

30-015-20978

UNITED STATES
DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

5. LEASE DESIGNATION AND SERIAL NO.
NM-0196959

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal "CH"

9. WELL NO.
2

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA
Sec. 1-18S-24E
Unit F NMPM

12. COUNTY OR PARISH
Eddy

13. STATE
NM

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 4th Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 1980' FNL & 1980' FWL of Section 1-18S-24E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approx. 10 miles SW of Artesia, NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any)

16. NO. OF ACRES IN LEASE

17. NO. OF ACRES ASSIGNED TO THIS WELL

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

19. PROPOSED DEPTH
Approx. 8400'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3689' 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
17 1/2"	13-3/8"	48#	Approx 200'	Circulate
12 1/2"	9-3/8"	32.3#	Approx 1000'	Circulate
8-3/4"	7"	23 & 26#	Approx 8400'	Approx 250

RECEIVED
OCT 1 1973
U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

Propose to drill and test the Morrow sand and intermediate formations. Approx 200' of 13-3/8" casing will be cemented for protection from surface gravel, 9-3/8" casing will be run and cemented 100' below the Artesian zone and 7" casing will be run if production is encountered.

Mud Program: Fresh water gel to 1000', water to 6500', flosal and drispak to total depth.

BOP Program: - BOP's will be installed on intermediate. Hydrill will be installed and tested prior to drilling the Wolfcamp; pipe rams will be tested daily, blind rams on trips.

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 M. [Signature] TITLE Engineer DATE 10-1-73

(This space for Federal or State office use)

APPROVED
OCT 1 1973
N. L. BEEKMAN
ACTING DISTRICT ENGINEER

SUBJECT TO ATTACHED DEEP WELL CONTROL REQUIREMENTS DATED JUN 22 1973

DECLARED WATER BASIN
13 3/8"
19 1/8"
CEMENT BEHIND THE CASING MUST BE CIRCULATED

THIS APPROVAL IS RESCINDED IF OPERATIONS ARE NOT COMMENCED WITHIN 3 MONTHS.
See Instructions On Reverse Side
JAN 15 1974

NOTIFY USGS IN SUFFICIENT TIME TO WITNESS CEMENTING THE CASING.
9 3/8"



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

June 22, 1973

NOTICE


DRILLING WELL CONTROL REQUIREMENTS FOR DEEP WELLS DRILLED ON FEDERAL OIL AND GAS LEASES IN THE ARTESIA DISTRICT

The following requirements are established in accordance with 30 CFR 221.24, 221.36, and 221.37. Blowout preventer equipment, choke equipment, drilling fluid characteristics, drilling fluid monitors, and the conduct of drilling procedures shall be such as are necessary to prevent the blowout of any well. In addition to all other applicable rules, regulations, and accepted good operating practices, drilling shall be in accordance with the following safety requirements:

1. After setting the 9-5/8-inch casing string and before drilling into the Wolfcamp formation, the blowout preventers and related control equipment shall be pressure tested to rated working pressures by an independent service company. Any equipment failing to test satisfactorily shall be repaired or replaced. This office should be notified in sufficient time for a representative to witness the tests and shall be furnished a copy of the pressure test report. In addition, the pipe rams and bag-type preventer shall be actuated at least once each 24 hours and the blind rams each time the drill pipe is out of the hole.
2. Accumulators shall maintain a pressure capacity reserve at all times to provide for repeated operation of hydraulic preventers.
3. A drill string safety valve in the open position shall be maintained on the rig floor at all times while drilling operations are being conducted.
4. Blowout prevention drills shall be conducted as necessary to insure that each drilling crew is properly trained to carry out emergency duties.
5. Mud system monitoring equipment, with derrick floor indicators and visual and audio alarms, shall be installed and operating before

drilling into the Wolfcamp formation
and used until production casing is run and cemented. Monitoring
equipment shall consist of the following:

- (1) A recording pit level indicator to determine pit volume gains and losses.
 - (2) A mud volume measuring device for accurately determining mud volume necessary to fill the hole on trips.
 - (3) A flow sensor on the flow-line to warn of any abnormal mud returns from the well.
6. When coming out of the hole with drill pipe, the annulus shall be filled with mud before the mud level drops below 150 feet. The volume of mud required to fill the hole shall be watched, and any time there is an indication of swabbing, or influx of formation fluids, proper blowout prevention precautions must be taken. The mud shall not be circulated and conditioned except on or near bottom, unless well conditions prevent running the pipe to bottom.
7. A copy of these requirements shall be posted on the rig floor or in the dog house during the drilling of the well.


