

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

NM Oil Cons. Commission
SUBMIT 1 - DUPLICATE
Drawer DD (Other in actions on reverse side)
Artesia, NM 88210

50-005-62710
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 <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-269623		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A		
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME N/A		
3. ADDRESS OF OPERATOR 105 South Fourth Street, Artesia, New Mexico 88210			8. FARM OR LEASE NAME Filaree "AEL" Fed. Com		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 1980' FNL and 660' FWL At proposed prod. zone same			9. WELL NO. 3		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 19 miles east of Roswell, New Mexico			10. FIELD AND POOL, OR WILDCAT Pecos Slope Abo		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660'		16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL 160		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 33-T8S-R26E
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		19. PROPOSED DEPTH 5050'	20. ROTARY OR CABLE TOOLS Rotary		12. COUNTY OR PARISH Chaves
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3792' GR			13. STATE NM		
22. APPROX. DATE WORK WILL START* ASAP					

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24# J-55	Approx. 1100'	700 sacks - circulated
7 7/8"	4 1/2"	9.5# J-55	TD	400 sacks-

Yates Petroleum Corporation proposes to drill and test the Abo and Intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off 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 1100'; cut Brine to 3400'; salt gel, starch, and diesel to TD.

BOP PROGRAM: BOP's will be installed on the 8 5/8" casing and tested daily.

GAS NOT DEDICATED

Post ID-1
10-9-92
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 Clifton L. May TITLE Permit Agent DATE 8-10-92
(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
APPROVED BY David Stout TITLE Asst Area Manager DATE 10/1/92
CONDITIONS OF APPROVAL, IF ANY:

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

APPROVAL OF THIS APPLICATION IS NOT WARRANT OR CERTIFY THAT THE APPLICANT IS A RESPONSIBLE OR EQUITABLE TITLE TO THOSE LANDS OR EASEMENTS WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

Under 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.

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

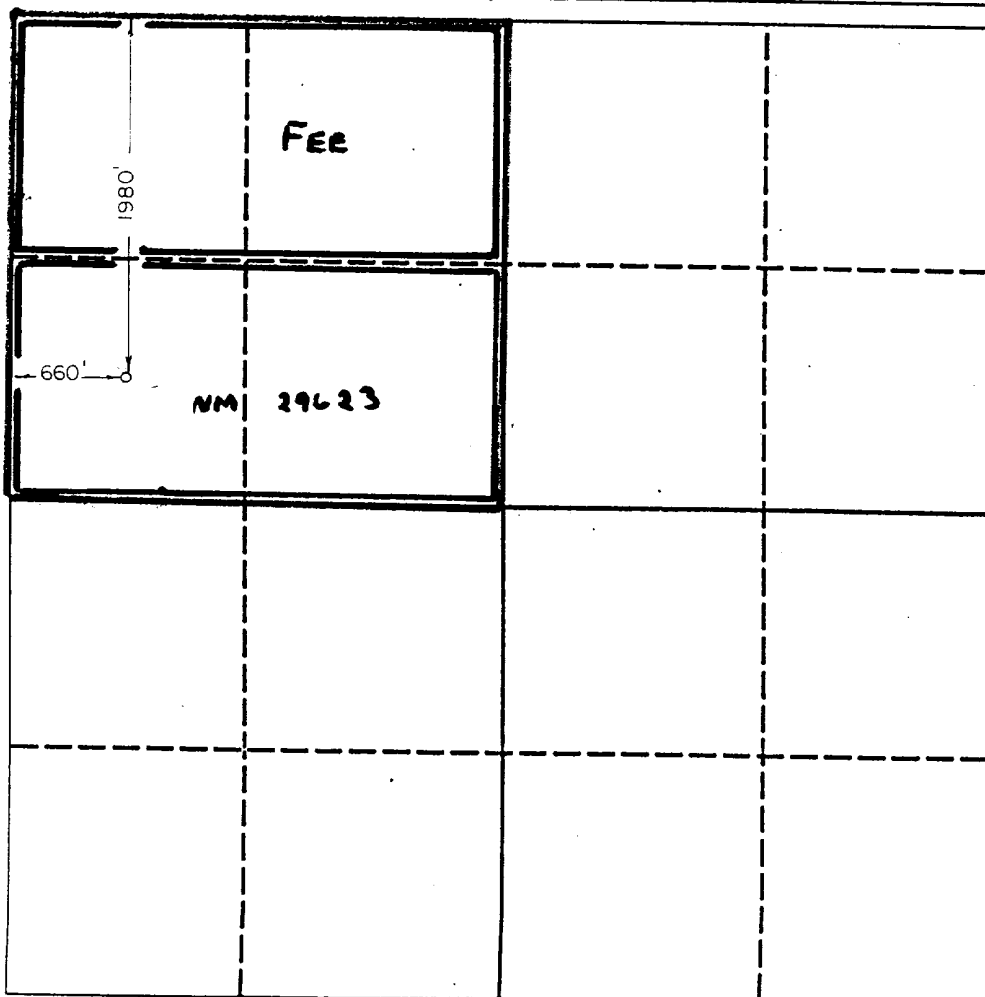
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease FILLAREE "AEL" FEDERAL COM		Well No. 3
Unit Letter E	Section 33	Township 8 SOUTH	Range 26 EAST	County CHAVES	
Actual Footage Location of Well: 1980 feet from the NORTH line and 660 feet from the WEST line Ground level Elev. 3792 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 _____
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 10, 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
7/14/92
Signature & Seal of Professional Surveyor
HERSCHEL L. JONES
Certificate No. 3640
REGISTERED LAND SURVEYOR

