIT D

Section	Owner	Acres	Survey Date	Notes
9	Yates Pet.	15.13	10/13/93	
16	Yates Pet.	16.13	10/13/93	
25	Yates Pet.	16.13	10/13/93	
28	Yates Pet.	16.13	10/13/93	
33	Yates Pet.	16.13	10/13/93	
36	Yates Pet.	16.13	10/13/93	
State	Yates Pet.	16.13	10/13/93	
Federal	Yates Pet.	16.13	10/13/93	

JOB No.



HIGH POINT NE COR. PAD 3837.4
 LOW POINT SW COR. PAD 3829.3

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

PAD PROFILE YATES PETROLEUM CORPORATION
 RED ROCK "NB" FEDERAL #6, 1980/E &
 660/N OF SEC. 28, T.6 S., R.25 E.,
 CHAVES COUNTY, NEW MEXICO.

P.O. Box 996

Lovington, New Mexico 88260

SCALE:

" =

DRAWN BY:

erb

DATE: 2/06/91

SHEET

OF

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

