

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 ☐

RECEIVED
ZONE ☐

2. NAME OF OPERATOR

Yates Petroleum Corporation

OCT 23 1991

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

Unit H, 1980' FNL and 660' FEL

At proposed prod. zone

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

Approximately 23 miles northwest of Roswell, New Mexico

15. DISTANCE FROM PROPOSED*

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

16. NO. OF ACRES IN LEASE

10,000

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

3,800'

20. ROTARY OR CABLE TOOLS

Rotary

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

4226 GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|----------------------|
| 14 3/4" | 9 5/8" | 43.5# | 725' | 750 sacks circulated |
| 7 7/8" | 4 1/2" | 9.5# | TD | 300 sacks |

We propose to drill and test the Abo and intermediate formations. Approximately 725' of surface casing will be set and cement circulated to shutoff gravel and 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 725'; Brine to 2525'; Brine/KCL water to TD.

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

GAS NOT DEDICATED

Part ID-1
10-25-91

New Loc & 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

Ken Beardsley for C.I.F. May

TITLE Permit Agent

DATE 10/07/91

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

S/Homer Meyer, Acting

TITLE

Area Manager

DATE OCT 21 1991

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

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BUREAU OF AERONAUTICS
ROSWELL FIELD SOURCE
AREA

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

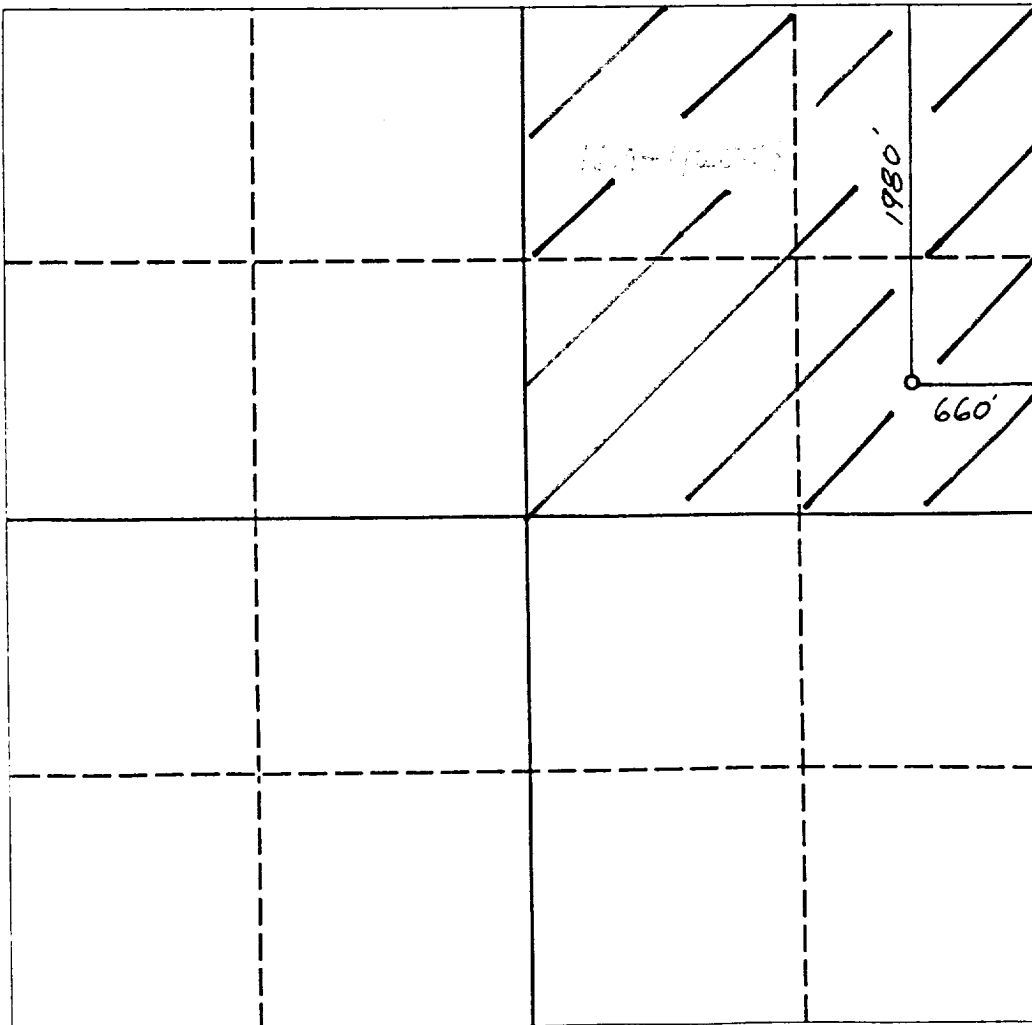
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

