Form 3160-3
(November 1983)
(formerly 9-331C)

Drawer DD
Artesia, NM 88

SUBMIT IN TRIPLICATE* (Other instructions on reverse side)

30-005-62954

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ] PLUG BACK [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [ ] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: Yates Petroleum Corporation

3. ADDRESS OF OPERATOR: 105 South Fourth Street, Artesia, New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 990' FNL and 1980' FEL; Unit B
At proposed prod. zone: same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 23 miles northwest of Roswell, New Mexico

MAR 31 1993
O. C. D.

5. LEASE DESIGNATION AND SERIAL NO.: NM-36724
6. IF INDIAN, ALLOTTEE OR TRIBE NAME: ---
7. UNIT AGREEMENT NAME: Salt Creek Unit
8. FARM OR LEASE NAME: ---
9. WELL NO.: 10
10. FIELD AND POOL, OR WILDCAT: West Pecos Slope Abo
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: Section 21 -T8S-R22E
12. COUNTY OR PARISH: Chaves
13. STATE: NM

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	17. NO. OF ACRES ASSIGNED TO THIS WELL
	10,000	160
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
	3,600'	Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 4029' 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 - Circulate
7 7/8"	4 1/2"	9.5#	TD	300 sacks

Yates Petroleum Corporation proposes to drill and test the Abo and intermediate formations. Approximately 725' of surface 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 gel/LCM to 725'; Brine to 2525'; Brine/KCL water to TD.

BOPE PROGRAM: BOPE will be installed on the 9 5/8" casing and tested daily for operational.

GAS NOT DEDICATED

BUREAU OF LAND MANAGEMENT
ROSWELL RESOURCE AREA
RECEIVED
DEC 17 1992
ROSWELL, NEW MEXICO

Post ID-1
4-2-93
revised NM

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 12-15-92

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY David R. Stout TITLE Asst Area Manager DATE 3/30/93

Rwm 3-8-93

CONDITIONS OF APPROVAL, IF ANY:

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

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

*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.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

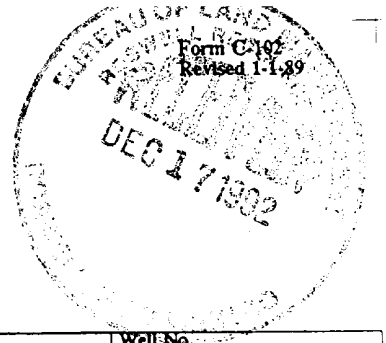
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised 1-1-89



WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator	Lease	Well No.
YATES PETROLEUM CORPORATION	SALT CREEK UNIT	10

Unit Letter	Section	Township	Range	County
B	21	8 SOUTH	22 EAST NMPM	CHAVES

Actual Footage Location of Well:
1980 feet from the EAST line and 990 feet from the NORTH line

Ground level Elev.	Producing Formation	Pool	Dedicated Acreage:
4029	ABO	PECOS SLOPE ABO	160 Acres

