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SUBMIT IN: LOCATE*
(Other instructions on
reverse side)Form approved.
Budget Bureau No. 42-R1425.SEP 20 1976
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

207 South Fourth, Artesia, NM 88210

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

At surface

Unit Letter G located 1650' FNL & 2310' FEL
At proposed prod. zone Section 27-17S-25E, Eddy Co., NM

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

5 miles Southwest of Artesia, NM

15. DISTANCE FROM PROPOSED*

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

330'

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

19. PROPOSED DEPTH

Approx. 1500'

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

3525' GR

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
15"	10-3/4"	32#	Approx. 200'	Circulate
9 1/2"	7"	20#	1140'	Circulate
6 1/4"	4 1/2 & 5 1/2 Tapered	10.5 & 15.5#	1500'	150 sacks

Propose to drill a San Andres test with approximately 200' of 10-3/4" casing set to shut off surface gravel, if needed, and cavings. 7" casing will be set 100' below the Artesian Zone with cement circulated. A tapered string of production casing will be run to total depth and cemented, perforated and Sand Frac'd for production.

Mud Program - Fresh Water gel and LCM to 1140' (or dry drill), water from casing point to total depth.

BOP Program - BOP's will be installed on 7" casing and tested daily.

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

Eddie H. Wadsworth

TITLE

Engineer

DATE

8-20-76

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DECLARED WATER BASIN

DATE

THIS APPROVAL IS RESCINDED IF OPERATIONS
ARE NOT COMPLETED WITHIN 3 MONTHS.
EXPIRES DEC 27 1976

*See Instructions On Reverse Side

CASING MUST BE CIRCULATED

NOTIFY USGS IN SUFFICIENT TIME TO

7" CASING

NE MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the Section.

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AUG 20 1976
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO
Form C-102
Supersedes C-128
Effective 1-1-65

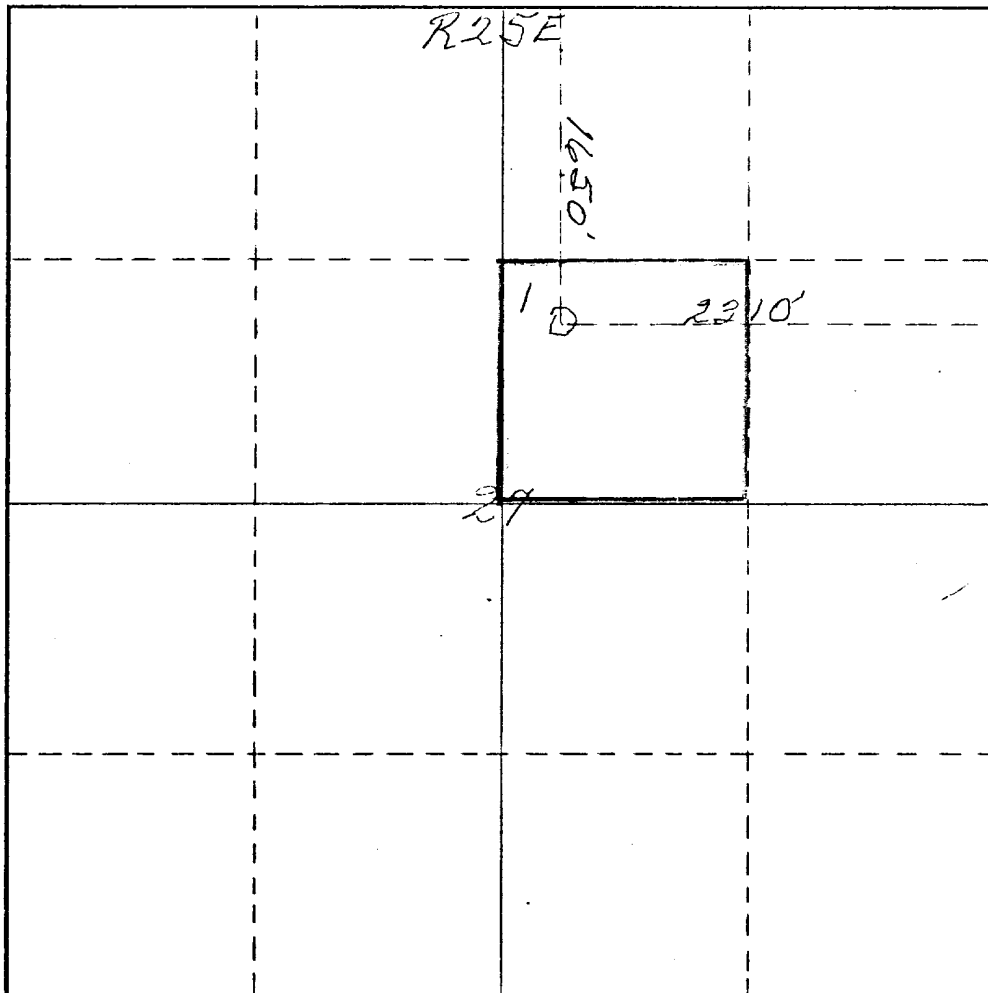
Operator <i>Yates Petroleum Corp</i>		Lease <i>"Federal Bx"</i>		Well No. <i>1974</i>	
Unit Letter <i>B</i>	Section <i>27</i>	Township <i>17 South</i>	Range <i>25 E</i>	County <i>Eddy</i>	
Actual Footage Location of Well: <i>1150</i> feet from the <i>North</i> line and <i>2310</i> feet from the <i>East</i> line					
Ground Level Elev. <i>3525</i>	Producing Formation <i>San Andres</i>		Pool <i>Eagle Creek (SA)</i>	Dedicated Acreage: <i>40</i> 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 interests 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 interests, has been approved by the Commission.



