

N. M. OIL CONS. COMMISSION
P. O. BOX 1
HOBBS, NEW MEXICO, 88240
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPL. JE*
(Other instructions on
reverse side)30-005-208617
Form approved. 20867
Budget Bureau No. 42-R1425

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			5. LEASE DESIGNATION AND SERIAL NO. NM-0558108 0558018		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME		
2. NAME OF OPERATOR Yates Petroleum Corporation			7. UNIT AGREEMENT NAME		
3. ADDRESS OF OPERATOR 207 S. 4th, Artesia, New Mexico 88210			8. FARM OR LEASE NAME Union "SI" Federal		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 660' FNL and 660' FEL At proposed prod. zone same <i>See Amended Location</i>			9. WELL NO. 4		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 9 miles south of Kenna, NM			10. FIELD AND POOL, OR WILDCAT Undes. Tomahawk SA		
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 320		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. 4300'		20. ROTARY OR CABLE TOOLS Rotary		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 1-T8S-R31E	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4413.2' GL			12. COUNTY OR PARISH Chaves		
			13. STATE NM		
			22. APPROX. DATE WORK WILL START* ASAP		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9 1/2"	7"	20# J-55	appro. 1700'	500 sx circulated
6 1/4"	4 1/2"	9.5#	TD	300 sx

We propose to drill and test the San Andres formation. If commercial, 4 1/2" production casing will be run and cemented with an adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Native mud to 1700'. FW to TD.

BOP PROGRAM: BOP's will be installed at 1700' 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 <i>Ken Beardsley</i> (This space for Federal or State office use)		TITLE <u>Regulatory Coordinator</u> DATE <u>4/12/82</u>	
PERMIT NO. <u>(One 3-1) GEORGE H. STEWART</u> MAY 10 1982		APPROVAL DATE	
APPROVED BY <u>FOR JAMES A. GILLHAM</u> DISTRICT SUPERVISOR		TITLE DATE	

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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.

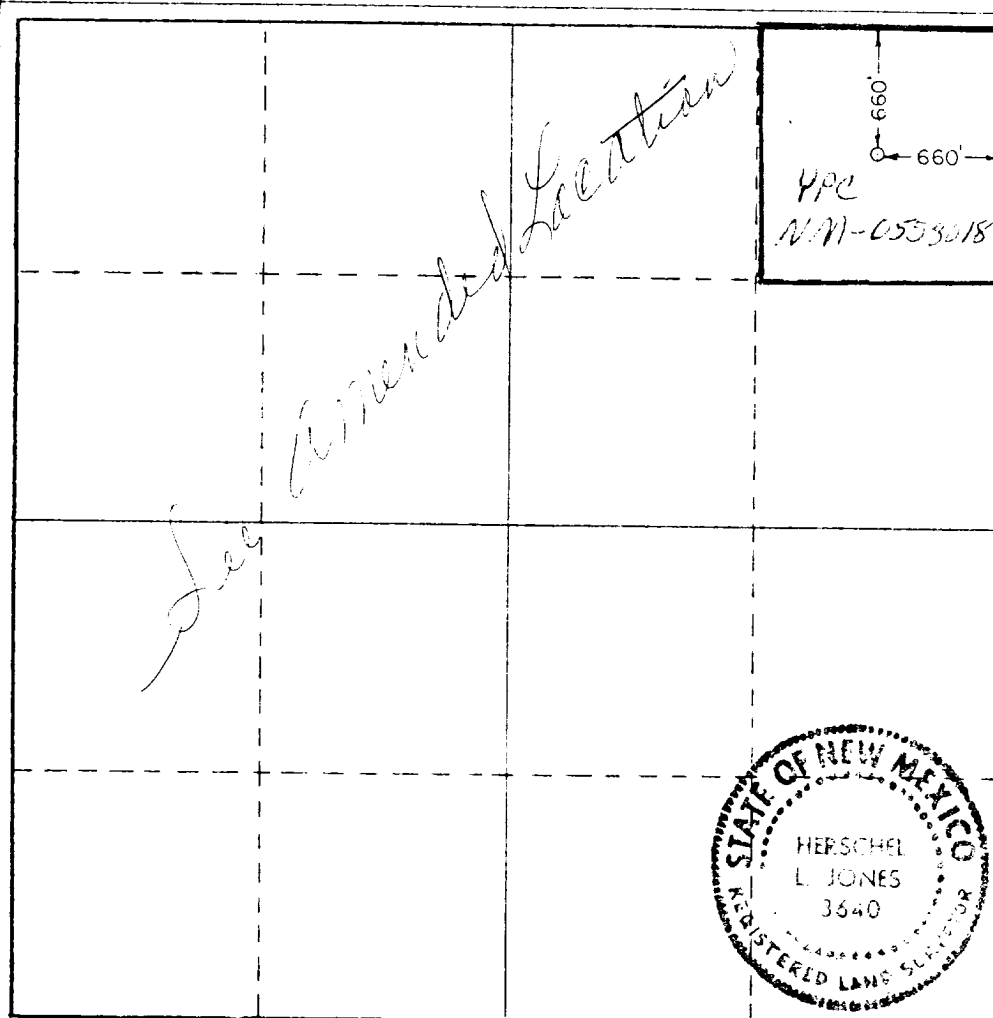
Operator YATES PETROLEUM CORPORATION			Lease Union SI Federal		Well No. 4
Unit Letter A	Section 1	Township 8 South	Range 31 East	County Chaves	
Actual Footage Location of Well: 660 feet from the North line and 660 feet from the East line					
Ground Level Elev. 4413.2'	Producing Formation San Andres		Pool Undes. Tomahawk SA		Dedicated Acreage 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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
Gliserio Rodriguez
Position
Regulatory Manager
Company
Yates Petroleum Corporation
Date
2/18/82