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

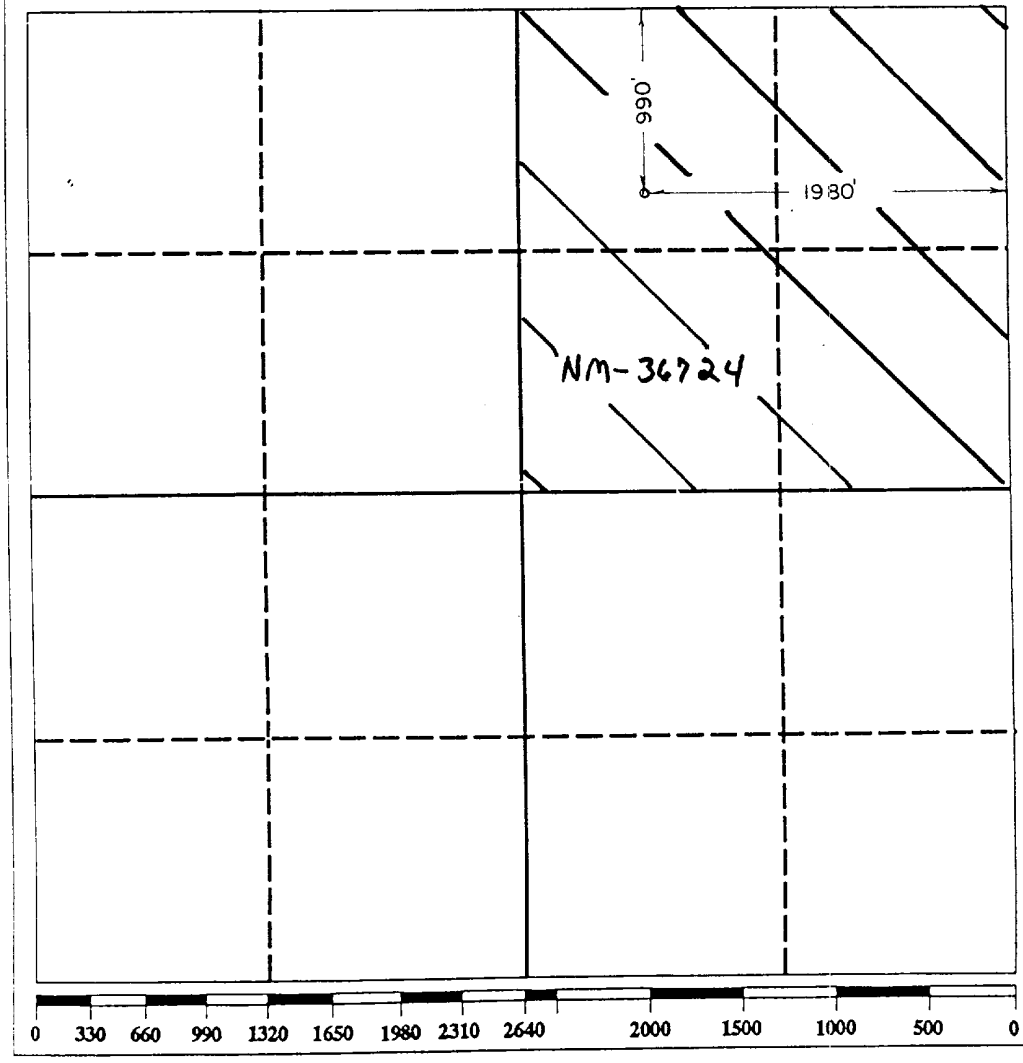
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

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 neccessary. _____

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 in true and complete to the best of my knowledge and belief.

Signature

Printed Name
Clifton R. May

Position
Permit Agent

Company
Yates Petroleum Corporation

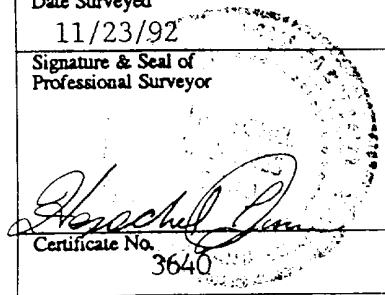
Date
December 15, 1992

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 supervison, and that the same is true and correct to the best of my knowledge and belief.

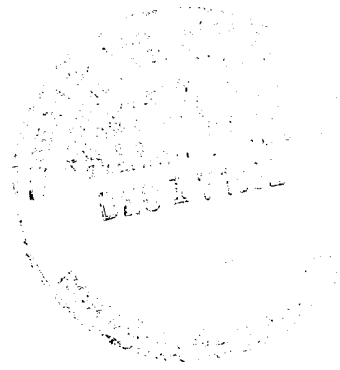
Date Surveyed
11/23/92

Signature & Seal of Professional Surveyor



Certificate No.
3640

YATES PETROLEUM CORPORATION
Salt Creek Unit #10
990' FNL and 1980' FEL
Section 21-T8S-R22E
Chaves County, New Mexico
DRILLING PROGNOSIS



1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Glorieta	515'
Tubb	1,865'
Abo	2,515'
Lower Abo	2,860'
Granite Wash	3,415'
Granite	3,460'
TD	3,600'

2. ESTIMATED DEPTHS OF ANITICIPATED WATER, OIL, GAS, OR MINERAL FORMATIONS:

Water:	250' - 300'
Gas:	2515'

3: PRESSURE CONTROL EQUIPMENT - (Schematic Attached)

A. The Blow-Out Preventor will be equipped as follows:

1. One (1) blind ram (above)
2. One (1) pipe ram (below)
3. Kill line (2-inch minimum)
4. One (1) kill line valve (2-inch minimum)
5. One (1) choke line valve
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available
8. Safety valves & subs to fill all drill strings in use
9. 2-inch (minimum) choke line
10. Fill-up line above the upper most preventor