James A. Knauf
District Engineer

Lease No. NM 0196959
Well 2-Federal "CH" YATES PETROLEUM CORP.
Drillsite 1980/N&W 1-18S-24E
Depth 8400' Morrow
Approved 10-15-73

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

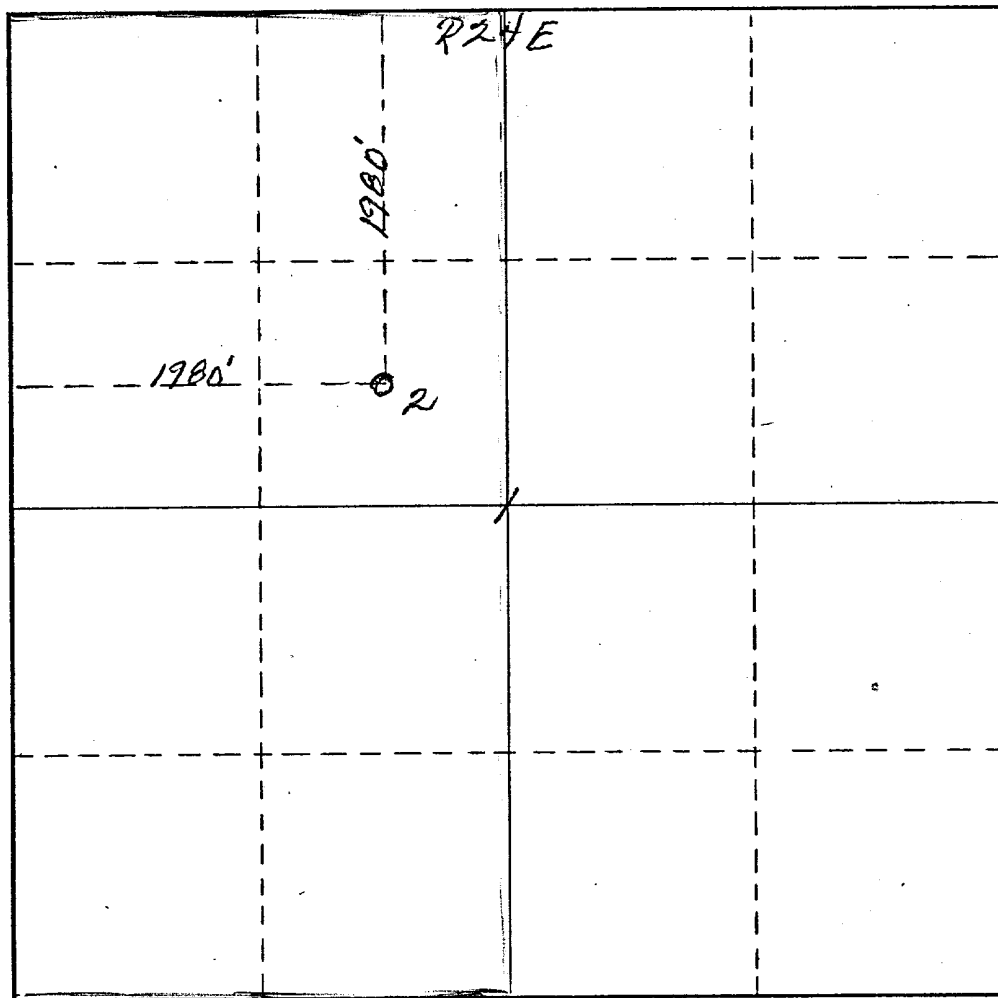
Operator <i>Yates Petroleum Corp.</i>		Lease <i>Federal "CH"</i>			Well No. <i>2</i>
Unit Letter <i>F</i>	Section <i>1</i>	Township <i>18 South</i>	Range <i>24 East</i>	County <i>Eddy</i>	
Actual Footage Location of Well: <i>1980</i> feet from the <i>North</i> line and <i>1980</i> feet from the <i>West</i> line					
Ground Level Elev. <i>3689</i>	Producing Formation <i>Morrow</i>		Pool <i>Wildcat</i>	Dedicated Acreage: <i>320</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.

