

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM Oil Cons Commission
Drawer DD
Artesia, NM 88210
Other instructions on reverse side

31-005-62909
Form approved.
Budget Bureau No. 1004-0136
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

2. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

Yates Petroleum Corporation

4. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, New Mexico 88210

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

At surface
1650' FNL and 1650' FEL; Unit Letter G

At proposed prod. zone

Same

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

Approximately 21 miles N/NE of Roswell, New Mexico

7. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

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

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

3610' GR

10.

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"	54.50#	850'	800 sx - circulate
12 1/4"	* 8 5/8"	24.0#	1450'	500 sx - Tie Back
7 7/8"	4 1/2"	9.5#	4000'	400 sx

*8 5/8" casing to be set if lost circulation is encountered. If lost circulation is not encountered, the hole will be reduced to 7 7/8" at 1450'.

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formation. Approximately 850' of surface casing will be set and cement circulated to shut off gravel and cavings. If needed due to lost circulation, 8 5/8" intermediate casing will be run to 1450' and cemented to tie-back to the surface casing. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Spud mud to 850'; FW gel/LCM to 1450'; cut Brine to 3400'; SW gel, Starch, and diesel to TD.

BOPE PROGRAM: BOPE will be installed on the 13 3/8" casing and tested daily.

GAS NOT DEDICATED

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.

SIGNED

Clifton R. May

TITLE Permit Agent

DATE 8-7-92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVAL OF THIS PERMIT

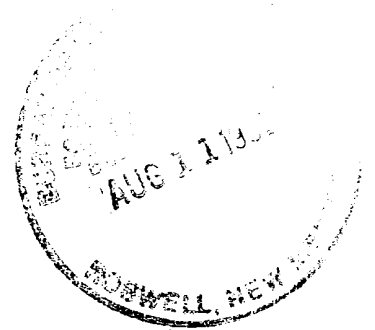
DATE

9/5/92

CERTIFY THAT THE APPLICANT IS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

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

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.