B. Pressure Rating: 2,000 PSI

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

Hole Size	Casing Size	Wt./Ft.	Grade	Thread	Coupling	Interval	Length
14 3/4"	9 5/8"	36#	J-55	8RD	ST&C	0-725'	725'
7 7/8"	4 1/2"	9.5#	J-55	8RD	ST&C	0-3600'	3600'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
2. Yates Petroleum Corporation requests that a variance be granted in requring the casing to be tested to 1500 PSI to testing the casing to 1000 PSI. The rig pumps will be used to test the casing. Rig pumps used in this area cannot safely test above 1000 PSI. We would have to go to the greater expense of hiring an independent service to do the testing. Also, the maximum shut-in bottom hole pressure is 1100 PSI. Pressure at the surface is much less. Most of the time the Abo formation requires treatment before it flows.

B. CEMENTING PROGRAM:
Surface Casing: Set with 300 sx HL "C" + 1/4#/sx Flocele + 2% CaCL2 with weight of 12.7 ppg and Yield 1.84 cu.ft./sx. Tail in 250 sx "Class C" with 2% CaCl2 with weight of 14.8 ppg and yield 1.32 cu.ft./sx, circulated to surface.

Production Casing: Set with 600 sx 65/35 Poz "C" with 2% Gel + .6% Halad - 332 + 5# Gilsonite with weight of 13.8 ppg and yield 1.46 cu.ft./sx with cement top being approximately 2300'.

A greater amount of cement will be used if necessary to ensure that all potentially productive hydrocarbon zones are cemented off. Fill-up to be determined from logs.

5. MUD PROGRAM:

Interval	Type	Weight	Viscosity	Fluid Loss
0-725'	FW Gel/LCM	8.6-9.9	32-40	N/C
725'-2525'	Cut Brine	8.6-9.9	28	
2525' - TD	Drispak & Starch	9.3	32-45	15cc

Sufficient mud material(s) to maintain mud properties, control lost circulateion and contain a blowout will be available at the well site during drilling operations. Mud will be checked tourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: Every 10' out from under surface casing.
Logging: CNL/LDT - TD to casing w/GR/CNL to surface; DLL w/RXO - TD to casing.
Coring: None Anticipated.
DST's: Any tests will be based on the recommendation of the well site geologist as warranted by breaks and shows.

7. ABNORMAL CONDITIONS

No abnormal temperatures or pressures are anticipated. No H2S has been reported or is known to exist from previous drilling in this area at this depth.

8. ANTICIPATED STARTING DATES

Plans are to drill this well before the end of the year. It should take approximately 15 days to drill the well with completion taking another 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
Yates Petroleum Corporation
Salt Creek Unit #10
990' FNL and 1980' FEL
Section 21-T8S-R22E
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 northwest 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 county road (Verbena Road). Turn west and go approximagtely 8 1/2 miles (just past the house). Turn right and go approximately 1/2 a mile (still Verbena road) to cattleguard on right. Turn right through cattleguard and road basically follows pipeline northwest for approximately 1.25 miles. New access will start here and go southwest (left) and south to location.

2. PLANNED ACCESS ROAD

A. The proposed new access will be approximately 1000' in length from point of origin to the southeast edge of the drilling pad. The road will lie in an southwesterly 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. No 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. The Tack Water Station is in Section 31-T7S-R24E. Temporary permit No. RA-3378. Good until November 1, 1996.

6. SOURCE OF CONSTRUCTION MATERIALS:

   A. Should be sufficient from location. Any additional material will come from a private pit located in the NENE of Sec. 22-T8S-R22E.

7. METHODS OF HANDLING WASTE DISPOSAL:

   A. Drill cuttings will be disposed of in the reserve pits.
   B. Drilling fluids will be allows 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 ro 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. A cross section of drillpad 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.
   D. A 2" berm on the northside around the west side of location will be built with the topsoil.

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 after they have evaporated and dried.

