

FILE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

2. NAME OF OPERATOR
 Harvey E. Yates Company ✓

3. ADDRESS OF OPERATOR
 P.O. Box 1933, Roswell, New Mexico 88202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 660' FSL & 1650' FWL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 8 miles S.E. of Loco Hills, NM

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
 160

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1168'

19. PROPOSED DEPTH
 8525

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3690.7 GL

22. APPROX. DATE WORK WILL START*
 ASAP

APR 28 '89

W.N.

O.C.D.
ARTESIA OFFICE

5. LEASE DESIGNATION AND SERIAL NO.
 NM-68040

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Parker 5 Federal

9. WELL NO.
 #2

10. FIELD AND POOL, OR WILDCAT
 North Shugart Bone Spring

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 5, T18S, R31E

12. COUNTY OR PARISH
 Eddy

13. STATE
 NM

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	54.5	350	Circ to surface
12 1/4	8 5/8	24 & 32	2000	Circ to surface
7 7/8	5 1/2	17	8525	600' above pay

MUD PROGRAM:

- 0 - 350 FW mud
- 350 - 2000 Brine water
- 2000 - 8525 FW mud

REQUIREMENTS SUBJECT TO
 GENERAL REQUIREMENTS AND
 SPECIAL STIPULATIONS
 ATTACHED

APR 10 10 59 AM '89

RECEIVED
 Posted EDI
 APR 11 1989
 5-5-89

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 W.M. Young NM Young TITLE Drilling Superintendent DATE 4/7/89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Richard L. Bonus TITLE AREA MANAGER DATE 4 27 89

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form O-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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

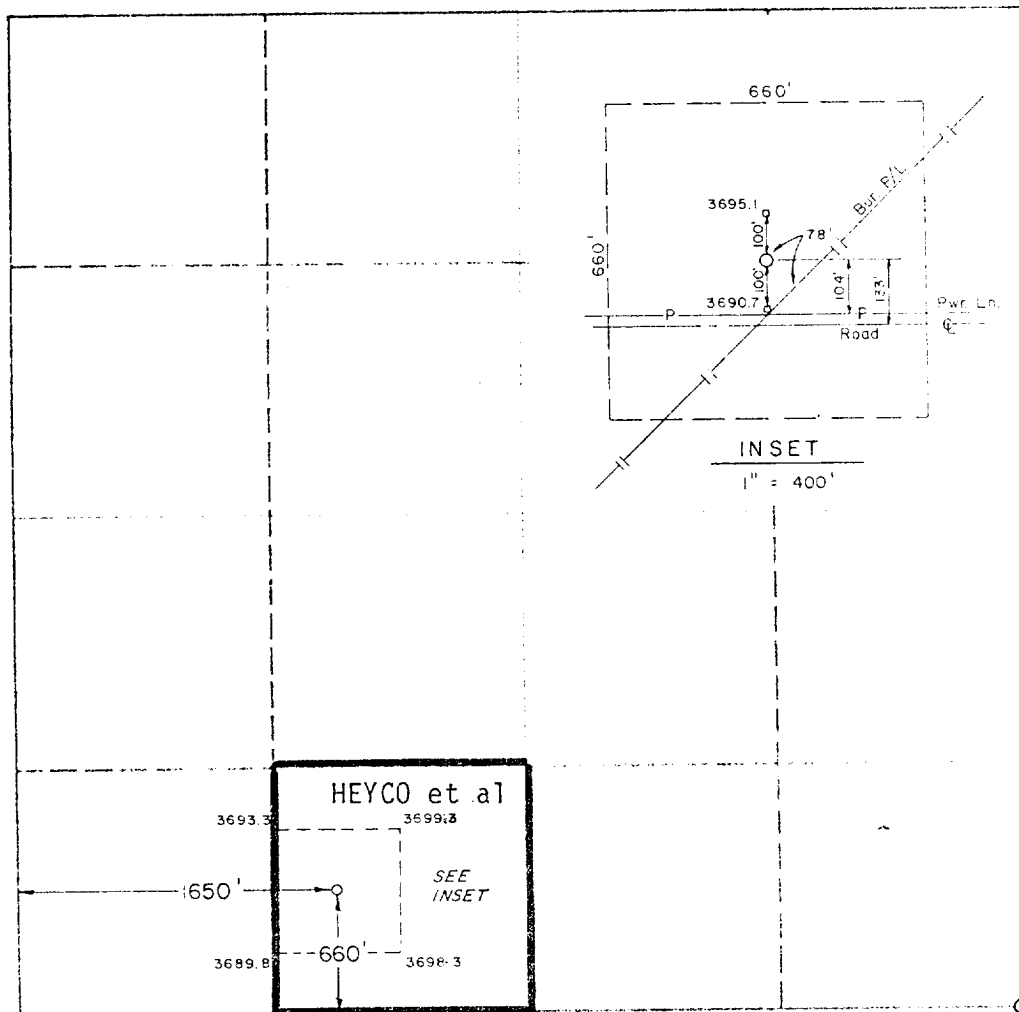
DISTRICT III
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Harvey E. Yates Co.			Lease Parker 5 Federal			Well No. 2		
Unit Letter N	Section 5	Township 18 South	Range 31 East	County NMPM		Eddy		
Actual Footage Location of Well: 660 feet from the south line and 1650 feet from the west line								
Ground level Elev. 3690.7		Producing Formation Bone Springs		Pool North Shugart Bone Springs		Dedicated Acreage 40 Acres		