YATES PETROLEUM CORPORATION

**Filaree "AEL" Federal Com #3
1980' FNL and 660' FWL
Section 33-T8S-R26E
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	1,067'
Glorieta	2,022'
Yeso	2,275'
Abo	4,462'
TD	5,050'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 150 - 300'
Oil or Gas:	4450'
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.
Logging:	CNL/FDC from TD to casing with GR-CNL to surface; DLL from TD to casing.
Testing:	As warranted.
Coring:	None anticipated.
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
Filaree "AEL" Federal Com #3
1980' FNL and 660' FWL
Section 33-T8S-R26E
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 19 miles east of Roswell, New Mexico, and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Go east of Roswell to the Acme School House. Turn south for approximately 4.5 miles.
- B. Just past windmill, turn northeast and continue to the Federal IX #2 (Approximately 2 miles).
- C. Continue off pad on lease road approximately .35 of a mile. Turn right.
- D. Follow road to the Filaree "AEL" Federal #2 pad.
- E. New access will start here and go NW to the south side of pad.

2. PLANNED ACCESS ROAD

- A. The planned access road will be approximately .5 of a mile in length from point of origin to the south side of the pad.
- B. The road will have a 14' driving surface and will be adequately drained to control runoff and soil erosion.
- C. The surface will not be caliche. (No material available.)
- D. The route is flagged and visible.
- E. This road is on lease.

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 gas will be carried by pipeline to the tank battery on the Filaree "AEL" Federal #1 pad.

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 LL Cattle Company #1 located in the NWNW of Section 28-T9S-R27E.



6. SOURCE OF CONSTRUCTION MATERIALS:

- A. Additional construction materials may not be needed for drilling the well or constructing the access road into the location during drilling. The surface soil materials may be sufficient. If additional material is needed, it will be bought from a private source.
- B. No construction materials will be taken off Federal land except that taken off location which is on Federal land.
- C. The local dirt contractor will be responsible for proper permits for any material used for construction of this 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. Yates is applying for a 3" steel buried flowline to the tank battery located on the pad of the Filaree AEL Federal #1 in the SWSE of Section 33-T8S-R26E. The proposed route will follow the road to the #2 and then follow the flowline from the #2 to the #1. (See Exhibit A)

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 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:

- A. The wellsite and access road will be on Federal Surface administered by the BLM.
- B. The surface has been leased to David McCrea, Auto Route East, Box 1202, Roswell, New Mexico 88201.

12. OTHER INFORMATION:

- A. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. Waterways: None.