11. SURFACE OWNERSHIP: Federal Surface 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.

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

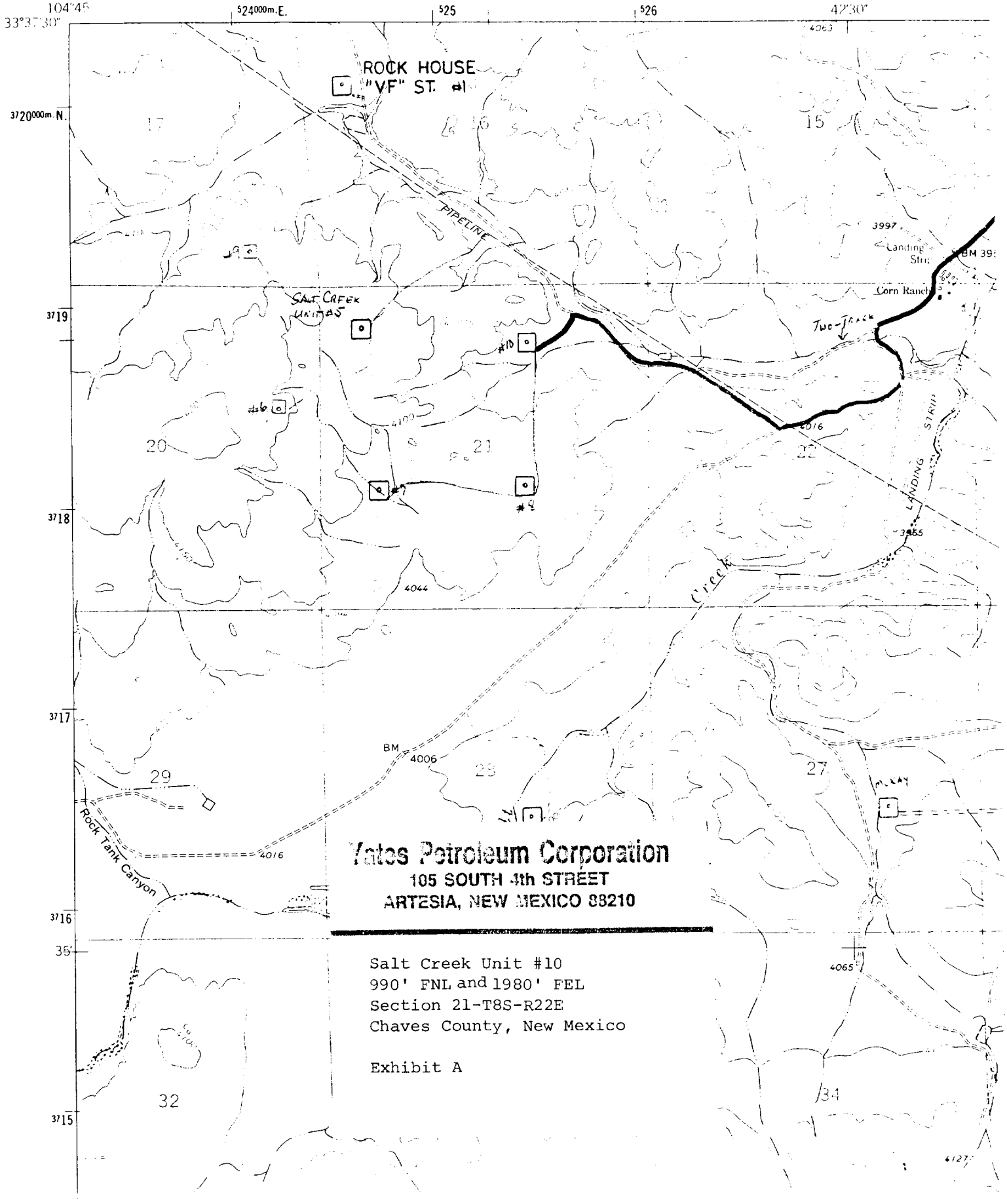
14. CERTIFICATION:

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.

12-15-92
Date

Clifton R. May
Clifton R. May
Permit Agent

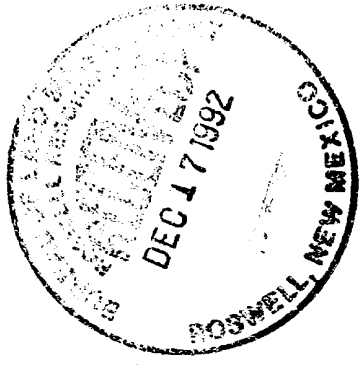
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