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

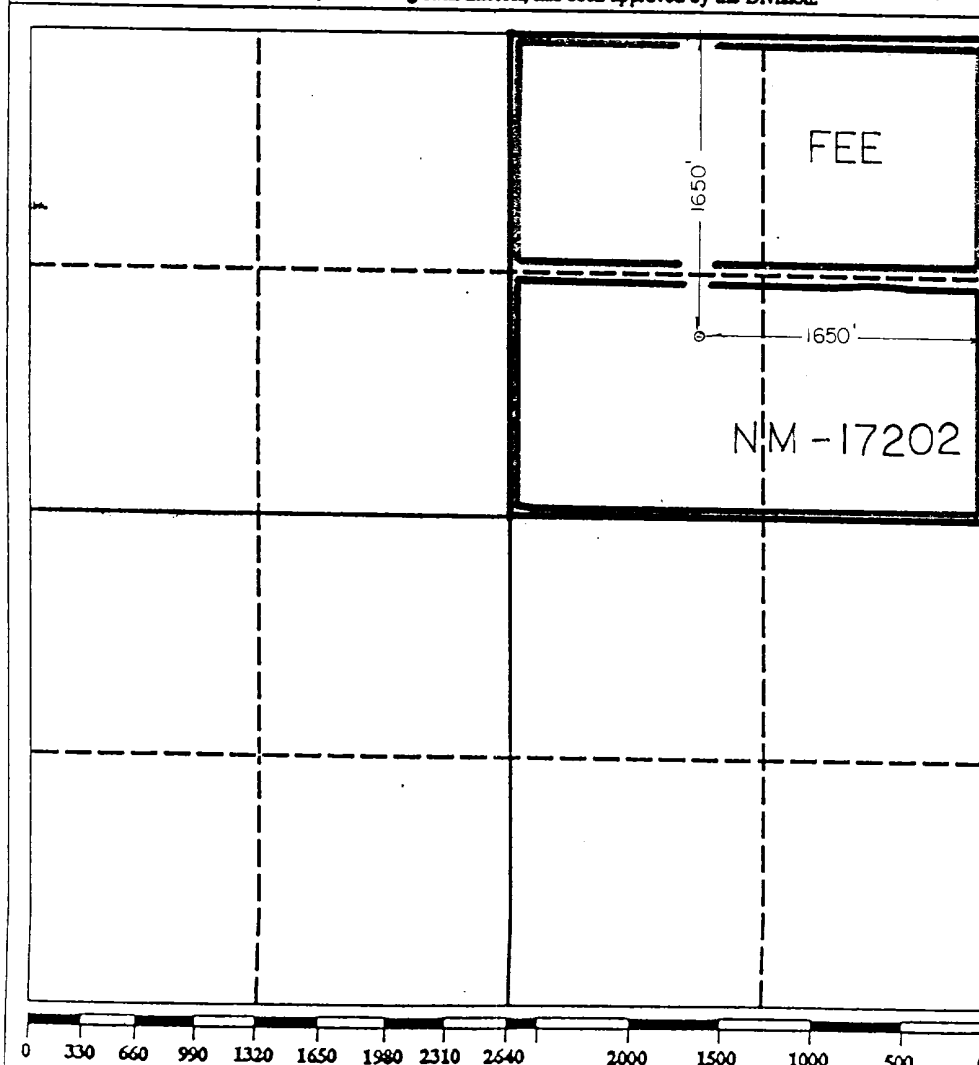
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 SHORT "RM" FEDERAL COM		Well No. 4
Unit Letter G	Section 27	Township 7 SOUTH	Range 25 EAST	County CHAVES	
Actual Footage Location of Well: 1650 feet from the NORTH line and 1650 feet from the EAST line					
Ground level Elev. 3610	Producing Formation Abo		Pool PECOS SLOPE 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 IS BY COMMUNITIZATION
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
August 7, 1992

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
7/17/92
Signature & Seal of Professional Surveyor
Certificate No. 53640



YATES PETROLEUM CORPORATION

**Short "RM" Federal Com #4
1650' FNL and 1650' FEL
Section 27-T7S-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	357'
Glorieta	1,407'
Fullerton	2,797'
Abo	3,497'
TD	4,000'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	250' - 300'
Oil or Gas:	Abo
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.

Coring: None.

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

Short "RM" Federal Com #4

1650' FNL and 1650' FEL

Section 27-T7S-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 21 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 for approximately 13 miles to One Horse Road. Turn right and follow road 2.6 miles to Cottonwood road. Go left on Cottonwood for 9.2 miles to Chaves Road. Go right for 500' and new access will start here and go to the SW corner of the pad.

2. PLANNED ACCESS ROAD

- A. The proposed new access will be approximately 1000' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a southerly 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.
- D. The route of the road is visible.

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. A local water trucking firm will be contracted to furnish the water. They will provide the water obtaining it from whatever sources available to them at their discretion. It will be trucked to the location over the existing and proposed roads shown in Exhibit A. A probable source is Cooper #2 located in Section 6-T6S-R26E.

6. SOURCE OF CONSTRUCTION MATERIALS:

- A. The dirt contractor will come up with a pit to use for construction of the road and pad.

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. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

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 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. SURFACE OWNERSHIP: Federal surface administered by the 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:

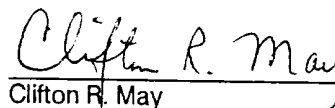
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

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.