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
2/3/82
Registered Professional Engineer and/or Land Surveyor
Herschel L. Jones
Certificate No.
3640

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YATES PETROLEUM CORPORATION
Unit "SI" Federal #4
660' FNL and 660' FEL
Section 1-T8S-R31E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with USGS requirements.

1. The geologic surface formation is sandy alluvium.
2. The estimated tops of geologic markers are as follows:

Salt	1707'
Yates	2104'
Queen	2620'
San Andres	3270'
TD	4300'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:
Water: 150'-180'
Oil or Gas: 3295'
4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C and Exhibit B.
6. Mud Program: See Form 9-331C.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connection.
8. Testing, Logging and Coring Program:
Samples: Surface casing to TD.
DST's: As warranted.
Coring: None
Logging: Surface casing to TD. CNL-FDC TD to casing w/GR-CNL on to surface & DLL from TD to casing.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

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MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Union "SI" Federal #4
660' FNL and 660' FEL
Section 1-T8S-R31E
(Exploratory Well)

This plan is submitted with Form 9-331C, 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 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 a county map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 15 miles south of Kenna, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Travel northeast of Roswell on Highway 70 approximately 54 miles to Kenna, New Mexico.
2. Turn South on main caliche road for approximately 13 miles to the Yates Loveless lease. Go through the east cattleguard and continue on the main lease road for approximately 1.5 miles.
3. Follow the main road turning west for .2 of a mile, then south for approximately 1/2 mile.
4. At the cattleguard turn west for approximately 1200'. The new road will start here.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 500' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a southerly direction.
- B. The new road will be 12 feet in width (driving surface).
- C. The new road will be bladed with drainage on one side. No turnouts will be built.
- D. The route of the road is visible.

3. LOCATION OF EXISTING WELL.

- A. There is ~~is no~~ drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are ~~are no~~ 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.

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ACCESS OFFICE

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5. LOCATION AND TYPE OF WATER SUPPLY.

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS.

- A. Caliche may be needed for the road and location. If so, it will come from a private pit.
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7. METHODS OF HANDLING WASTE DISPOSAL.

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed 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 operation will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. Trash, waste paper, garbage and junk will be buried in a separate trash pit and covered with a minimum of 24 inches dirt. All waste material will be contained to prevent scattering by the wind.
- G. All trash and debris will be buried or removed from the wellsite within 30 days after finishing drilling and/or completion operations.

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, etc.
- B. The location surface so on a minor slope. Some cut and fill may be needed.
- C. The reserve pits will be plastic lined.
- D. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION OF THE SURFACE.

- 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.

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- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM and MMS will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The land surface in the vicinity of the wellsite is near level & slopes SE. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of tobosa, terpenetine, pepperweed, mesquite and miscellaneous desert growth. No wildlife was observed, but the wildlife in the area probably includes those typical of semi-arid desert land. The area is used for cattle grazing.
- C. Waterways: none.
- D. There ~~are~~ are no inhabited dwellings in the vicinity of the proposed wellsite.

- E. Surface Ownership: The wellsite is on private surface and federal minerals.

