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United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

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SEP 6 1979

O. C. C.
ARTESIA, OFFICE

September 5, 1979

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Gentlemen:

HARVEY E. YATES COMPANY
Oakason Federal No. 1
330 FSL 660 FWL Sec. 28 T. 7S R. 31E
Chaves County Lease No. NM 15015

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,000 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
4. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318).
7. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

ALBERT R. STALL

Albert R. Stall
Acting District Engineer



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

Harvey E. Yates Company

3. ADDRESS OF OPERATOR

P. O. Box 1933, Roswell, N. M. 88201

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

At surface

330' FSL & 660' FWL

At proposed prod. zone

Same

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

12 miles south of Kenna, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

330'

16. NO. OF ACRES IN LEASE

480

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.

990'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

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

4295' GL

22. APPROX. DATE WORK WILL START*

9-4-79

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	23#	1400'	400 Sx - Circulate
7 7/8"	4 1/2"	9.5#	4000'	275 Sx - Base of salt

BOP: Shaffer type E 10" series 900 hydraulic blowout preventer will be used.

Mud program: Fresh water native mud to 3550, mud system from 3550 to TD.

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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

TITLE Engineer

DATE 8-23-79

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

**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 HARVEY E. YATES COMPANY			Lease OAKASON		Well No. 1
Unit Letter M	Section 28	Township 7 SOUTH	Range 31 EAST	County CHAVES	
Actual Footage Location of Well: 330 feet from the SOUTH line and 660 feet from the WEST line					
Ground Level Elev. 4295.0	Producing Formation San Andres		Pool Cato-San Andres	Dedicated Acreage: 40 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 all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation **O. C. C.**

ARTESIA, OFFICE

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.

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ARTESIA, NEW MEXICO

CERTIFICATION

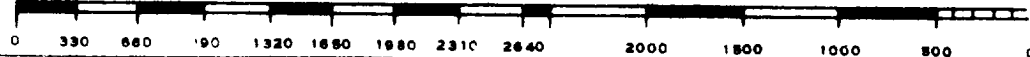
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name Paul E. Yates
 Position Vice President
 Company Harvey E. Yates Co.
 Date August 23, 1979

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 **AUGUST 20, 1979**
 Registered Professional Engineer and/or Land Surveyor

John W. West
 Certificate No. **John W. West 676**
Ronald J. Eidson 3239



APPLICATION FOR DRILLING

Harvey E. Yates Company
Oakason #1
330' FSL & 660' FWL
Section 28, Township 7S, Range 31E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill, subject well in Section 28, Township 7S, Range 31E, Chaves County, New Mexico, Harvey E. Yates Company submits the following ten items of pertinent information in accordance with U.S.G.S. requirements.

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

Anhydrite	1425
Yates	1902
Seven Rivers	2074
Queen	2583
San Andres	3042
Pi	3572
P-1	3728
P-2	3808
P-3	3914
Total Depth	4000

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water - at approximately 100' or less.
Oil - San Andres, P-1, P-2 and P-3 zones

4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Form 9-331C and Exhibit E.
6. Mud program: See Form 9-331C.
7. Auxiliary equipment: Blowout Preventer.
8. Testing, logging and coring programs: Sidewall Neutron Density, Dual Laterolog RXO. No coring is planned. Possible DST in the San Andres.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval, but no later than September 4, 1979.

SURFACE USE PLAN

Harvey E. Yates Company
Oakason #1
330' FSL & 660' FWL
Section 28, Township 7S, Range 31E, Chaves County, New Mexico

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1. EXISTING ROADS:

A. Exhibit A is a portion of highway map showing the location of the proposed well. To reach this location, travel from Roswell on U. S. Highway 70 northeast towards Kenna, New Mexico approximately 25 miles. At this time, you should come to a road that is commonly known as Railroad Mountain Road. Turn east on this road and travel about 19 miles. Now there should be a road heading due south. Turn on this road and drive to a fork in the road (about 1/2 mile). Take the left fork and travel about 2 miles. You should be at an intersection and on the right hand side of the road there is a producing well, namely Sundance Oakason B #3. Turn west on this road and travel 1320'. Turn right and our proposed location is about 1000' due north.

2. PLANNED ACCESS ROADS:

A. We plan to construct 1000' of new road due north from Sundance Oakason #4. The road will be 12' wide and 6" compacted caliche. The caliche will be hauled from a federal pit located in the NW/4 NW/4 of Sec. 4, T-8S, R-31E. Please see Exhibit B for details.