| | | | | | |
|---|-----------------------------------|----------------------------|---|--------------------------------------|--|
| Operator YATES PETROLEUM CORPORATION | | | Lease SALT CREEK FEDERAL UNIT | | Well No. 3 |
| Unit Letter H | Section 11 | Township 8 SOUTH | Range 21 EAST | County CHAVES COUNTY, N.M. | |
| Actual Footage Location of Well: 1980 feet from the NORTH line and 660 feet from the EAST line | | | | | |
| Ground level Elev. 4226. | Producing Formation A60 | | Pool WEST PACOS SLOPE A60 | | Dedicated Acreage: 160 Acres |

1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____
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 **10/07/91**

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
SEPTEMBER 25 1991

Signature & Seal of
Professional Surveyor
NEW MEXICO
REGISTERED PROFESSIONAL SURVEYOR
5412
ENGINEER
NM PE&PS

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

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BUREAU OF THE
ROSWELL RESOURCE
AREA

YATES PETROLEUM CORPORATION

**Salt Creek Unit #3
1980' FNL and 660' FEL
Section 11-T8S-R21
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 | 454' |
| Yeso | 599' |
| Tubb | 1,815' |
| Abo | 2,457' |
| Granite | 3,589' |
| TD | 3,800' |

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

| | |
|-------------|-----------|
| Water: | 250'-300' |
| Oil or Gas: | 2521' |

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.

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BUREAU OF THE
ROSWELL AIR FORCE
AREA

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

**Salt Creek Unit #3
1980' FNL and 660' FEL
Section 11-T8S-R21
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 23 miles east of Roswell, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go out Highway 285 to Pine Lodge Road (246). Turn West on 246 and go approximately 15 miles to Columbine Road with Sacra Ranch sign. Turn North (right) and follow road approximately 8 miles. New access will start here and go west.

2. PLANNED ACCESS ROAD

- A. The new access will be approximately 1.1 miles in length. Go West approximately 0.9 of a mile and turn North 0.2 of a mile to the SE corner of pad.
- B. The new road will be 12 feet in width (driving surface) and will be adequately drained to control soil erosion.
- c. The route of the road is visible.

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 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.

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SUBJ: [REDACTED] FBI
ROSENBERG, ALBERT
AREA

Salt Creek Unit #3

Page 2

6. SOURCE OF CONSTRUCTION MATERIALS:

May come from location or BLM to come up with source.

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.
- 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 operator-landowner agreement 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, New Mexico

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.

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BUREAU OF INVESTIGATION
ROSWELL, NEW MEXICO
AREA

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:

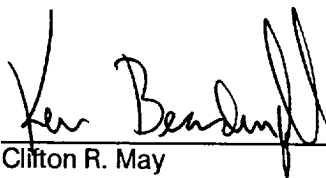
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

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.