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:

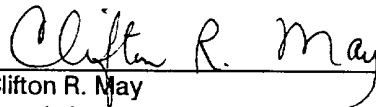
Mike Slater, Operations Manager
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
Phone (505) 748-1471

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.

8-10-92

Date



Clifton R. May
Permit Agent

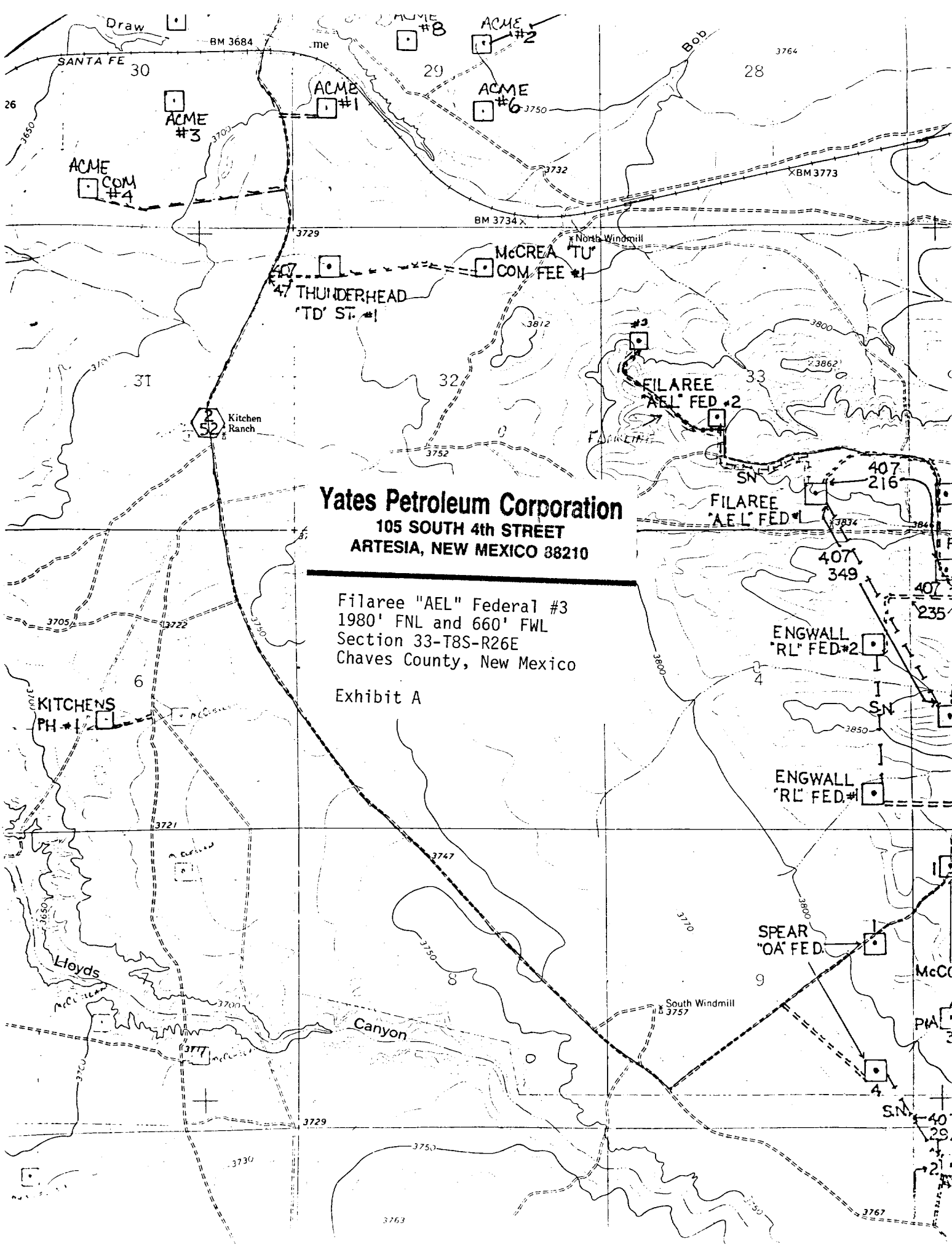
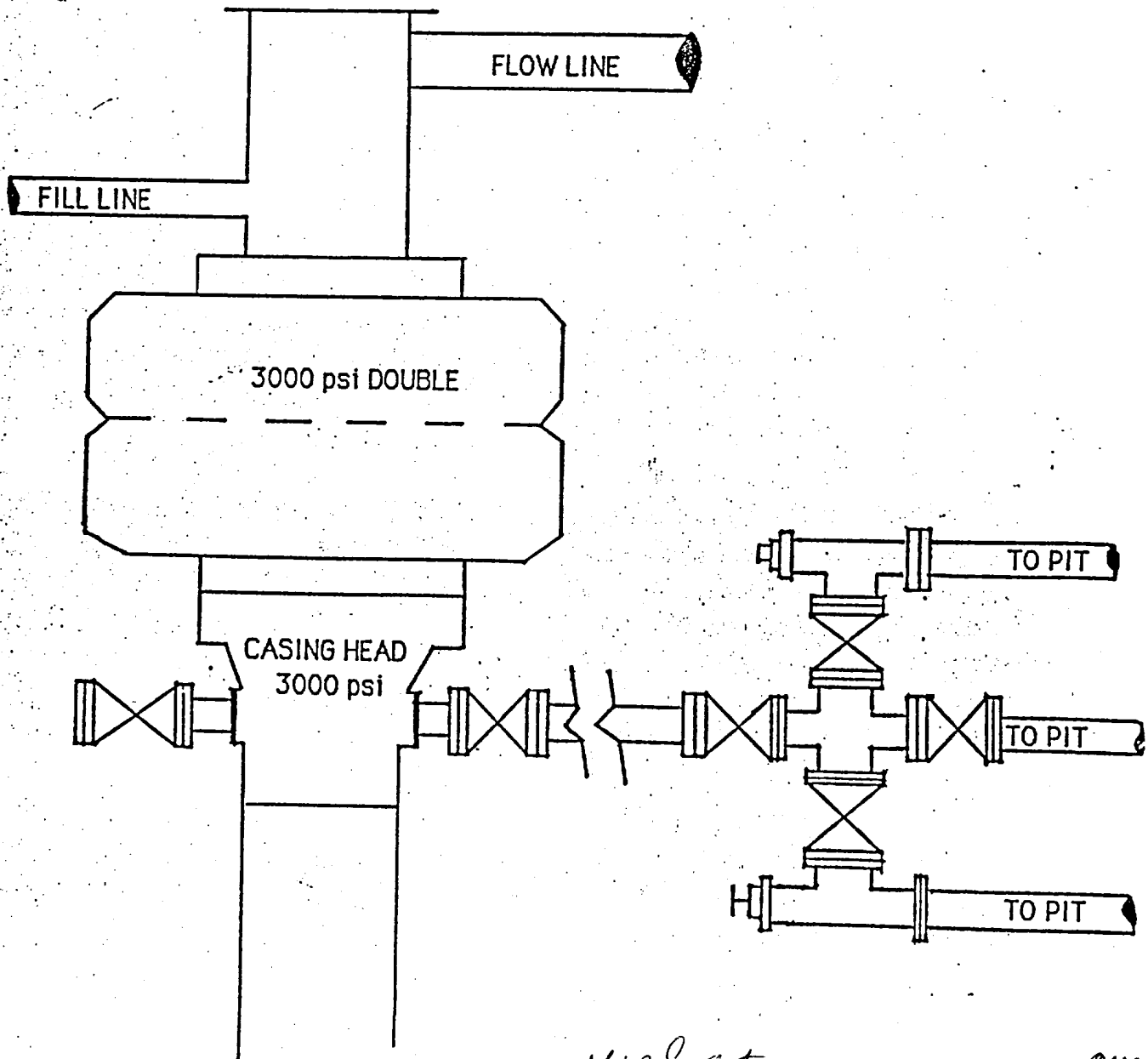