3. LOCATION OF EXISTING WELLS:

A. Exhibit B shows one dry hole in the W/2 of this section. There are no producing wells in this section.

4. LOCATION OF TANK BATTERIES, ETC:

A. There are no existing production facilities on this section.

B. In the event the proposed well is productive, a tank battery will be installed on a portion of the proposed pad.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be obtained from commercial sources.

6. SOURCE OF CONSTRUCTION MATERIAL:

A. Caliche will be obtained from a federal pit located in the NW/4 NW/4 of Section 4, T-8S, R-31E.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Waste will be buried in reserve pits at a depth of 24". The well site will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Please refer to Exhibit C on which is shown the configuration of WEK Drilling Co., Inc. Rig #3. The wellsite will need minimal cut and fill. We do not plan to line the reserve pits.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. If the well is completed as a producing well, we will knock down the pits and smooth out the surface. If not productive, in addition to the above, we will level the location.

11. OTHER INFORMATION:

A. The surface is federal.

B. There are no lakes, ponds, streams etc. in the immediate area.

C. There is no evidence of any archaeological, historical or cultural sites in the area.

D. There are no occupied dwellings or windmills in the immediate area of the wellsite.

E. The topography consists of rolling sand hills with native grasses. Usual wildlife for this area includes jackrabbits, reptiles, coyotes, etc.

12. OPERATOR'S REPRESENTATIVES:

Peck Hardee
Harvey E. Yates Company
Suite 300
Security National Bank Bldg.
Roswell, New Mexico
Mobile: 505/623-0989 #4109
Office: 505/623-6601
Home: 505/623-8980

Craig Huber
Harvey E. Yates Company
917 South 11th
Artesia, New Mexico
Mobile: 505/623-0989 #4114
Office: 505/623-6601
Home: 505/746-4239 or
505/746-4292

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 Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