Eddie M. Mahfood

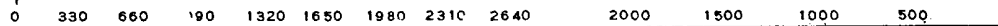
Name
Eddie M. Mahfood
Position
Engineer
Company
Yates Petroleum Corp.
Date
10-1-73

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.

JAMES H. BROWN
REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR

Date Surveyed
September 25th, 1973
Registered Professional Engineer
and/or Land Surveyor

James H. Brown
Certificate No. *542*

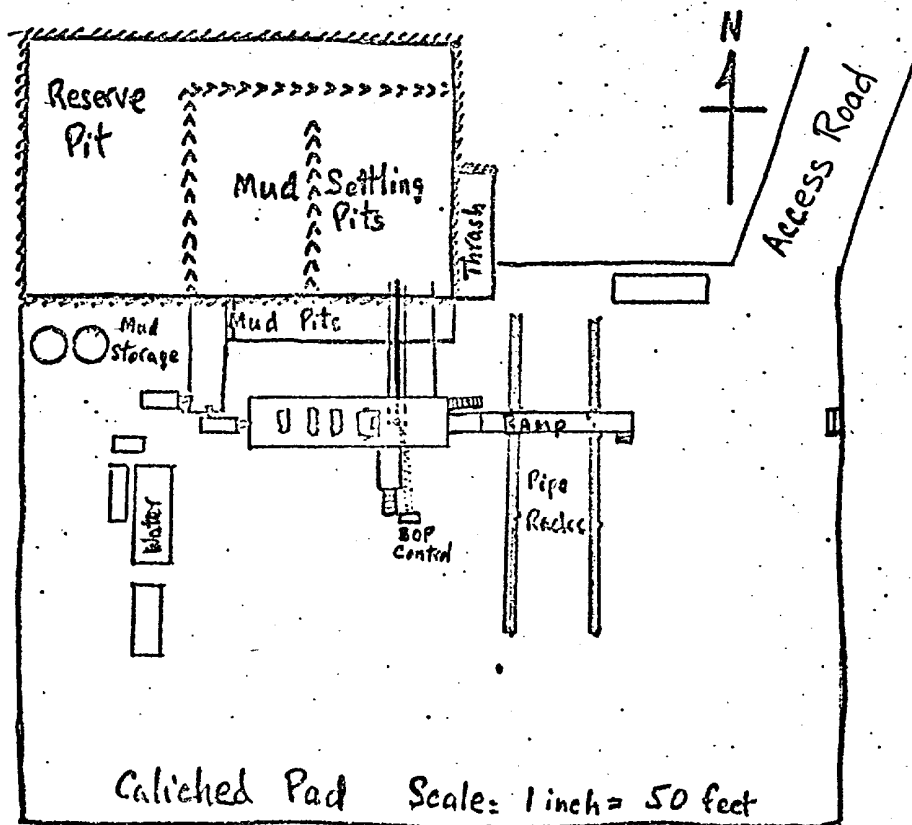


YATES PETROLEUM CORPORATION
 Federal "CH No. 2 - SE NE Section 1-10 -24E
 Eddy County, New Mexico

Development plan for surface use to accompany, "Applications to Drill Onshore Oil, Gas, or Geothermal Steam Wells on Public Domain and acquired Federal Lands:"