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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.

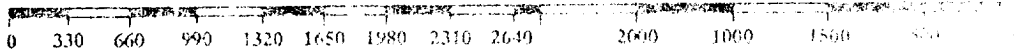
Signature
 NM Young by U.T.
 Printed Name
 NM Young
 Position
 Drilling Superintendent
 Company
 Harvey E. Yates Company
 Date
 4/7/89

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
 March 31, 1989

Signature & Title



Application

HARVEY E. YATES COMPANY
Parker 5 Federal #2
Section 5, T18S, R31E
Eddy County, New Mexico

In conjunction with Form 3160-3, Application for Permit to Drill the Subject well in Section 5, Township 18 South, Range 31 East, Eddy County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with Bureau of Land Management requirements:

1. The geologic surface formation is quaternary alluvium and bolson deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Rustler	485'	Grayburg	3501'
Yates	1930'	San Andres	3876'
Seven Rivers	2300'	Delaware Sand	4560'
Bowers	2757'	Bone Spring	4840'
Queen	3004'	TD	8525'
Penrose	3212'		
3. We do not anticipate finding water but have listed the formation in which we anticipate finding oil or gas.

Bone Spring	4840'
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4. Proposed casing program: See Form 3160-3
5. Pressure control equipment: See Exhibit C.
6. Mud program: See Form 3160-3.
7. Auxiliary equipment: Blowout preventer
8. Testing, logging and coring programs: We do not plan to core or DST. The planned logs are CND w/GR and Caliper and DLL-MSFL.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible.

SURFACE USE PLAN

HARVEY E. YATES COMPANY
Parker 5 Federal #2
Sec. 5, T18S, R31E
Eddy County, New Mexico

1. EXISTING ROADS:

Exhibit A is a portion of a New Mexico Map showing the location of the proposed well. The location is approximately 35 miles east of Artesia, New Mexico, or about 8 miles southeast of Loco Hills, New Mexico. Leave Artesia on U.S. Highway 82 and travel east to the junction of New Mexico Highway 222. Turn south on Highway 222 and travel 2.7 miles. Turn west on lease road and travel .6 of a mile. Turn north for 200' to new location.

2. PLANNED ACCESS ROADS:

We plan to use the existing roads as far as possible. We will not need to build any new road to reach the proposed location. The running surface will be 14' wide, build with 6" compacted caliche.

3. LOCATION OF EXISTING WELLS:

Exhibit B is a plat showing existing wells and their locations.

4. LOCATIONS OF TANK BATTERIES, ETC.:

In the event we drill a producing well, all production equipment will be located at Unit M, Sec. 5, T18S, R31E.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water will be from commercial sources, either hauled or pipelined.

6. SOURCE OF CONSTRUCTION MATERIAL:

We will use caliche from the reserve pit area to build the road and location.

7. METHODS OF HANDLING WASTE DISPOSAL:

Waste will be buried in reserve pits at a depth of 36". The wellsite will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

None required.

9. WELLSITE LAYOUT:

- A. Exhibit D shows the relative location and dimensions of the well pad, reserve pits and major rig components.
- B. The land is relatively flat with sandy soil and sand dunes.
- C. The pad and pit area have been staked.
- D. The location is in close proximity to Conoco's low pressure pipeline. Conoco is furnishing a letter directly to the Carlsbad BLM approving our planned location.