8/24/79

Paul E. Yates Vice President

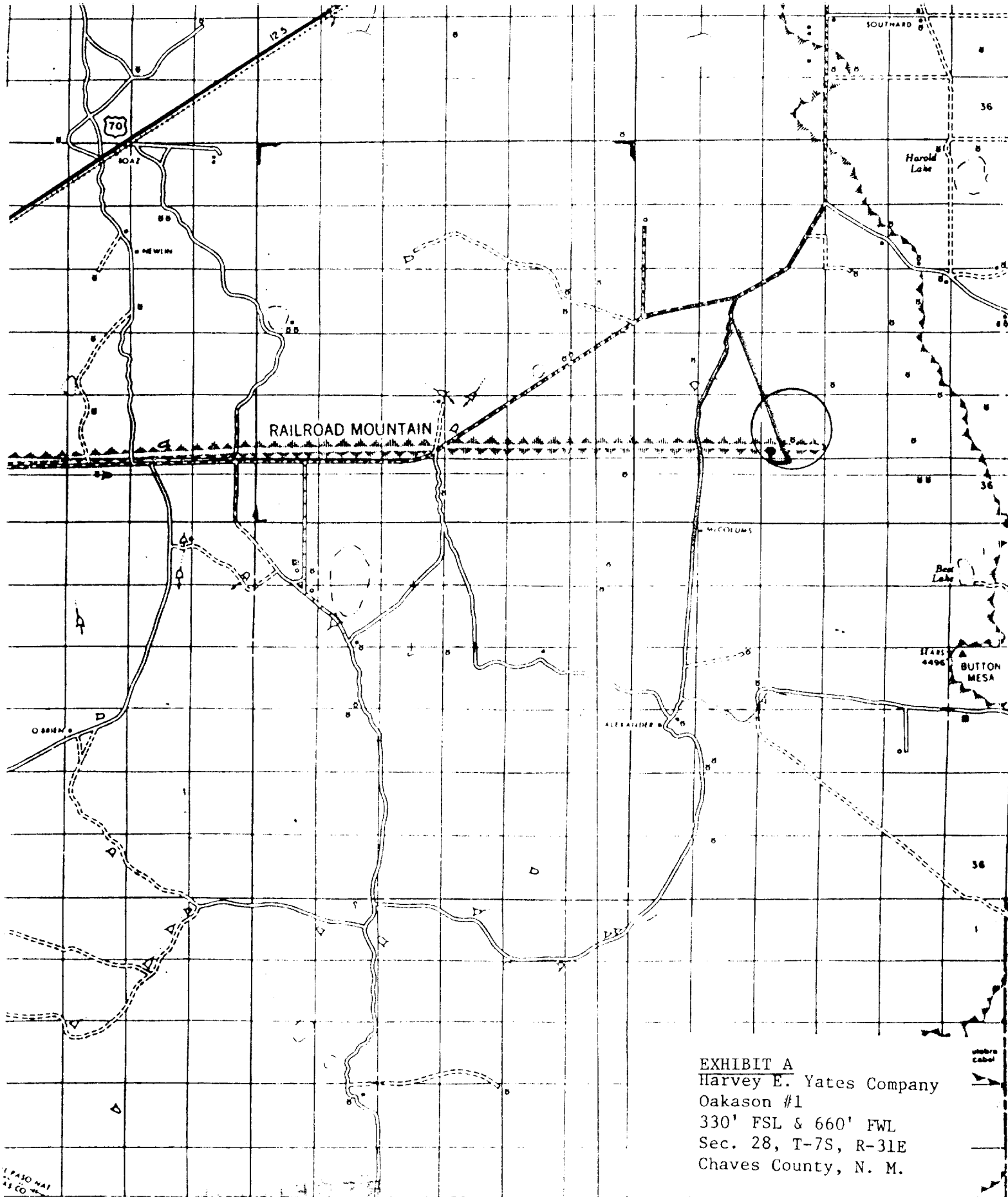


EXHIBIT A
 Harvey E. Yates Company
 Oakason #1
 330' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N. M.

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R.29 E.

R.30 E.

EXISTING ROADS

PROPOSED ROADS

✓ PROPOSED DRILLSITES

R.31 E.