1. Existing roads. See Attached Topo Map - caliche roads maintained and watered as needed
2. Planned access roads. See Attached Topo Map, access road to parallel pipeline right-of-way northwest from existing road and right to location
3. Location of well. See Attached Topo Map, relatively flat terrain with good drainage in standard gas well location.
4. Lateral roads to wells locations. See attached Topo Map.
5. Location of tank batteries and flowlines. See attached Topo map, tank battery and flowlines on North side of access road.
6. Locations and types of water supply. Drilling water to be trucked from source well in Section 5-19S-25E (See Attached Topo Map)
7. Methods for handling waste disposal. Pits for mud, separate pit for trash and engine oil.
8. Location of camps. N.A.
9. Location of airstrips. N.A.
10. Location layout to include position of the rig, mud tanks, reserve pits, burn pits, pipe racks, etc. See sketch.
11. Plans for restoration of the surface. If dry hole, will erect marker, level pits, restore ground as near original as possible. If producer will fence and level pits as needed
12. Any other information which the Approving Official considers essential to his assessment of the impact on the environment. Sparse mesquite, tumbleweed and prairie grass. Road and pipeline on common right-of-way with minimum environmental disturbance. Access road satisfactory to rancher.

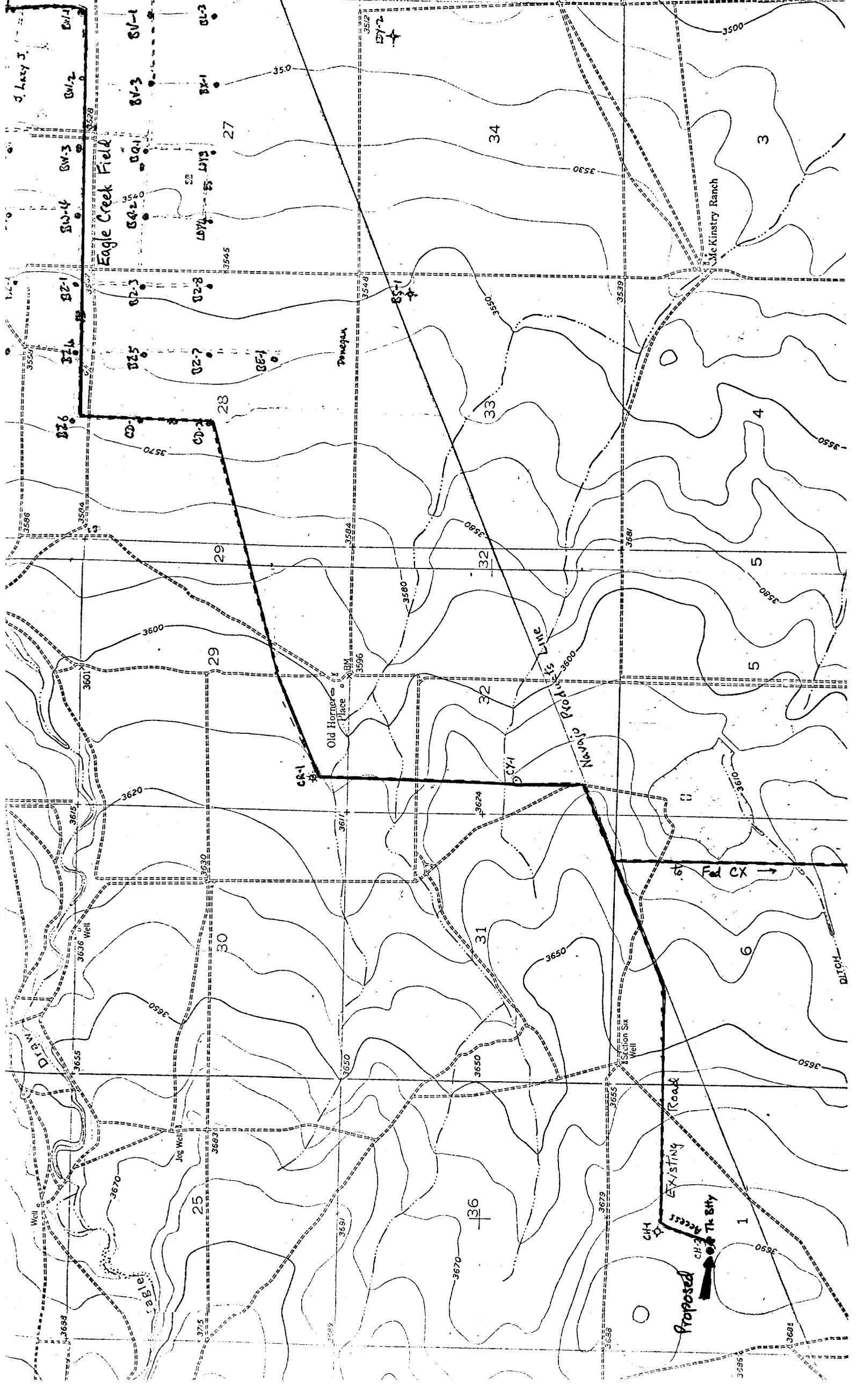
The affected Federal and State surface managing agencies shall have access to or, if feasible, may be provided with copies of such development plans.