10. PLANS FOR RESTORATION OF THE SURFACE:

- A. After finishing drilling and/or other completion operations, all equipment and other materials not needed for further operations will be removed. Pits will be filled and the location cleaned of all trash and junk to leave the wellsite as pleasant in appearance as possible.
- B. If the proposed well is non-productive, all restoration and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as quickly as possible. All pits will be filled and levelled within 90 days after abandonment.

11. OTHER INFORMATION:

- A. The Surface minerals are owned by the Federal Government.
- B. The topography consists of sandy soil with native grasses, catclaw, etc. No wildlife was observed, but the usual inhabitants of this region are jackrabbits, reptiles, coyotes, etc.
- C. There are no ponds, lakes, streams or rivers in this area.
- D. An Archaeological Survey has been made and copy has been sent to your Carlsbad office. There is no evidence of any significant archaeological, historical or cultural sites in the area. Also, there are no occupied dwellings or windmills.

12. OPERATOR'S REPRESENTATIVES:

The field representatives responsible for assuring compliance with the approved surface use and operations plan are:

Micky Young
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/623-6601
Mobil: 505/624-1818 #840

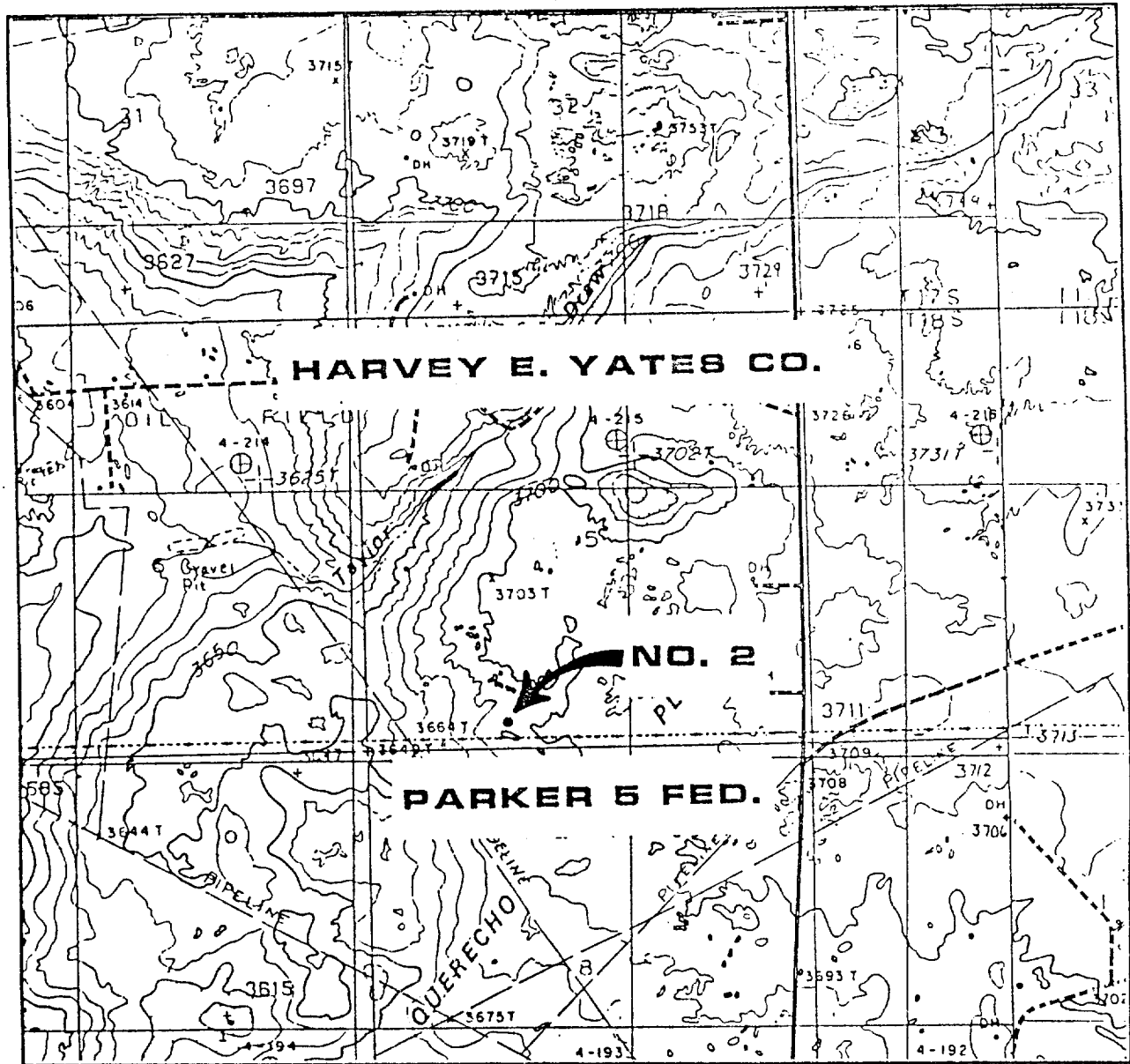
Curtis Tolle
Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201
Office: 505/748-2435
Mobil: 505/624-1818 #837

13. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Harvey E. Yates Company 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.

April 7, 1989

N.M. Young by ST.
N.M. Young
Drilling Superintendent



SCALE: 1" = 2000'

CONTOUR INTERVAL 10 ft.

EXHIBIT A

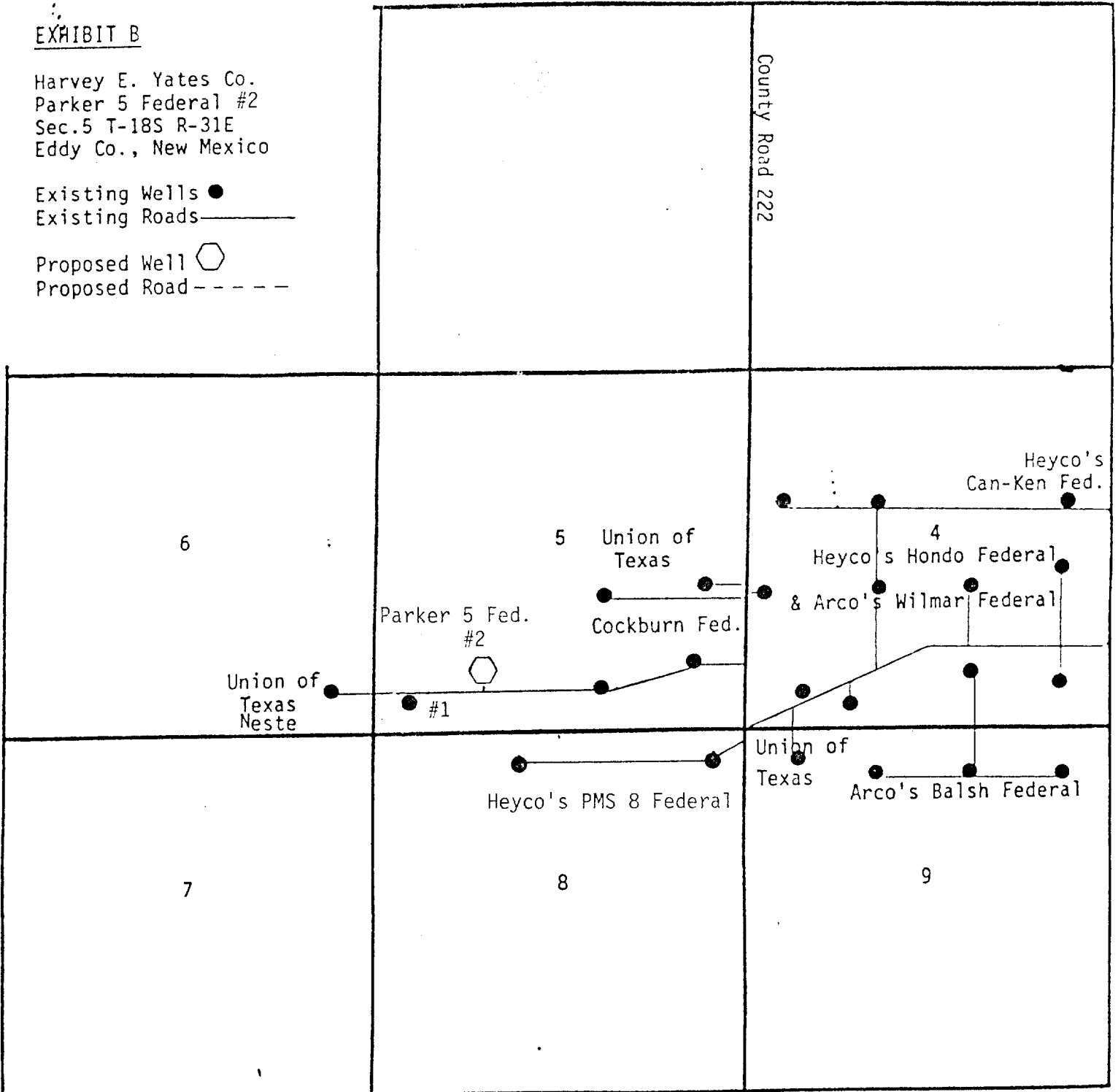
Harvey E. Yates Co.
 Parker 5 Federal #2
 Sec.5 T-18S R-31E
 Eddy Co., New Mexico