12. OPERATOR'S REPRESENTATIVE.

- A. The field representatives responsible for assuring compliance with the approved surface use plan are:

Gliserio "Rod" Rodriguez, Cy Cowan or Ken Beardemphl
Yates Petroleum Corporation
207 S. 4th Street
Artesia, New Mexico 88210
(505) 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 Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4/12/82

Date

Ken Beardemphl
Ken Beardemphl, Regulatory Coordinator



HOSWELL

DISTRICT 6

Gate Petroleum Corp
Uncon. Oil Field #4
Sec. 31 E.
T. 32 N.
R. 30 E.
County

COUNTY

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SAME
HOWARD - 7
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7S-31E Unit 3

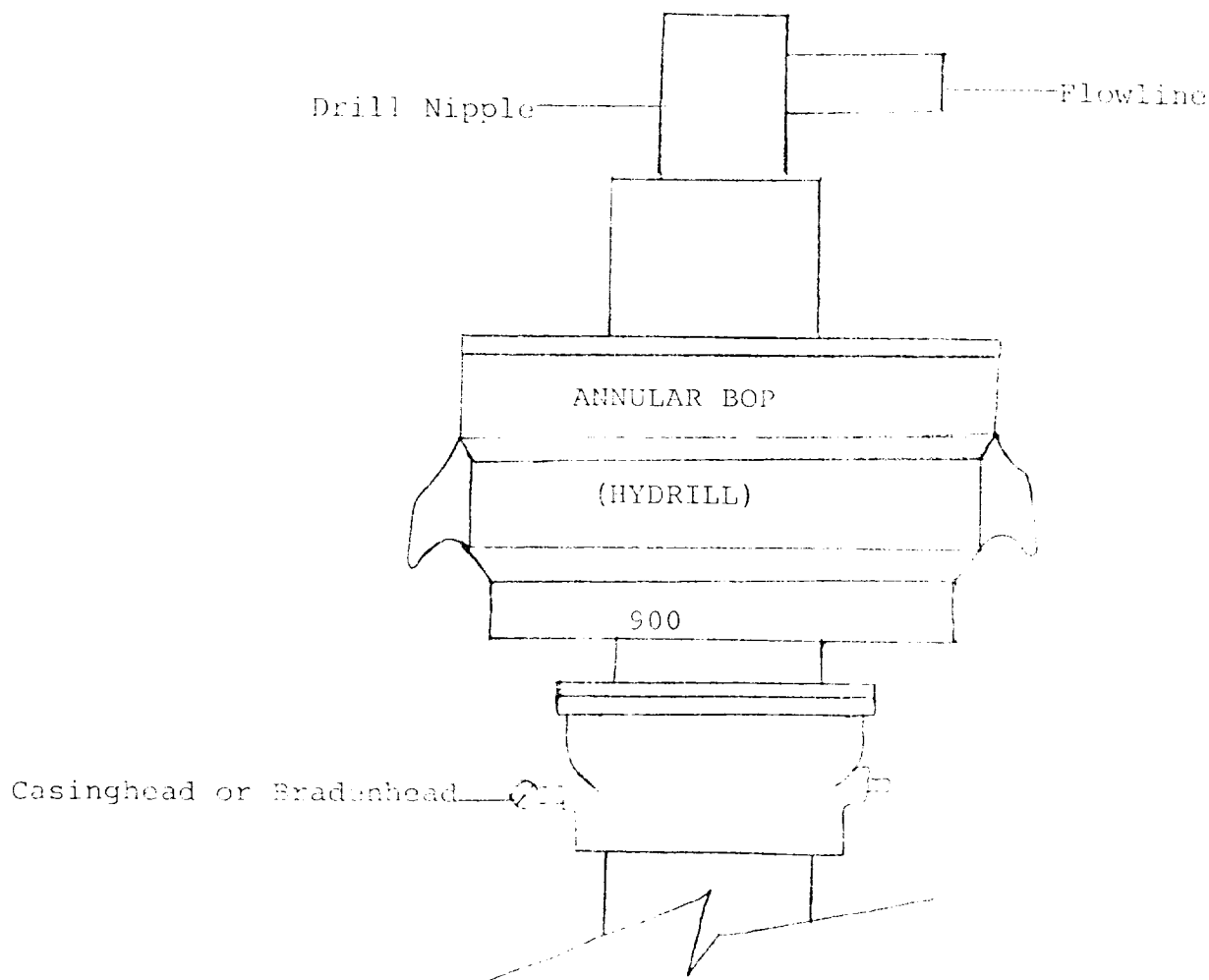
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EXHIBIT B



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. All connections from operating manifolds to preventers to be all steel. Hole or tube a minimum of one inch in diameter.
3. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the BOP's.
4. All connections to and from preventer to have a pressure rating equivalent to that of the BOP's.
5. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.

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