10/07/91

Date



Clifton R. May
Permit Agent

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BU
ROSWELL
AREA

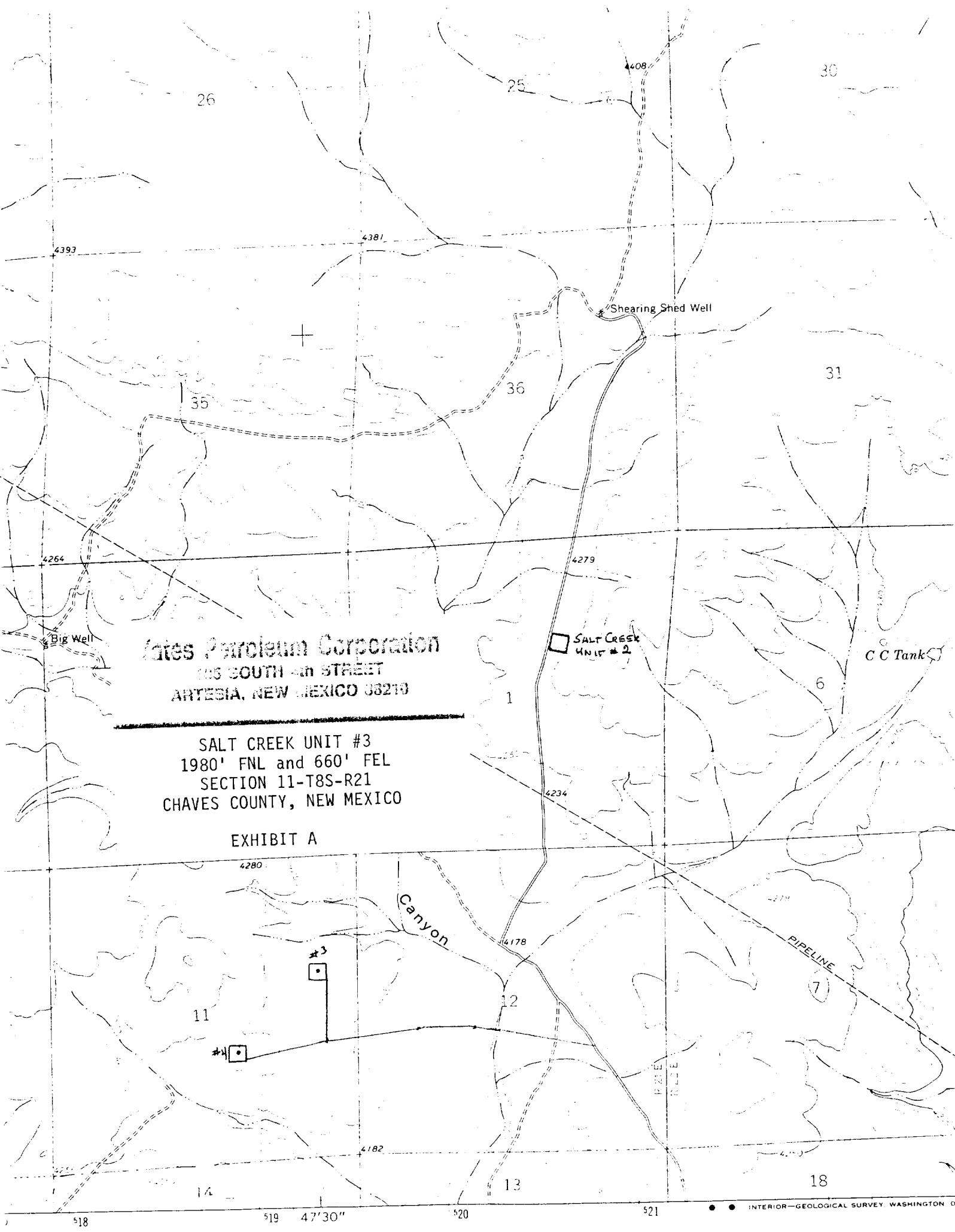
POST

OFFICE

Artes Petroleum Corporation
103 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