SUBMITTED BY:
 YATES PETROLEUM CORPORATION

Eddie M. Mahfood
 Eddie M. Mahfood - (10-1-73)

APPROVED BY:
 U. S. GEOLOGICAL SURVEY



J. Lacey J.

Eagle Creek Field

Old Hornet Place

Mc Kinstry Ranch

National Road

Proposed

EXISTING Road

CH-1

CH-2

CH-3

CH-4

CH-5

CH-6

CH-7

CH-8

CH-9

CH-10

CH-11

CH-12

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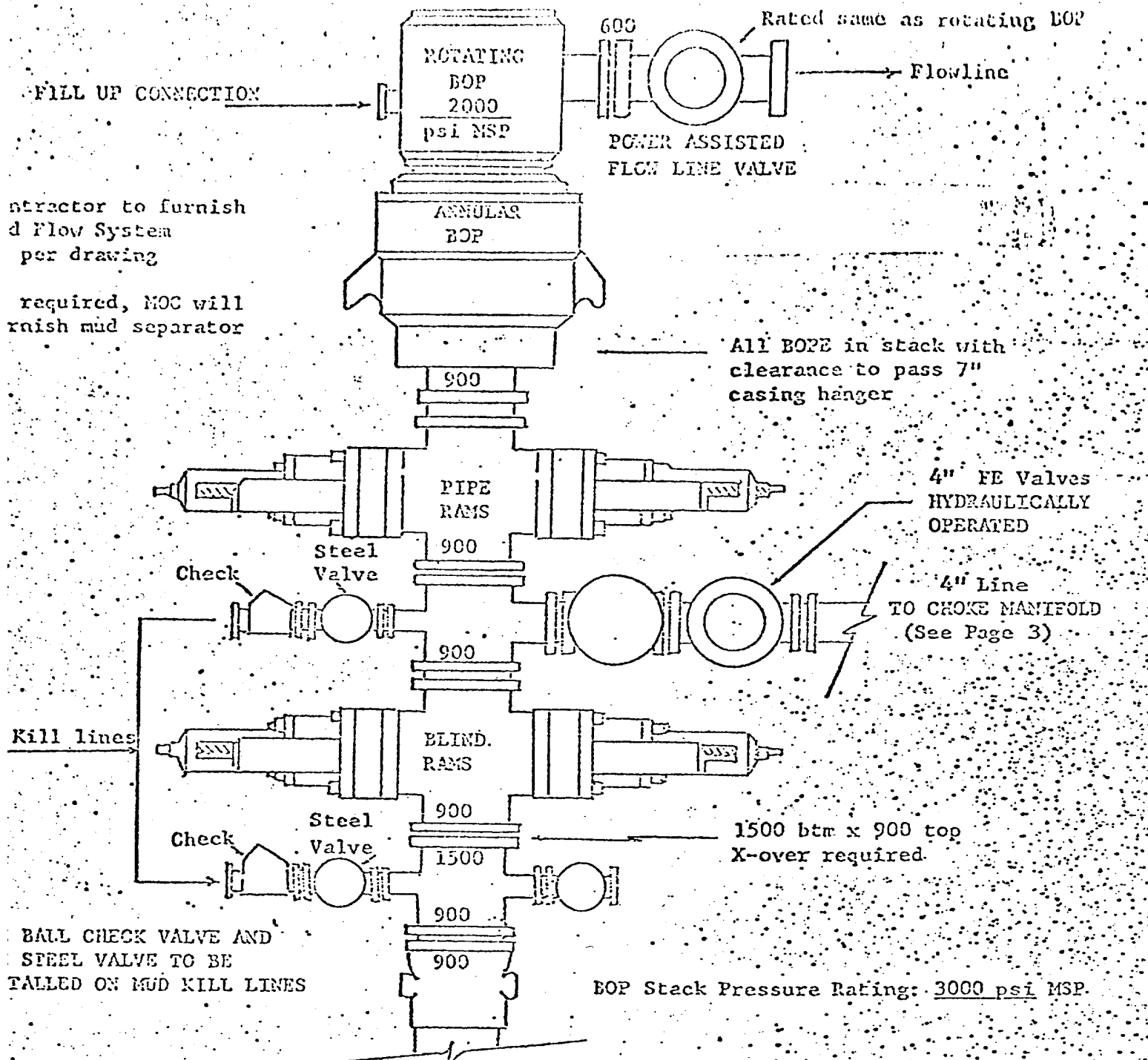
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CH-295



