

N. M. Oil CONS. COMMISSION  
P. O. B. 1980  
HOBBS, NEW MEXICO 88201  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

30-005-20870

Form approved.  
Budget Bureau No. 42-R1425.

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 S. 4th, Artesia, New Mexico 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 1650' FNL and 2310' FWL  
 At proposed prod. zone same

5. LEASE DESIGNATION AND SERIAL NO.  
 NM-0558018

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
 Union "SI" Federal

9. WELL NO.  
 7

10. FIELD AND POOL, OR WILDCAT  
 Undes. Tomahawk SA

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 Sec. 1-T8S-R31E

12. COUNTY OR PARISH  
 Chaves

13. STATE  
 NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 9 miles south of Kenna, New Mexico.

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1650'

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.  
 4250'

19. PROPOSED DEPTH  
 4250'

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4384.3' GL

22. APPROX. DATE WORK WILL START\*  
 ASAP

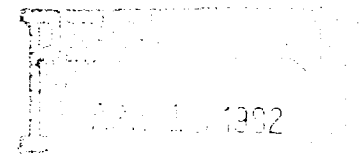
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
9 1/2"	7"	20# J-55	Appr. 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, perforate and stimulate 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. SIGNER: *Ken Beardsley* TITLE: Regulatory Coordinator DATE: 4/13/82  
 (This space for Federal or State office use)

PERMISSION: (By Sgd.) GEORGE H. STEVENS APPROVAL DATE: MAY 10 1982

APPROVED BY: JAMES A. GILLHAM DISTRICT SUPERVISOR TITLE: DATE:

MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122  
Supersedes C-128  
Effective 1-1-81

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

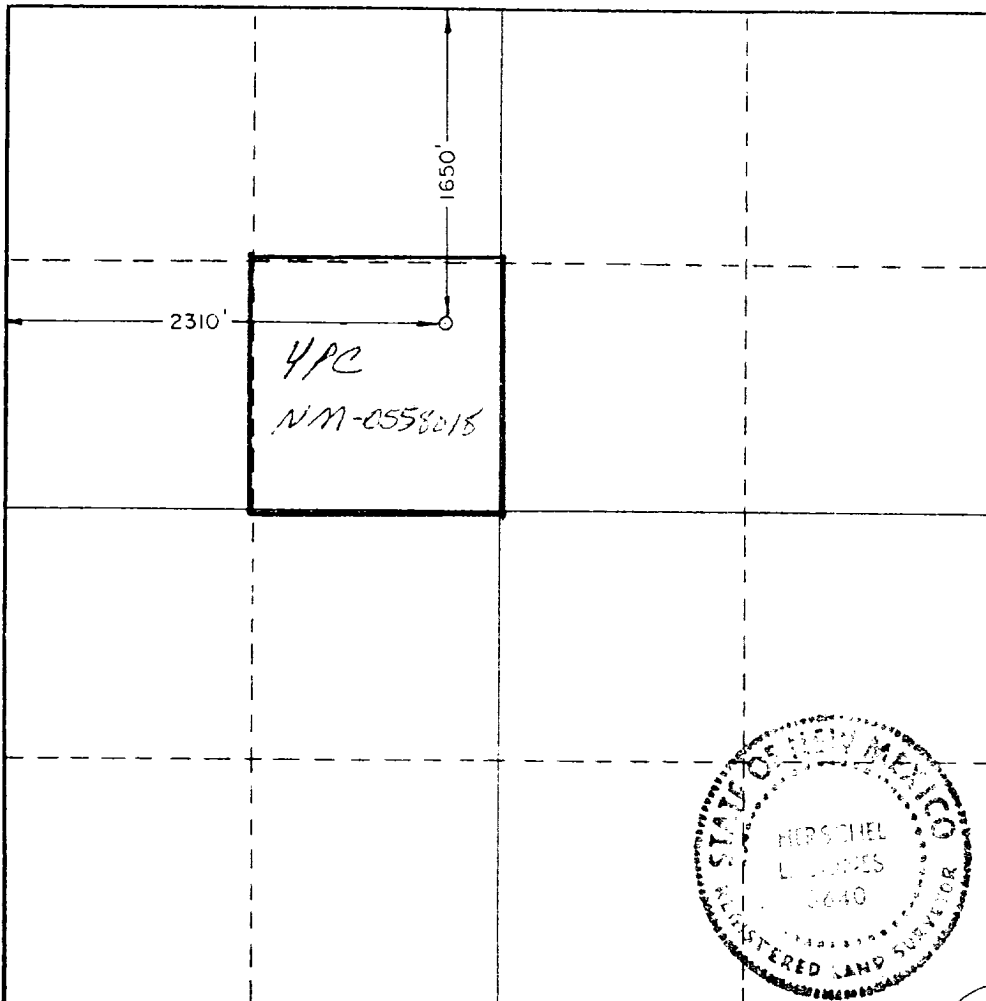
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Union, SI Federal</b>		Well No. <b>7</b>
Unit Letter <b>F</b>	Section <b>1</b>	Township <b>8 South</b>	Range <b>31 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>1650</b> feet from the <b>North</b> line and <b>2310</b> feet from the <b>West</b> line					
Ground Level Elev. <b>4384.3</b>	Producing Formation <b>San Andres</b>		Pool <b>Undes. Tomahawk SA</b>	Dedicated Acreage <b>40</b> 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.