SALT CREEK UNIT #3
1980' FNL and 660' FEL
SECTION 11-T8S-R21
CHAVES COUNTY, NEW MEXICO

EXHIBIT A



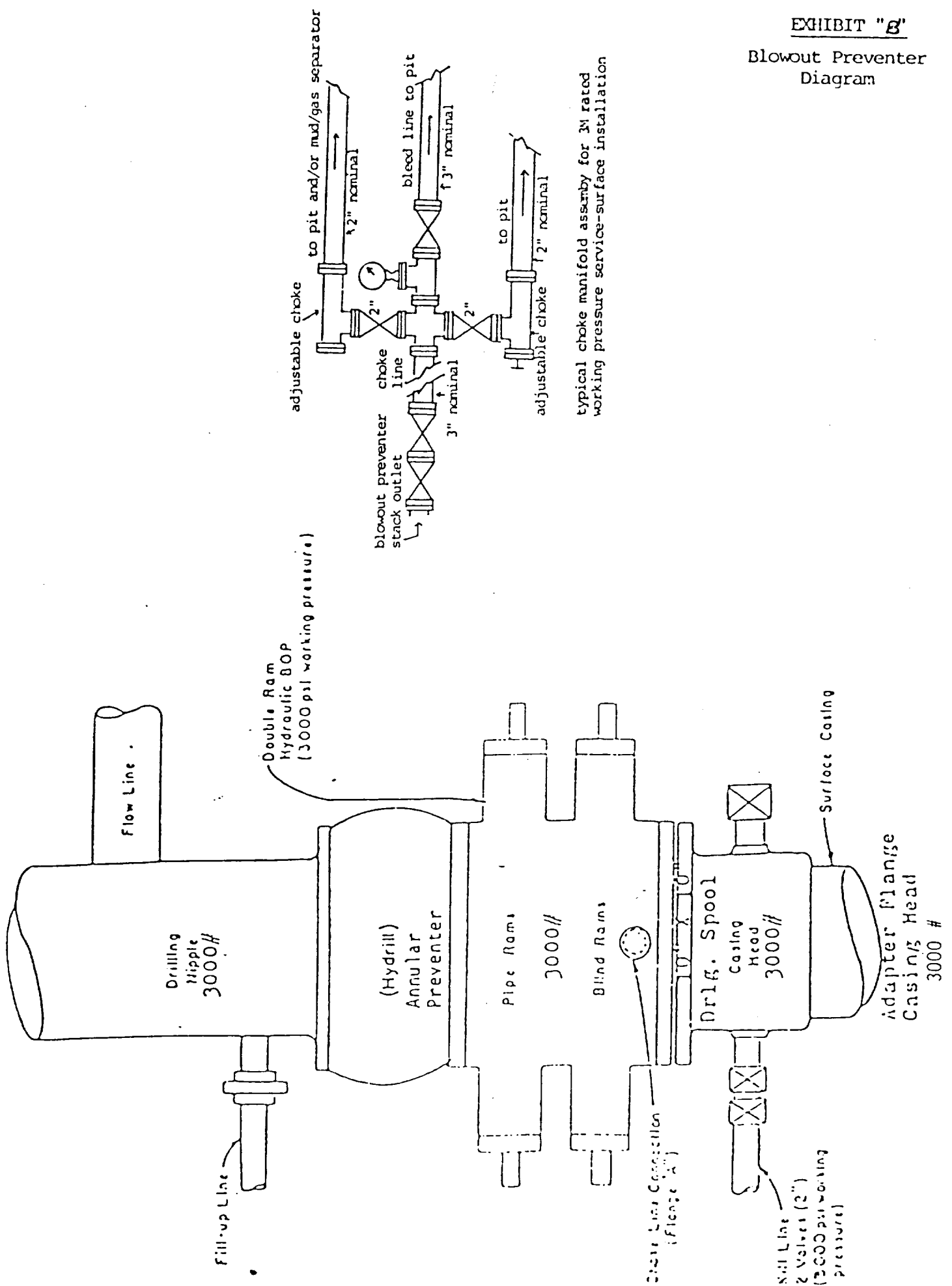
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BUREAU OF LAND MANAGEMENT
ROSWELL AREA

EXHIBIT "B"