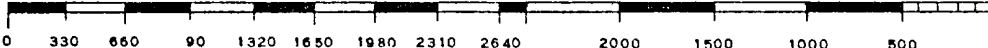
CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Eddie M. Mahfood
Position
Engineer
Company
Yates Petroleum Corp.
Date
8-20-76

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
8-14-76
Registered Professional Engineer and/or Land Surveyor
James H. Brown
Certificate No.
542



Surface Use Plan to accompany "Applications to Drill, Federal Lease"

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U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

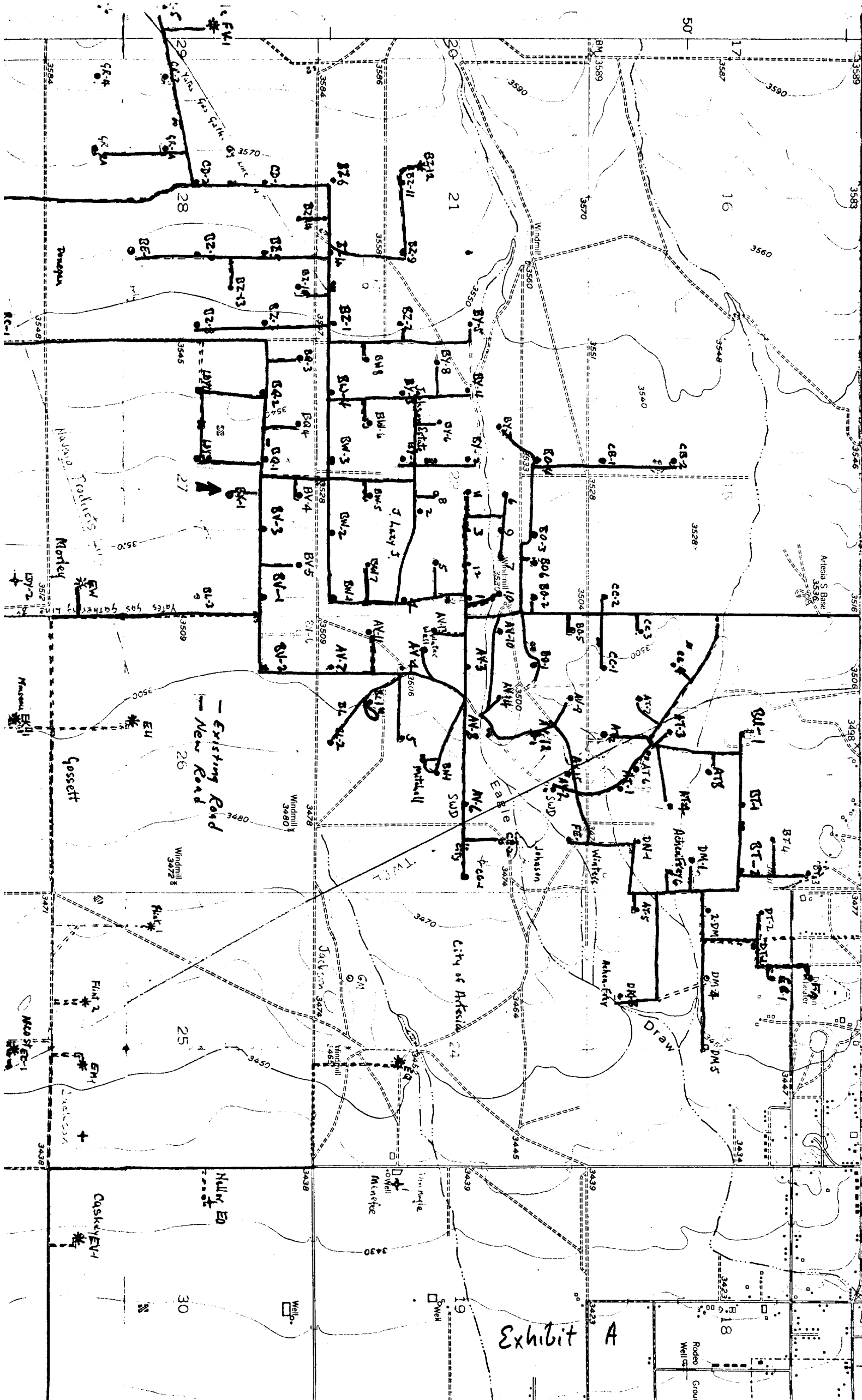
1. EXISTING ROADS: See Plat (Exhibit A) Caliched road in Eagle Creek field off of U.S. 82 (4 miles west of U.S. 285), watered & maintained by Operator as needed.
2. PLANNED ACCESS ROADS: See Plat (Exhibit A) Approximately 600' new road with caliche, south from existing road to pad, 16' wide.
3. LOCATION OF EXISTING WELLS: See Plat (Exhibit A) This is a development well in the Eagle Creek (San Andres) Field.
4. LOCATION OF TANK BATTERIES, PRODUCTION FACILITIES, AND PRODUCTION, GATHERING AND SERVICE LINES: See Plat (Exhibit B) Tank battery in Southwest corner of pad, water disposal and gas lines buried alongside roadway.