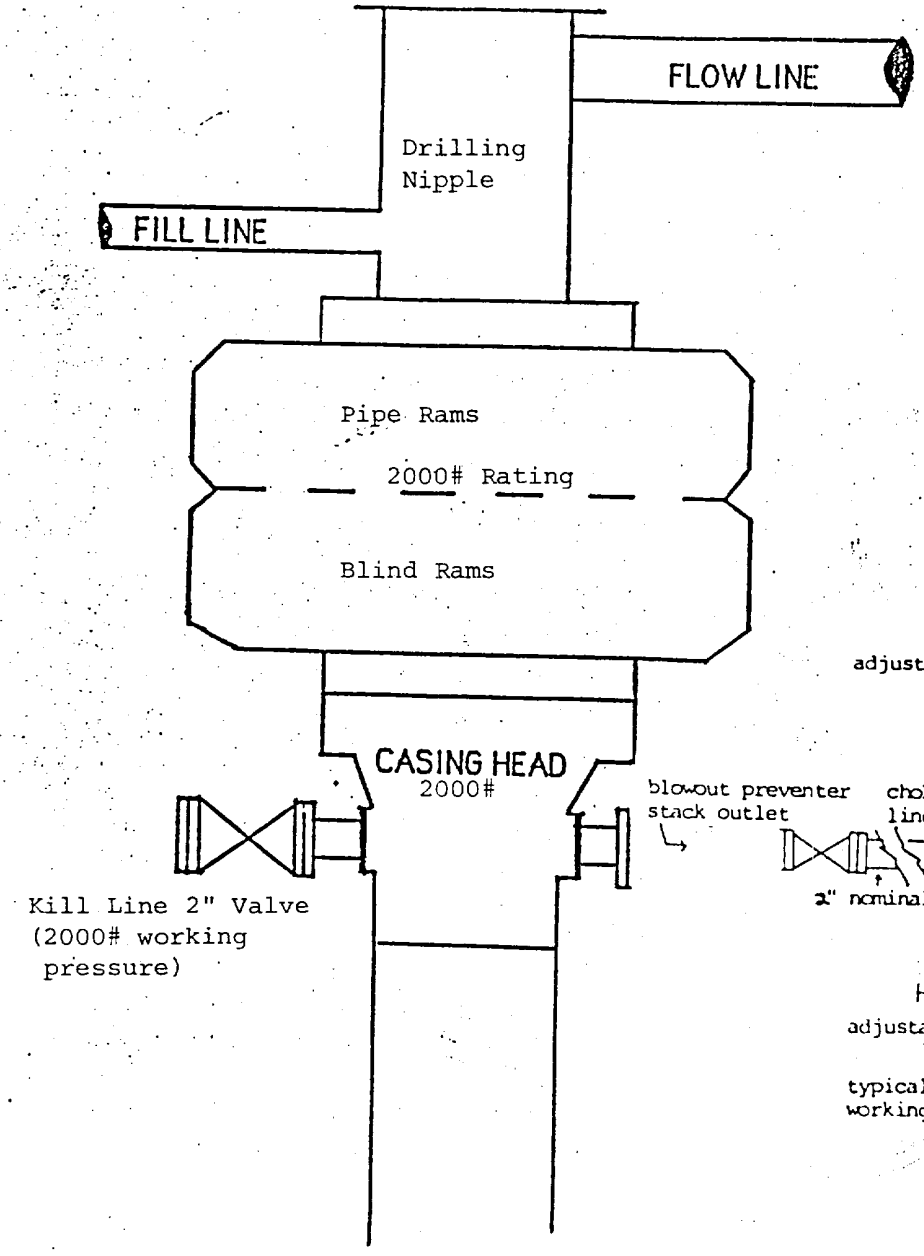
Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

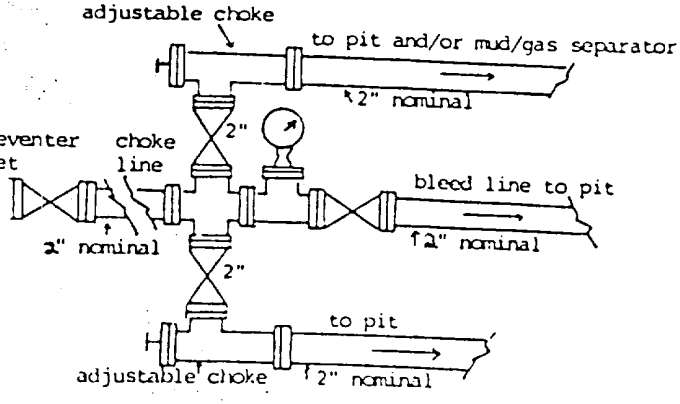
Salt Creek Unit #10
990' FNL and 1980' FEL
Section 21-T8S-R22E
Chaves County, New Mexico