Contractor to furnish
Flow System
per drawing

required, MOC will
furnish mud separator

All BOPs in stack with
clearance to pass 7"
casing hanger

4" FE Valves
HYDRAULICALLY
OPERATED

4" Line
TO CHOKER MANIFOLD
(See Page 3)

1500 btm x 900 top
X-over required

BALL CHECK VALVE AND
STEEL VALVE TO BE
TAPPED ON MUD KILL LINES

BOP Stack Pressure Rating: 3000 psi MSP.

THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- ALL PREVENTERS TO BE HYDRAULICALLY OPERATED WITH SECONDARY MANUAL CONTROLS INSTALLED PRIOR TO DRILLING OUT FROM UNDER CASING.
- CHOKER OUTLET TO BE A MINIMUM OF 4" DIAMETER.
- KILL LINE TO BE OF ALL STEEL CONSTRUCTION OF 2" MINIMUM DIAMETER.
- OPENING BETWEEN RAMS TO BE FLANGED, STUDDED, OR CLAMPED.
- ALL CONNECTIONS FROM OPERATING MANIFOLDS TO PREVENTERS TO BE ALL STEEL HOSE OR TUBE A MINIMUM OF ONE INCH IN DIAMETER.
- THE AVAILABLE CLOSING PRESSURE SHALL BE AT LEAST 15% IN EXCESS OF THAT REQUIRED WITH SUFFICIENT VOLUME TO OPERATE THE B.O.P.'s.
- ALL CONNECTIONS TO AND FROM PREVENTER TO HAVE A PRESSURE RATING EQUIVALENT TO THAT OF THE B.O.P.'s.
- UPPER & LOWER KELLY COCK TO BE INSTALLED ON KELLY. USE MUD SCREEN IN LOWER VALVE.
- INSIDE BLOWOUT PREVENTER TO BE AVAILABLE ON RIG FLOOR.
- SEAL OPERATING CONTROLS - ONE LOCATED BY DRILLERS POSITION AND THE OTHER LOCATED A SAFE DISTANCE FROM THE RIG FLOOR.
- KILL LINE FOR EMERGENCY USE ONLY - NOT TO BE USED FOR FILL UP.
- STABBING VALVES FOR ALL CONNECTIONS IN DRILL STRING TO BE LOCATED ON RIG FLOOR.
- HOLE MUST BE KEPT FILLED ON TRIPS BELOW INTERMEDIATE CASING. OPERATOR NOT RESPONSIBLE FOR BLOWOUTS RESULTING FROM NOT KEEPING HOLE FULL.
- DRILLPIPE FLOW MUST BE INSTALLED AND USED BELOW ZONE OF FIRST GAS INTRUSION, OR