EXHIBIT B



BLOWOUT PREVENTER

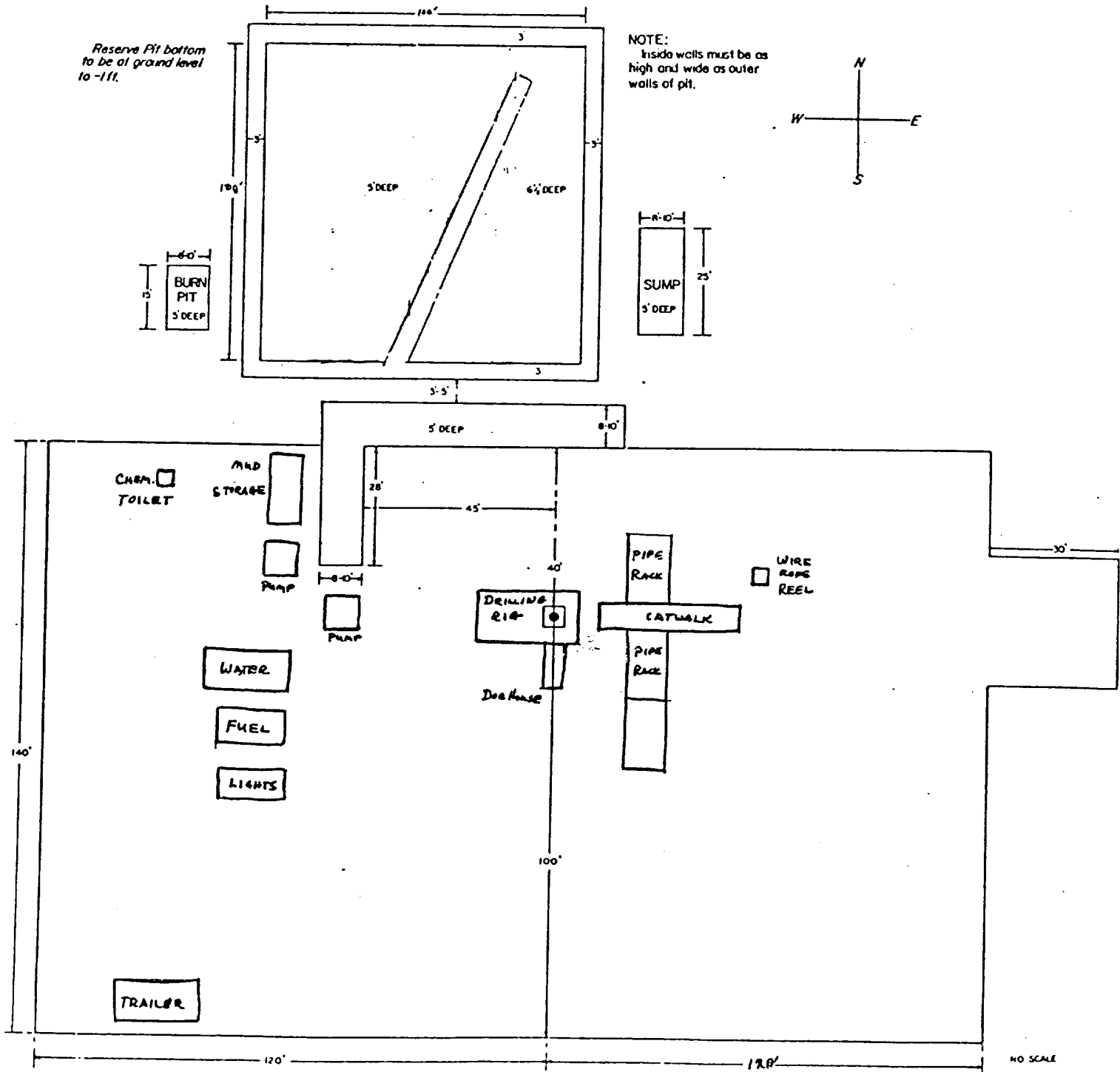
*Used at
LM system*

QWC

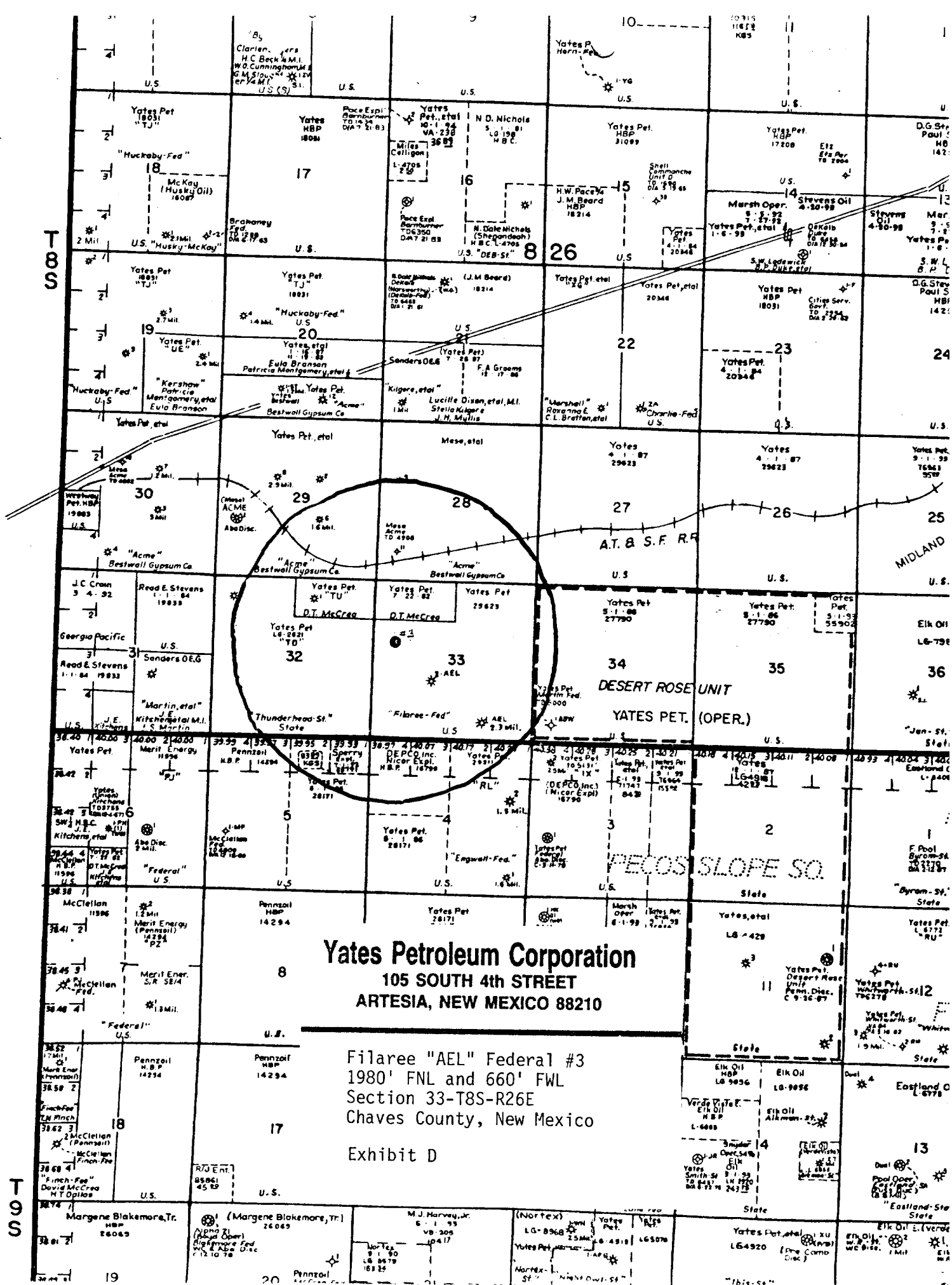


YATES PETROLEUM CORPORATION

EXHIBIT C







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

Filaree "AEL" Federal #3
 1980' FNL and 660' FWL
 Section 33-T8S-R26E
 Chaves County, New Mexico

Exhibit D