Blowout Preventer Diagram



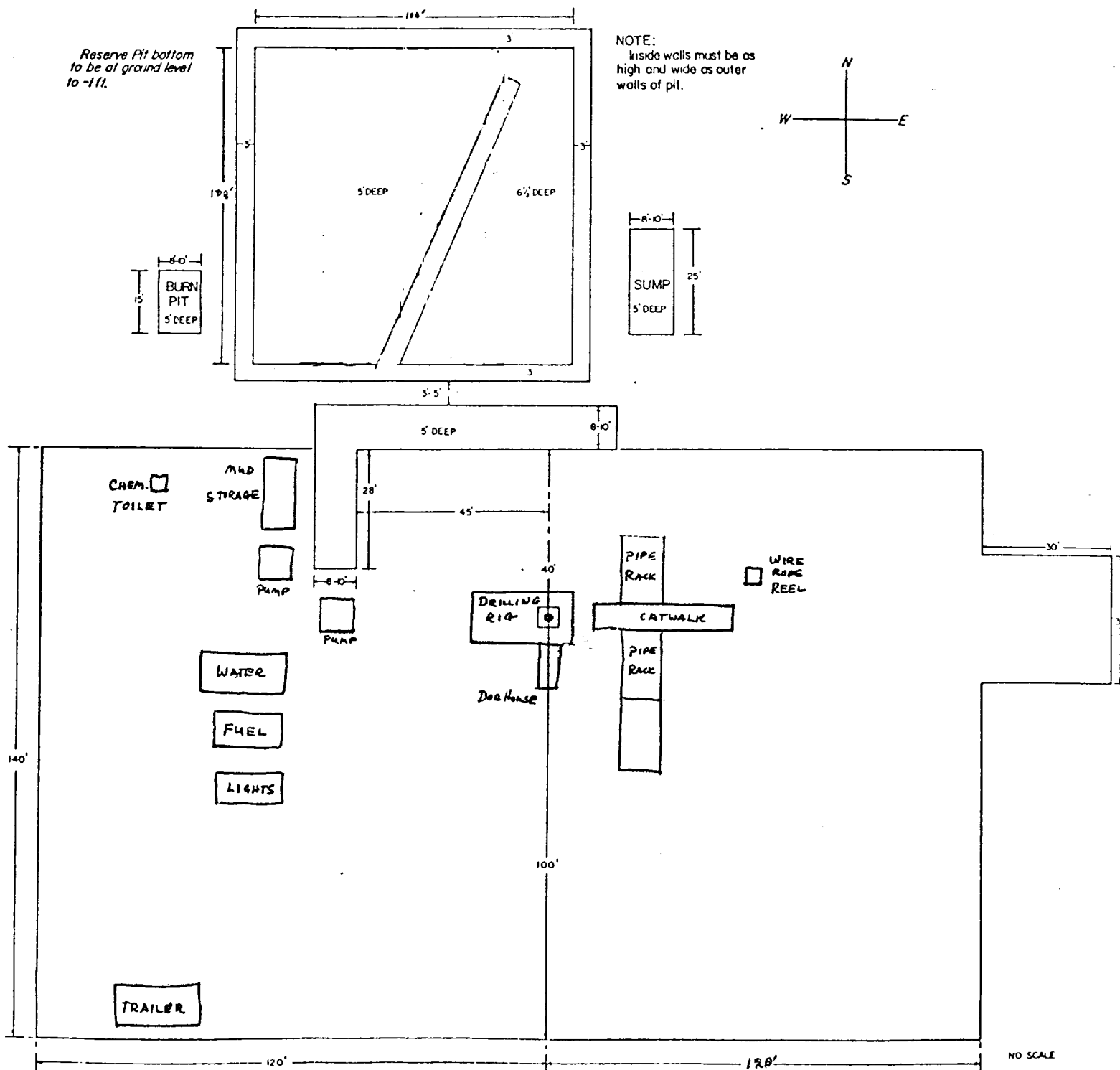
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BUREAU OF THE
ROOSEVELT RESOURCE
AREA