Exhibit A


DEC 17 1992
ROSWELL NEW MEXICO

YATES PETROLEUM CORPORATION





typical choke manifold assemby for 2M rated working pressure service-surface installation

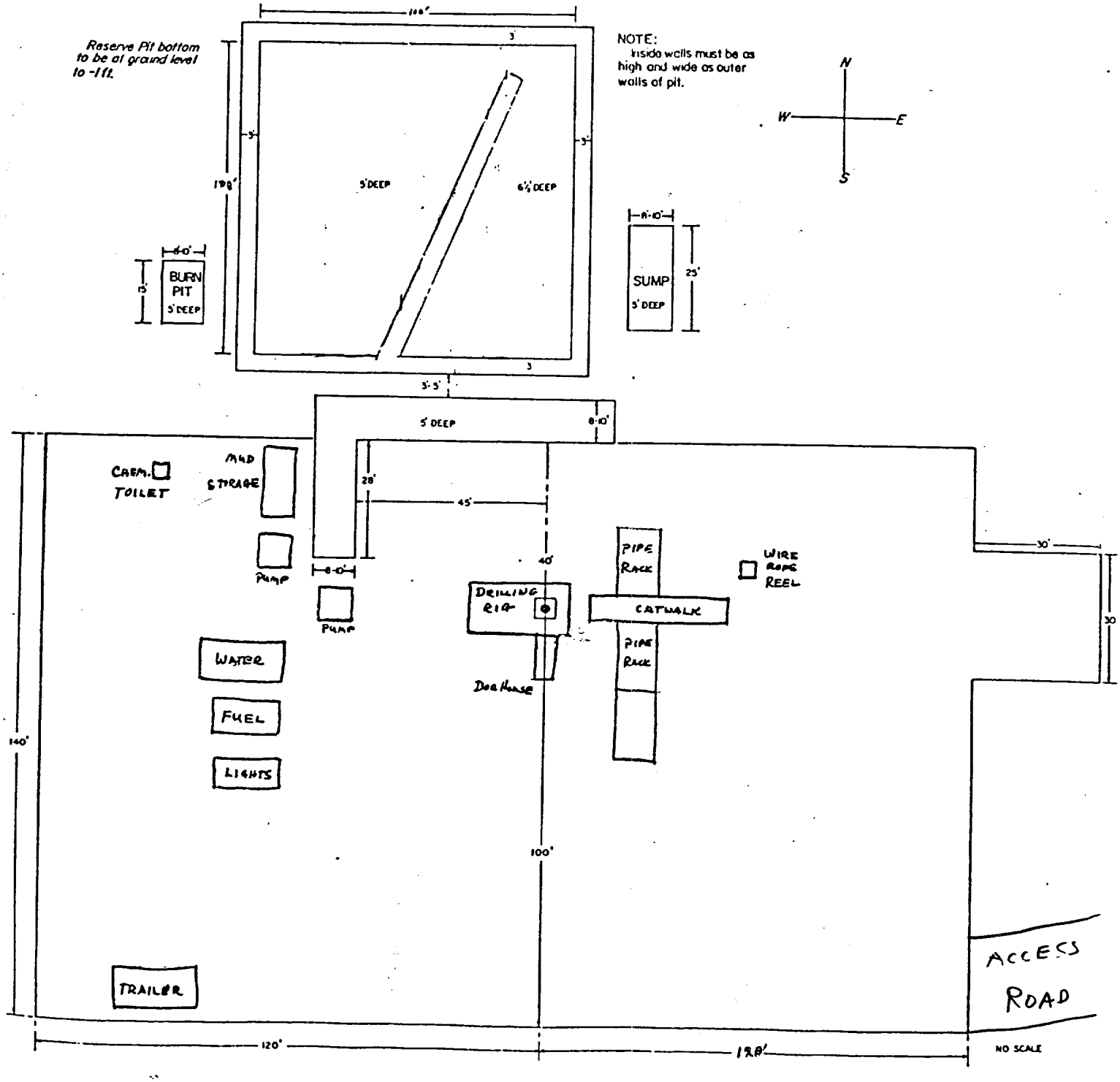
BLOWOUT PREVENTER
2M SYSTEM


DEC 17 1992

YATES PETROLEUM CORPORATION

EXHIBIT C