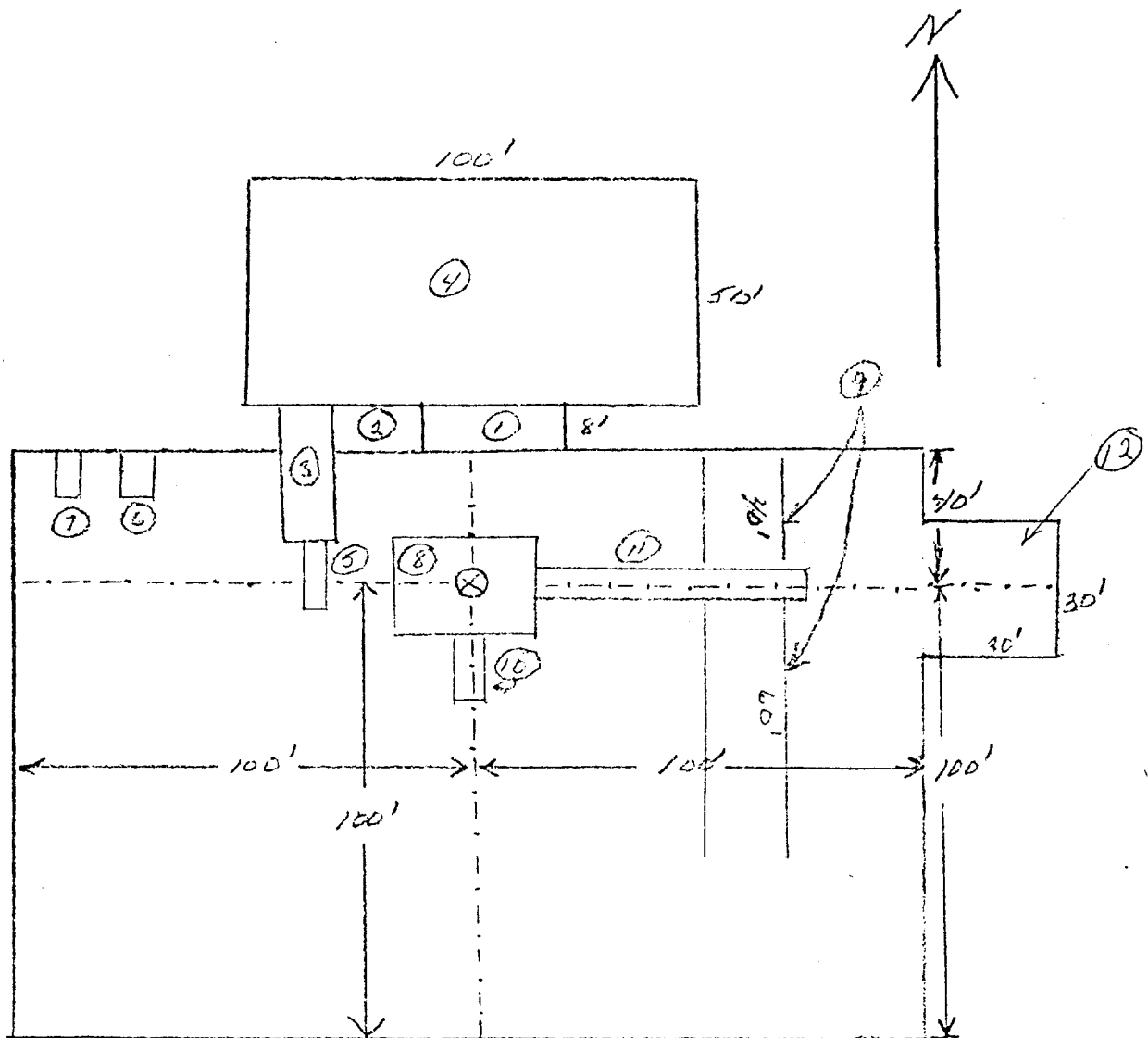
Longitude West from Greenwich

Scale 1/196780 or 1 inch = 2 Miles



Control by U.S. Coast and Geodetic Survey; U.S. Geological Survey; U.S. Forest Service; Bureau of Land Management and Planning Division—Modified Conic Projection Standard
 based on North American Datum

WEK Drilling Co., Inc.



- | | |
|--------------------------|----------------|
| ① Shale Pit 30' x 8' | ⑥ Water Tank |
| ② Mud Pit 20' x 8' | ⑦ Fuel Tank |
| ③ Suction Pit 30' x 8' | ⑧ Rig |
| ④ Reserve Pit 100' x 50' | ⑨ Pipe Racks |
| ⑤ Pump | ⑩ Dog House |
| | ⑪ Cat Walk 60' |
| | ⑫ Stinger |

Schaeffer Type E 10" Series 900 Hydraulic BOP. The waste and debris from this well will be disposed of in a reserve pit and covered up.

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Exhibit C
Harvey E. Yates Company
Oakason #1
330' FSL & 660' FWL
Sec. 28, T-7S, R-31E
Chaves County, N. M.

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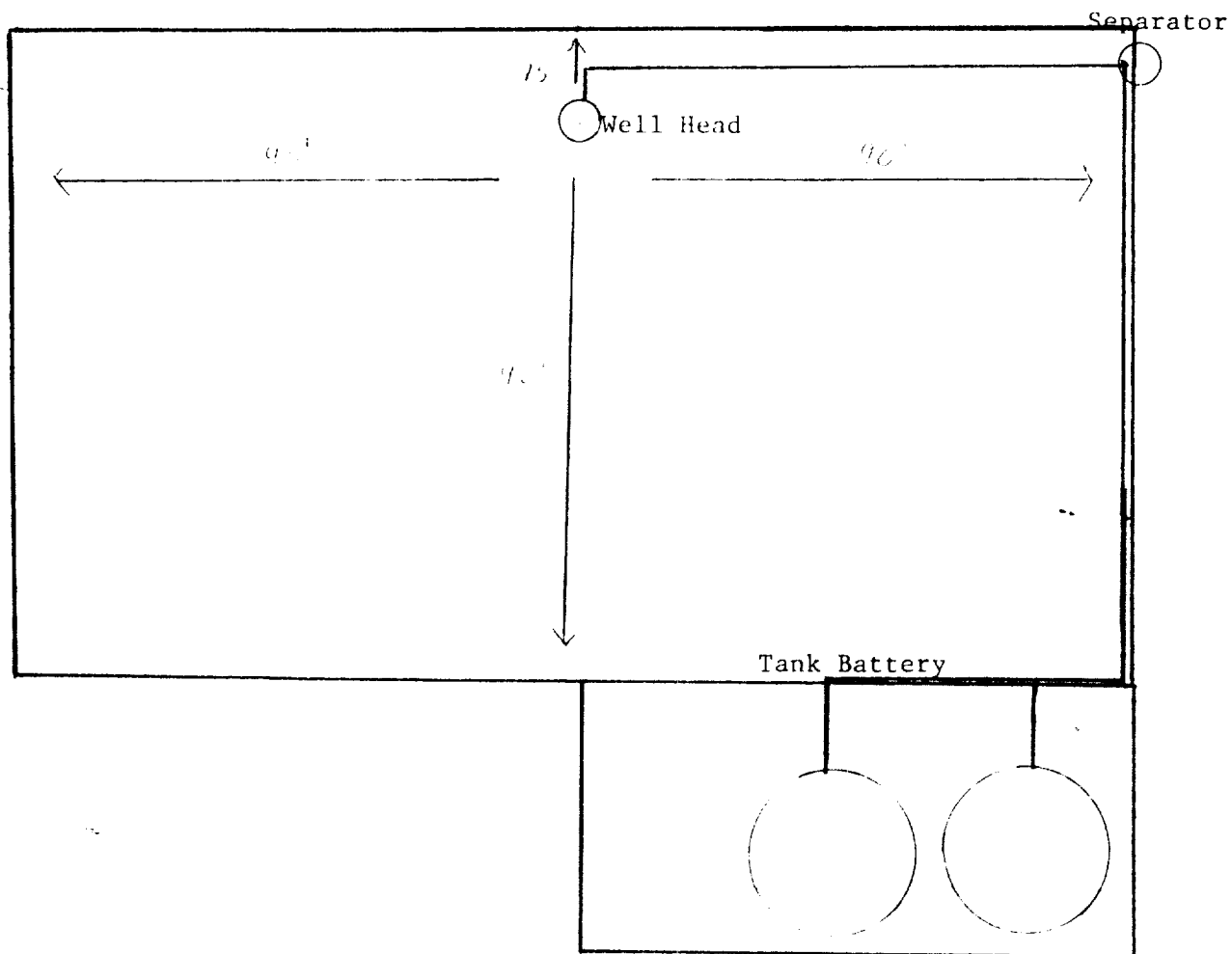