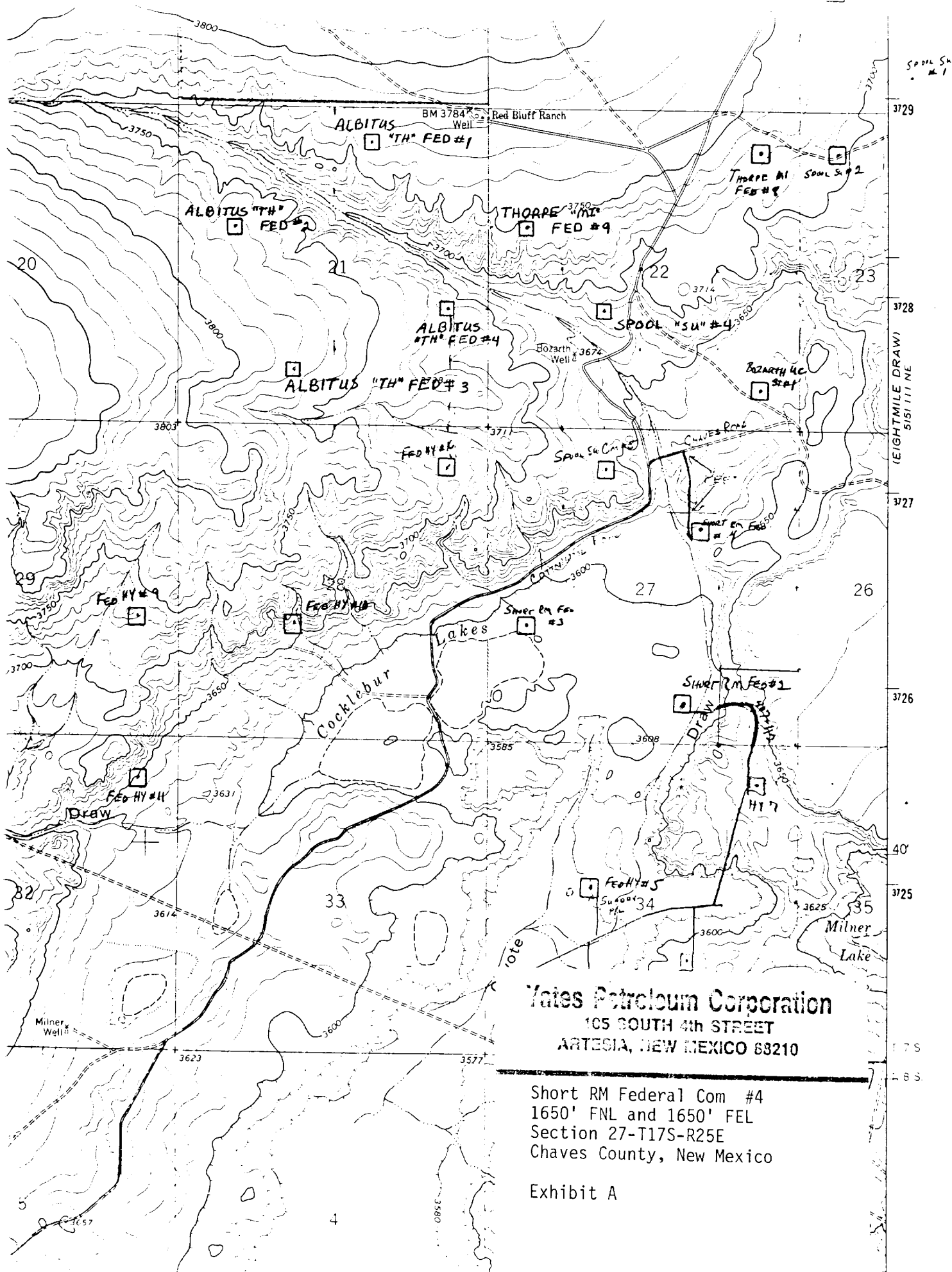
8-7-92

Date



Clifton R. May
Permit Agent





Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

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1650' FNL and 1650' FEL
Section 27-T17S-R25E
Chaves County, New Mexico