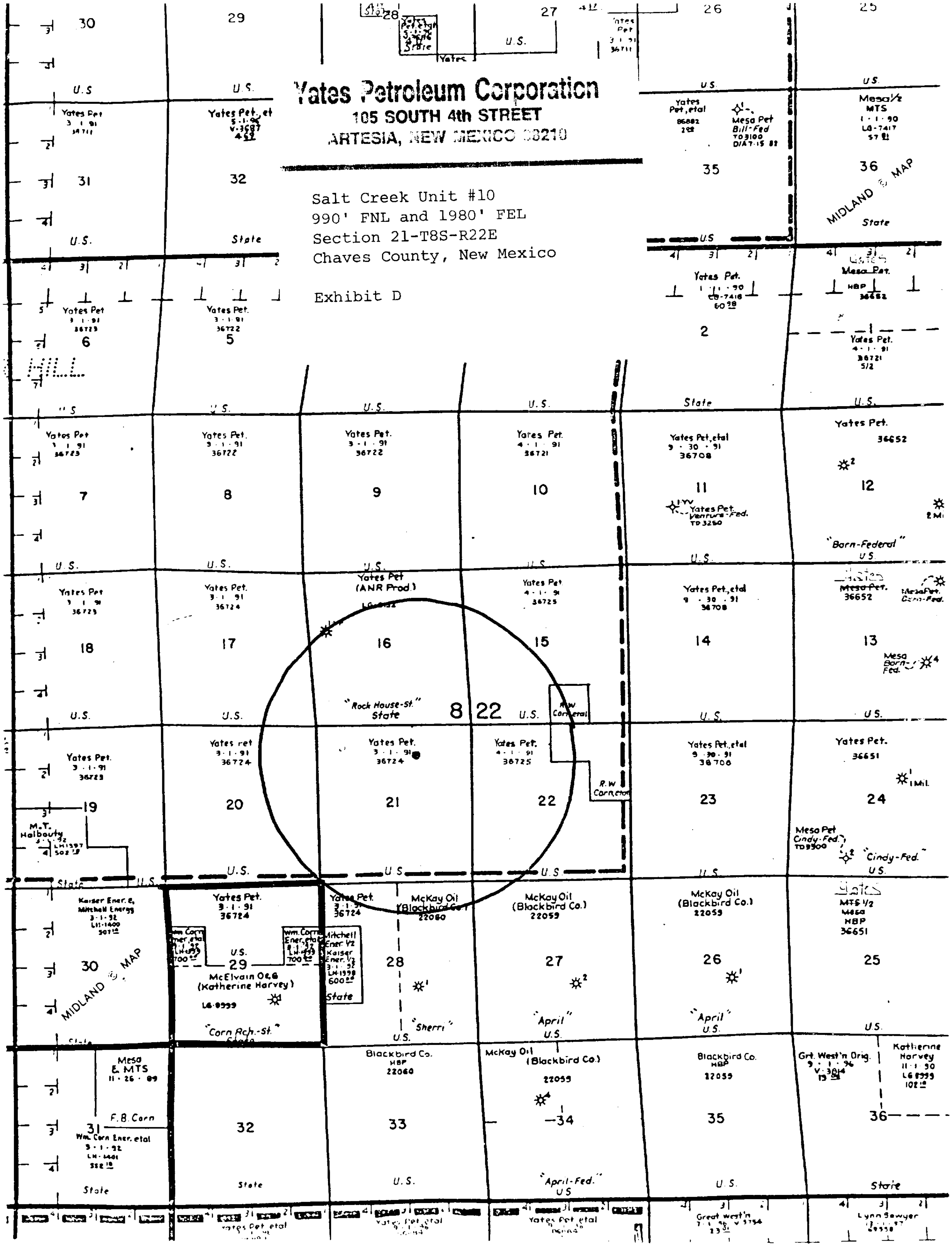
BERM OF TOPSOIL



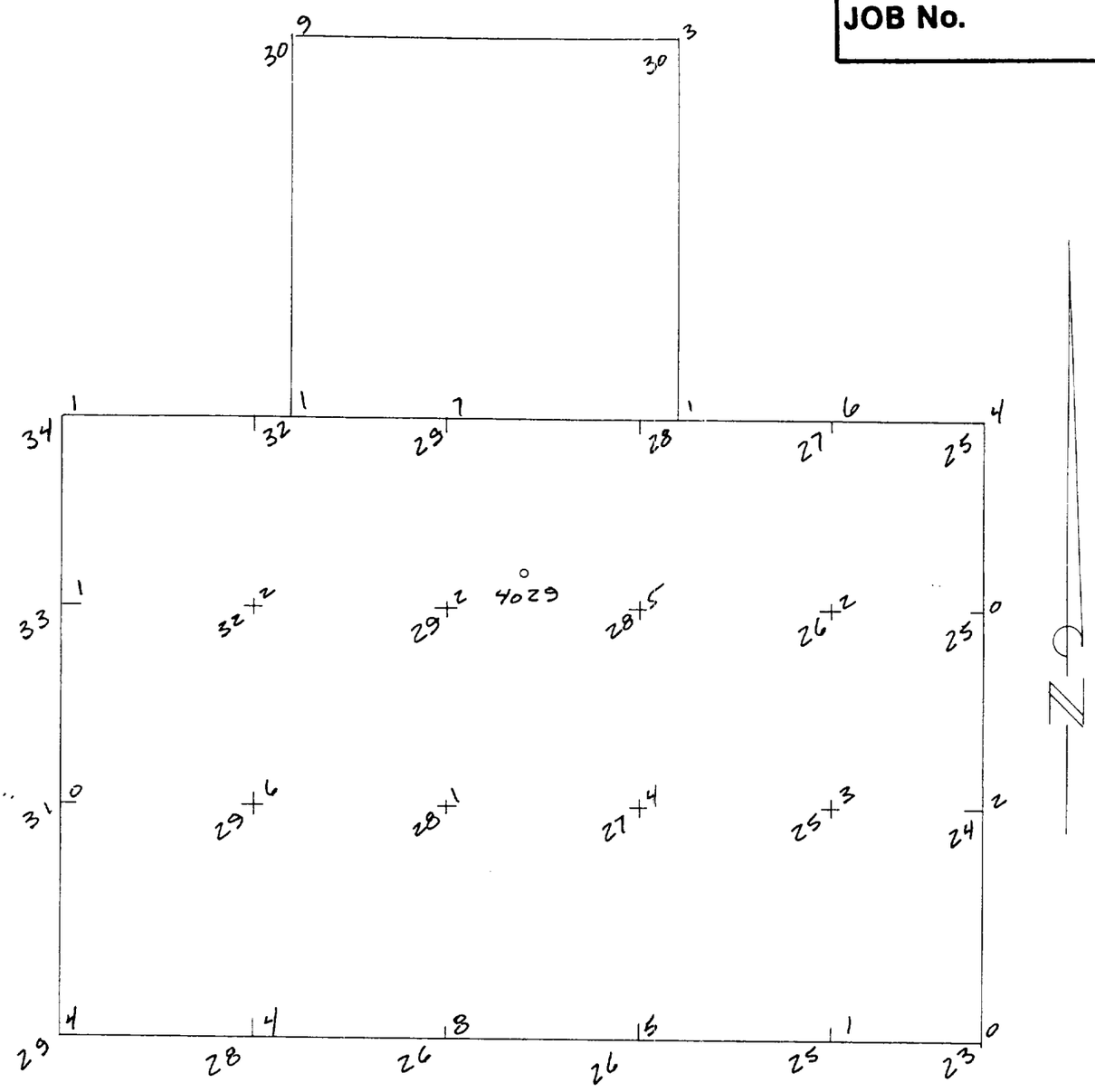
Yates Petroleum Corporation
105 SOUTH 4th STREET
ARTESIA, NEW MEXICO 88210

Salt Creek Unit #10
990' FNL and 1980' FEL
Section 21-T8S-R22E
Chaves County, New Mexico

Exhibit D



JOB No.



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.

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

STATE OF NEW MEXICO
HERSCHEL L JONES
3640

YATES PETROLEUM CORPORATION

PLAN VIEW OF SALT CREEK UNIT #10
990/N & 1980/E
Sec.21-8S-22E
Chaves County

P.O. Box 996 Lovington, New Mexico 88260

SCALE: " = '	DRAWN BY:
DATE:	SHEET OF