EXHIBIT D

Harvey E. Yates Company
 Oakason #1
 330' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N. M.

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 1967
 OCT 10 1967
 OIL & GAS
 DIVISION

900 Series

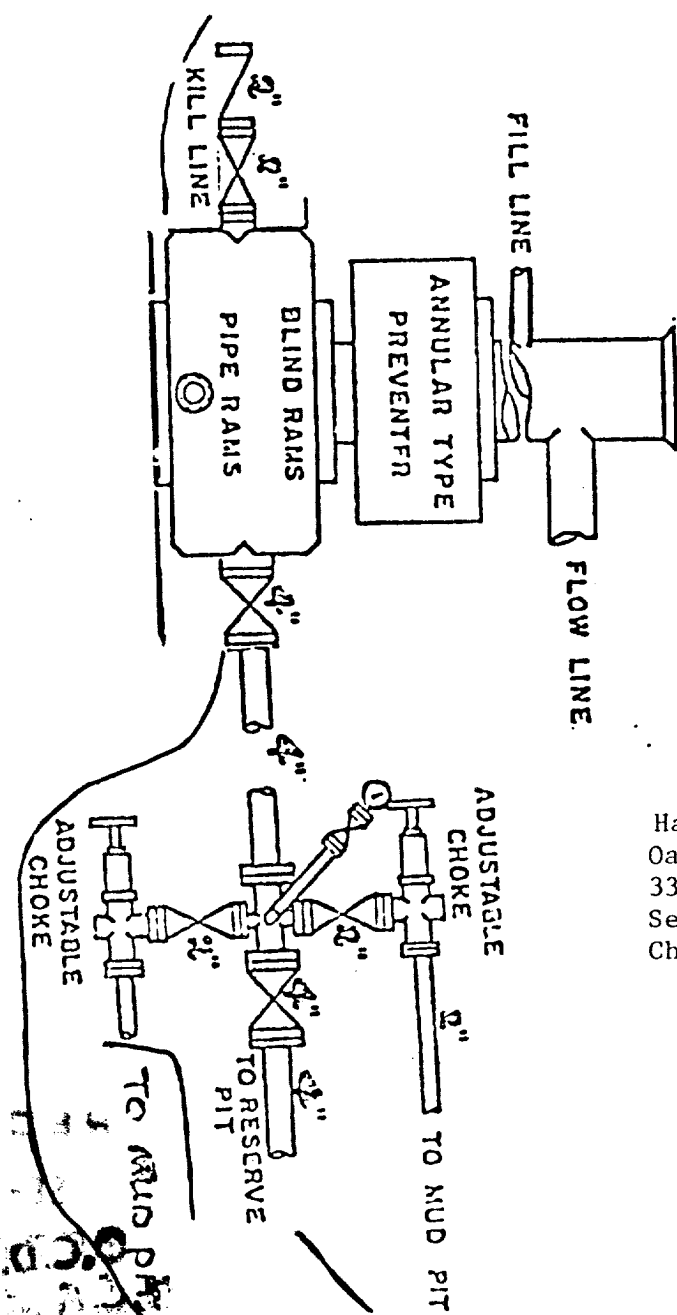


EXHIBIT "E"
 Harvey E. Yates Company
 Oakason #1
 330' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N.M.

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O.C.D. HOBBS, OFFICE