Exhibit A



BOP STACK

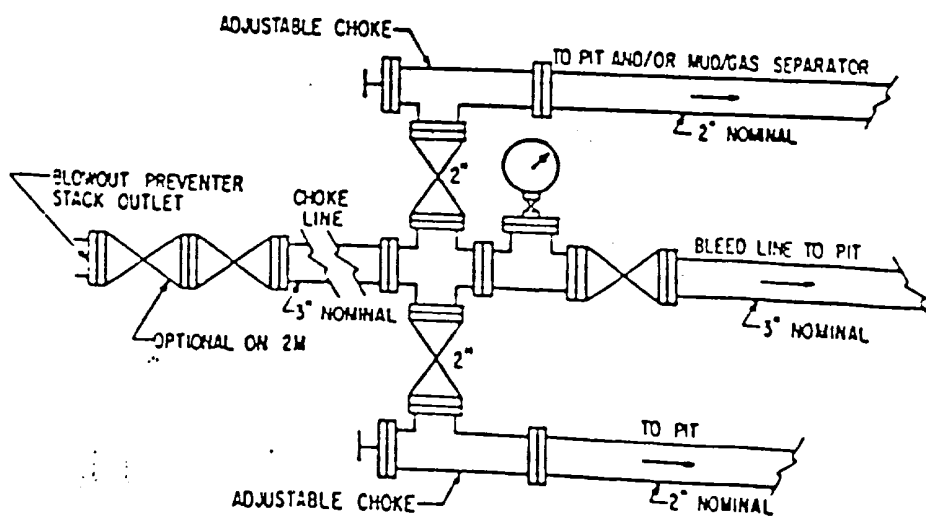
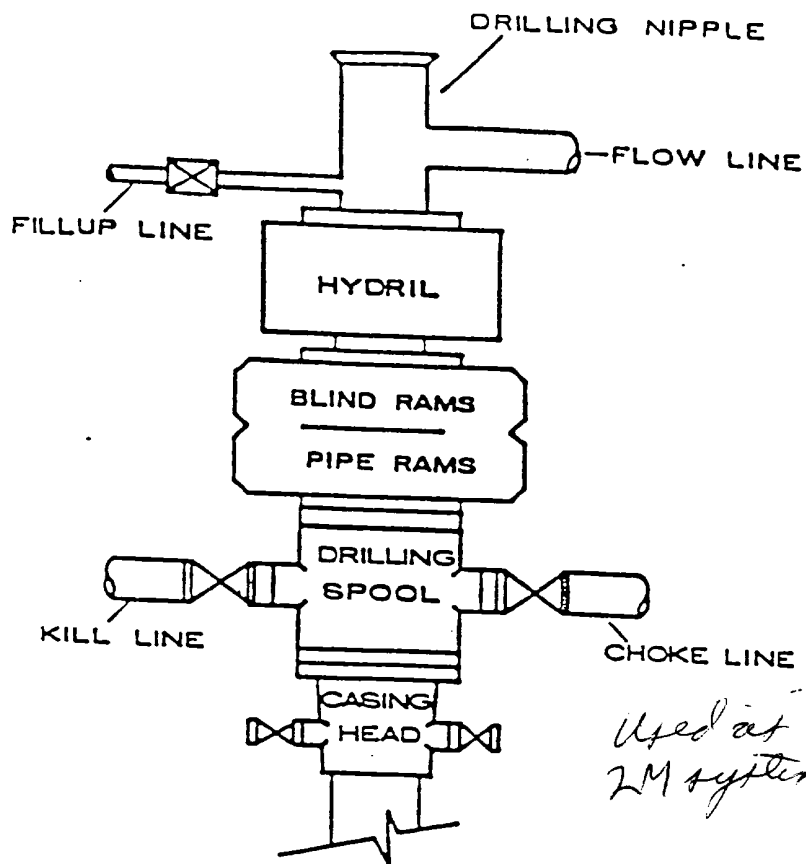
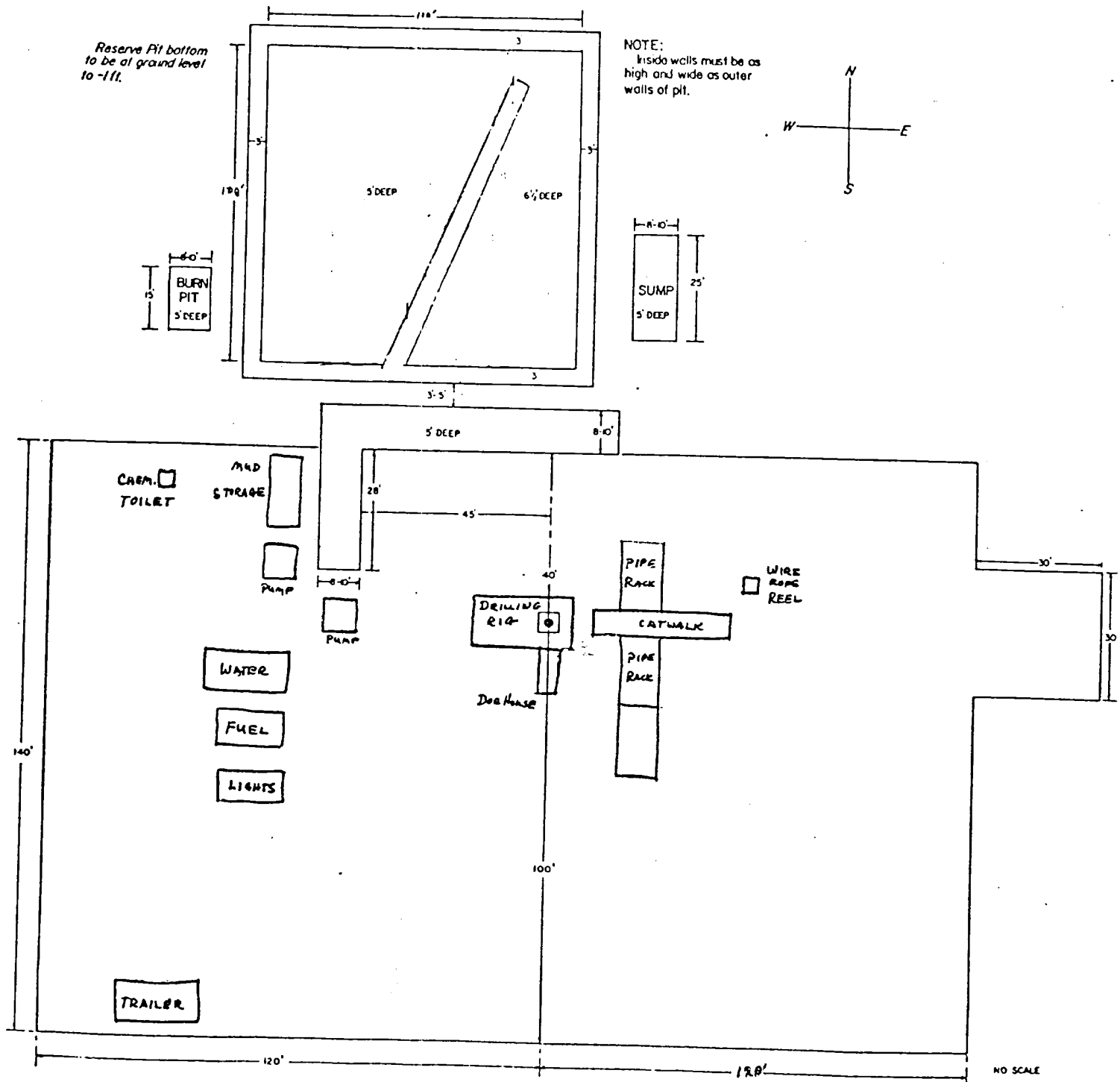


EXHIBIT C





Short RM Federal Com #4
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Chaves County, New Mexico

Exhibit D