*[Signature]*

Name  
**Gliserio Rodriguez**

Position  
**Regulatory Manager**

Company  
**Yates Petroleum Corporation**

Date  
**2/18/82**

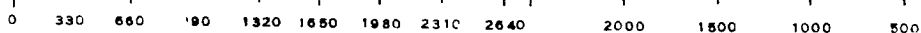
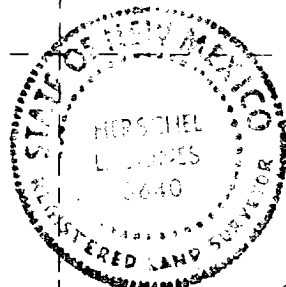
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
**2/3/82**

Registered Professional Engineer and/or Land Surveyor

*[Signature]*

Certificate No.  
**3640**



YATES PETROLEUM CORPORATION  
U on "SI" Federal #7  
1650' FNL and 2310' FWL  
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	1686'
Yates	2078'
Queen	2590'
SA	3234'
TD	4250'

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

Water: 150'-180'

Oil or Gas: 3260'

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: CNL-FDC TD to casing w/GR-CNL on to surface & DLL from TD to csg.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

Yates Petroleum Corporation  
 Union "SI" Federal #7  
 1650' FNL and 2310' FWL  
 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, continue on for 1800' then turn west for 1600' to the Union "SI" Federal #6. The new road will start here.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1300' in length from point of origin to the southeast edge of the drilling pad. The road will lie in a westerly 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 xxx~~ drilling activity within a one-mile radius of the wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES.

- A. There are/~~are xxx~~ 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.

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 is 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.

- 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 MMS and BLM 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, terpine, 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:

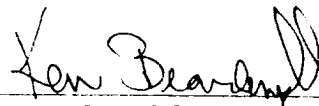
Gliserio "Rod" Rodriguez, Cy Cowan or Ken Beardemphl  
 Yates Petroleum Corporation  
 207 S. 4th Street  
 Artesia, New Mexico 88210  
 (505) 746-3558

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.

4/13/82

Date



Ken Beardemphl, Regulatory Coordinator



Gates Petroleum Corp  
 Unit 21 E 7ed #7  
 1650' FNL + 2310' FWL  
 Sec 1-8s-31E  
 Various Counties  
 E...

COUNTY  
 COUNTY

DISTRICT 6

R. 30 E. PARALLEL  
R. 31 E.

R. 31 E.  
R. 32 E.

SOUTH R. 32 E.  
R. 33 E.