5. LOCATION AND TYPE OF WATER SUPPLY: See Plat (Exhibit A) Water supply well in NW SW Section 23-17S-25E, water piped to location.
6. SOURCE OF CONSTRUCTION MATERIAL: Existing caliche pit on Gissler Fee, NW NE Section 23-17S-25E.
7. METHODS FOR HANDLINE WASTE DISPOSAL: Earthen pit for drilling mud; small reserve pit for jetting cuttings and burning mud sacks; trash barrels for garbage and waste; sump for portable commode.
8. ANCILLARY FACILITIES: None.
9. WELL SITE LAYOUT: (rig, tanks, pits, racks, etc.) See Sketch (Exhibit B) Fairly level terrain.
10. PLANS FOR RESTORATION OF SURFACE: Pits will be fenced until dry then leveled. Upon abandonment location will be cleaned and restored to as near original as feasible.
11. OTHER INFORMATION: Rolling terrain with prairie grass, greasewood, tumbleweed and cactus. Operating plans approved by rancher, J.W. Bill Gissler, Box 987, Artesia, NM. 746-9544.
12. LESSEE'S OR OPERATOR'S REPRESENTATIVE: Eddie Mahfood or Leon Bergstrom, 207 South Fourth Street, Artesia, NM. 746-3558.
13. 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 Corp. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