EXHIBIT B

Harvey E. Yates Co.
 Parker 5 Federal #2
 Sec.5 T-18S R-31E
 Eddy Co., New Mexico

Existing Wells ●
 Existing Roads ———
 Proposed Well ◊
 Proposed Road - - - - -

County Road 222



SECTION 6,5,4,9, & 8 TOWNSHIP 18 S RANGE 31 E

COUNTY Eddy STATE New Mexico

EXHIBIT C

Harvey E. Yates Co.
Parker 5 Federal #2
Sec. 5 T-18S R-31E
Eddy Co., N.M.

900 Series

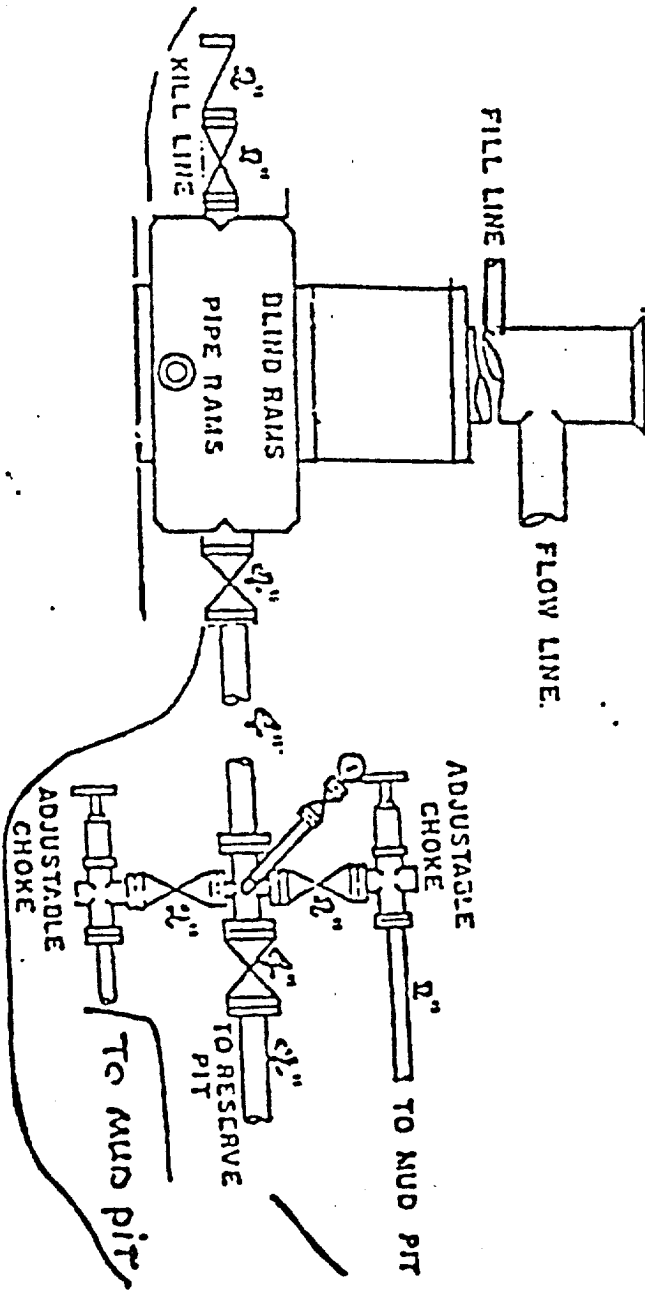


EXHIBIT D

Harvey E. Yates Co.
Parker 5 Federal #2
Sec. 5 T-18S R-31E
Eddy Co., N.M.