LUIDE

Harold Lake

OSWELL

34  
3

A

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MAY 12 1982

REC'D  
FEDERAL OFFICE



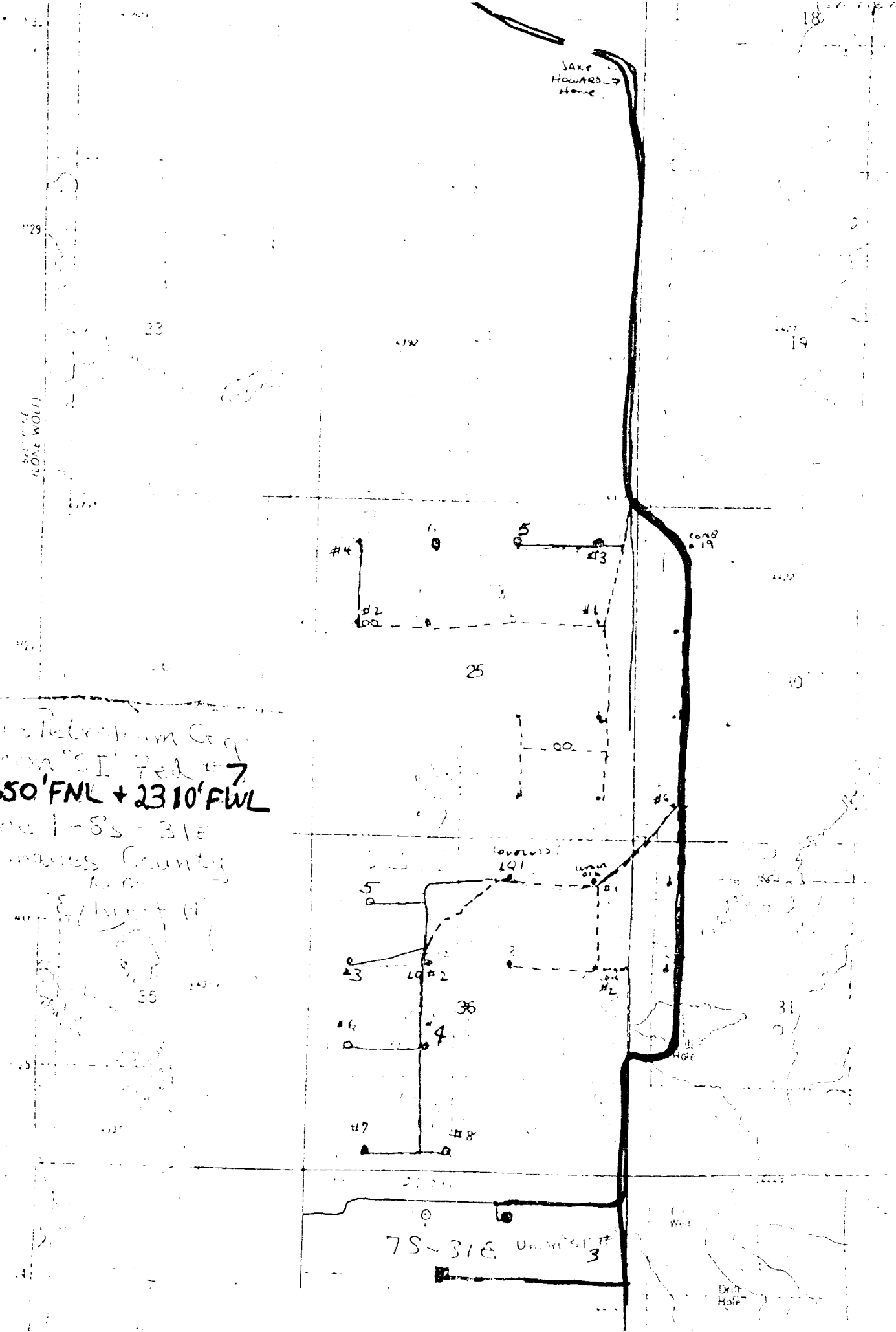
SAXE  
HOWARD  
Home

24 1/2" WIDE  
SLOPE WALL

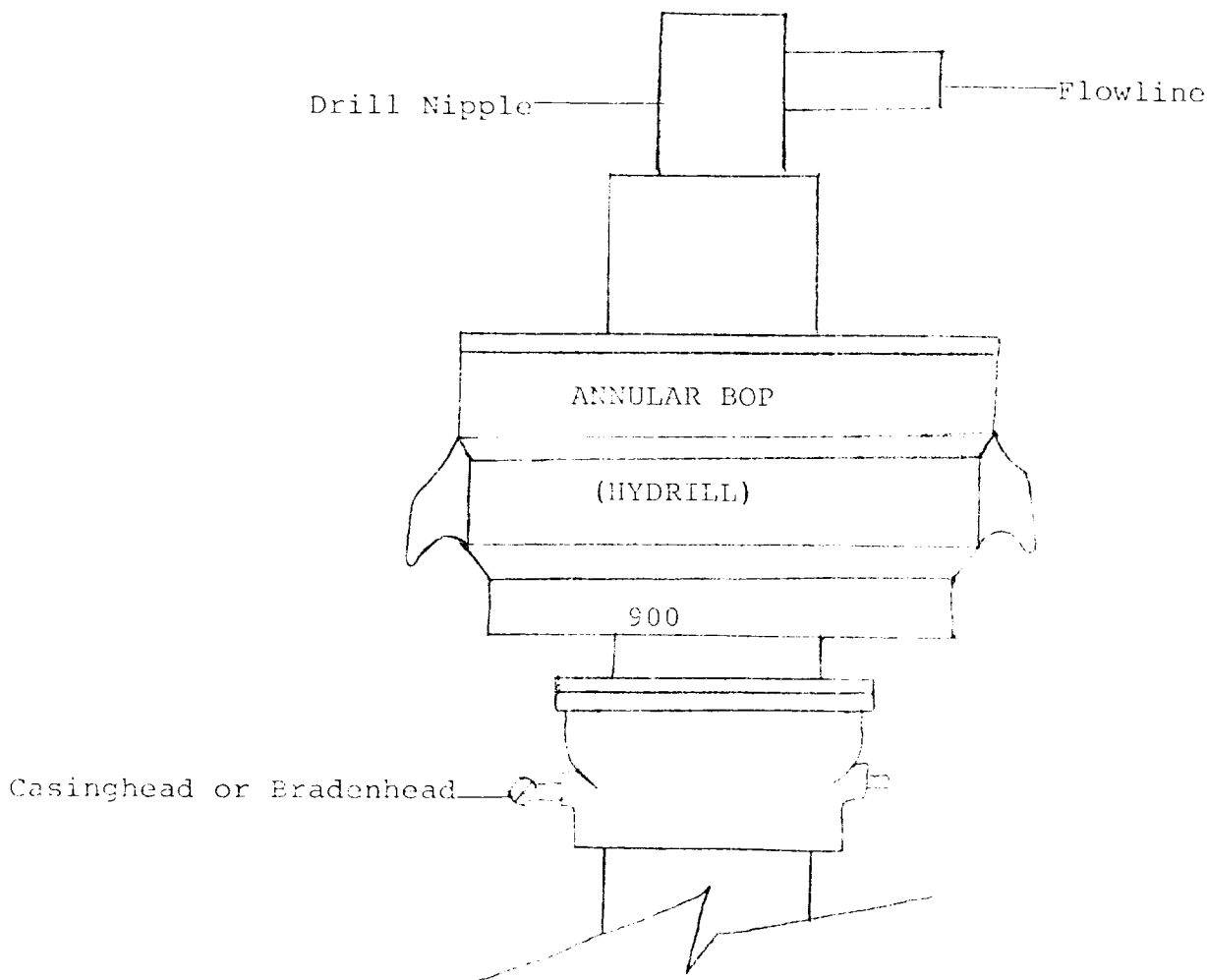
W. S. Telephon Co.  
1000 "SI" Fed #7  
1650' FNL + 2310' FWL  
Sec 1-8s - 31E  
Crawley County  
Mo.

7S-31E Union #3

Drift  
Hole



# 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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NOBELS OFFICE

Convent Board  
10/8/82