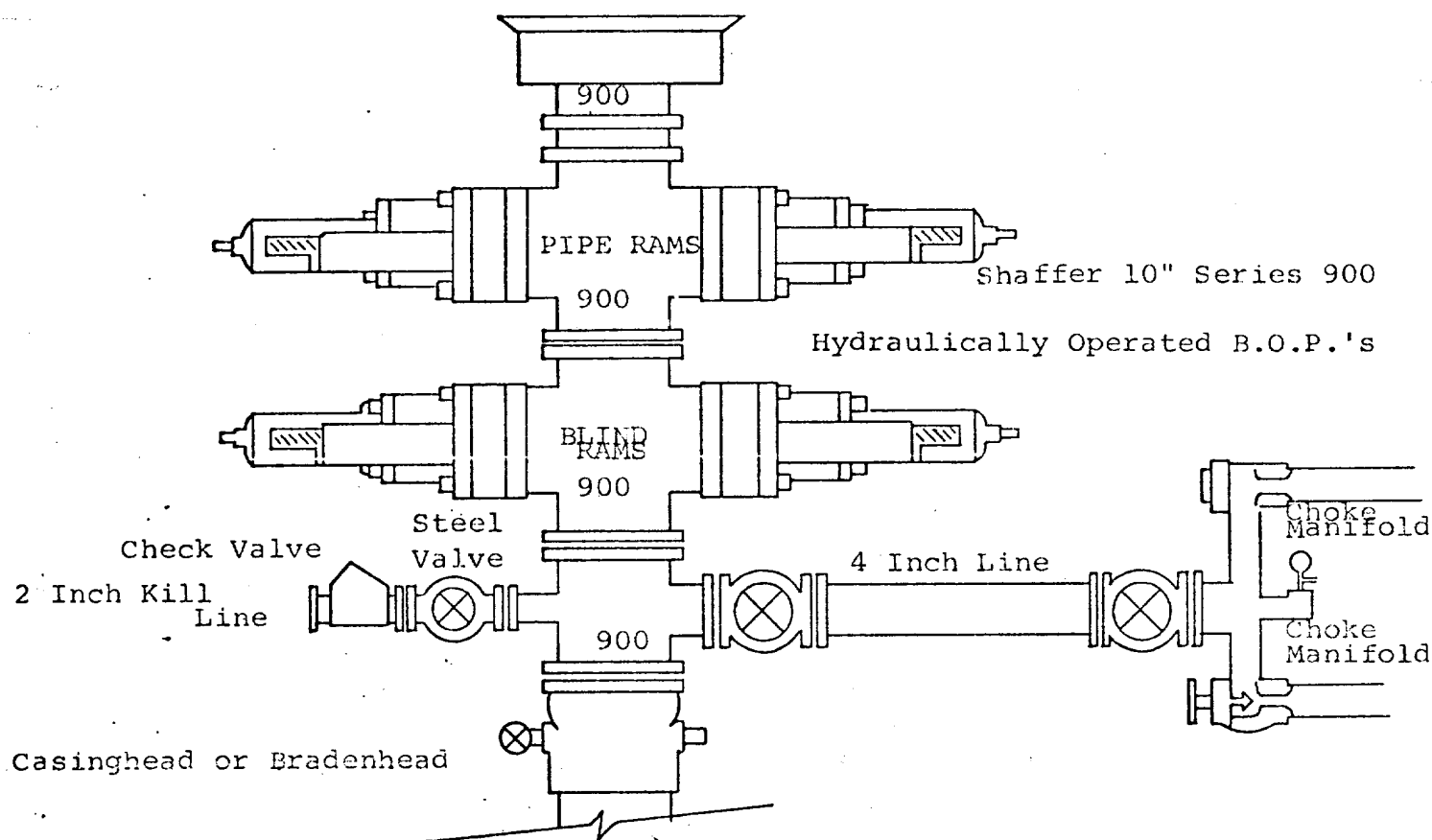
Date

8-20-76

Name and Title

Eddie L. Mahfood, Engr.





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 4" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.