YATES PETROLEUM CORPORATION

EXHIBIT C



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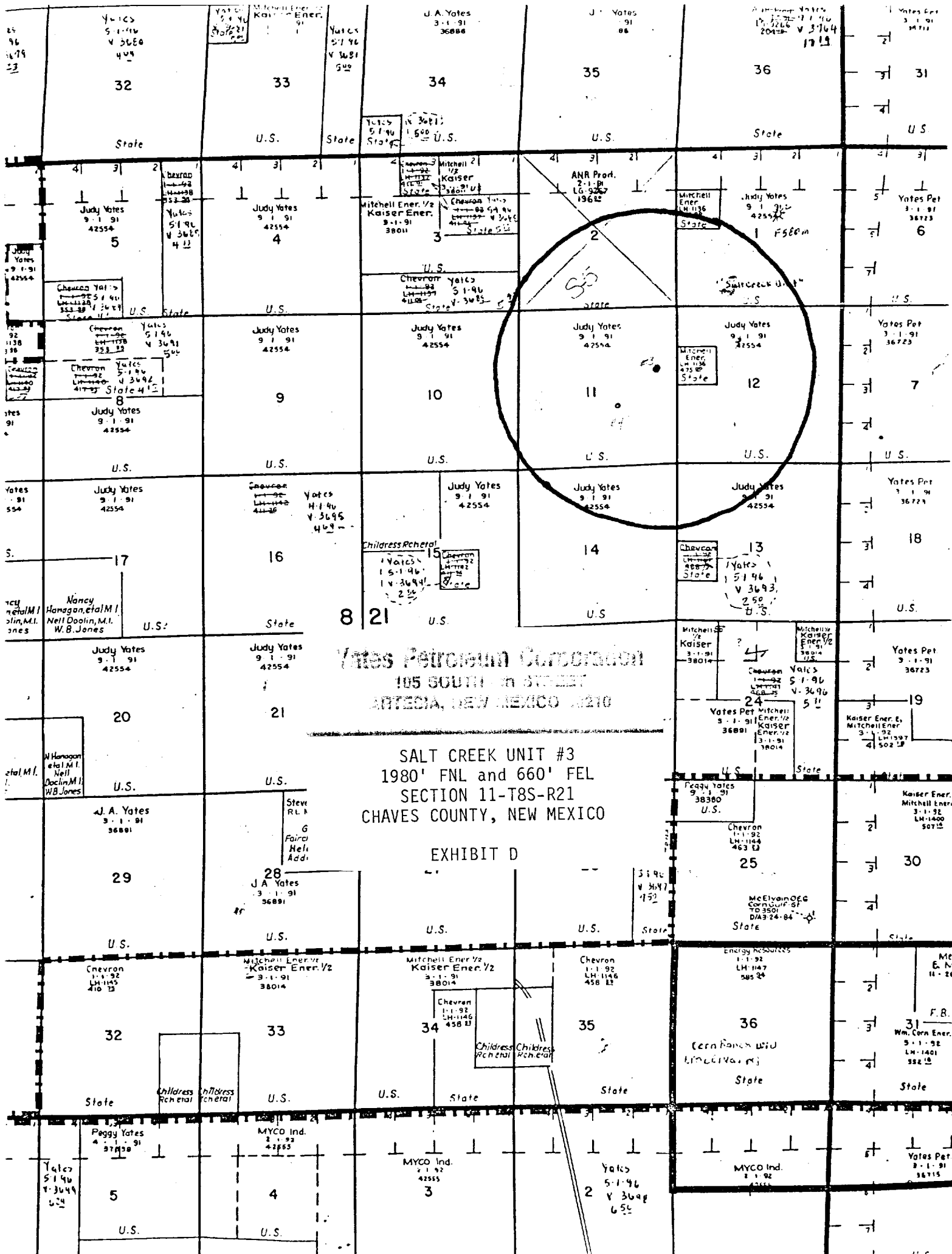
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BUN. & J. POST
ROSENBERG RESOURCE
AREA

Yates Petroleum Corporation
105 SOUTH MAIN STREET
MIDLAND, NEW MEXICO 79701

SALT CREEK UNIT #3
1980' FNL and 660' FEL
SECTION 11-T8S-R21
CHAVES COUNTY, NEW MEXICO

EXHIBIT D



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BUREAU OF THE DISTRICT
ROSWELL MESSAGE
AREA