

N. M. GIL CONS. COMMISSION

P. O. I 1980

HOBBS, NEW MEXICO 88240

UNITED STATES

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

30-005-20871

Form 9-331 C
(May 1963)

SUBMIT IN TRI. JATE*
(Other instructions on
reverse side)

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 990' FWL

At proposed prod. zone

same

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)

990'

16. NO. OF ACRES IN LEASE

320

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

4250'

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

20. ROTARY OR CABLE TOOLS

Rotary

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

4368.6' 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 1/2" | 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 Beadling
APPROVED

TITLE

Regulatory Coordinator DATE 4/13/82

(This space for Federal or State office use)

PERMIT NO.

(U.S. G.S.) GEORGE H. STEWART

APPROVAL DATE

MAY 10 1982

APPROVED BY FOR

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY

JAMES A. GILLHAM
DISTRICT SUPERVISOR

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-122
Supersedes C-128
Effective 1-1-65

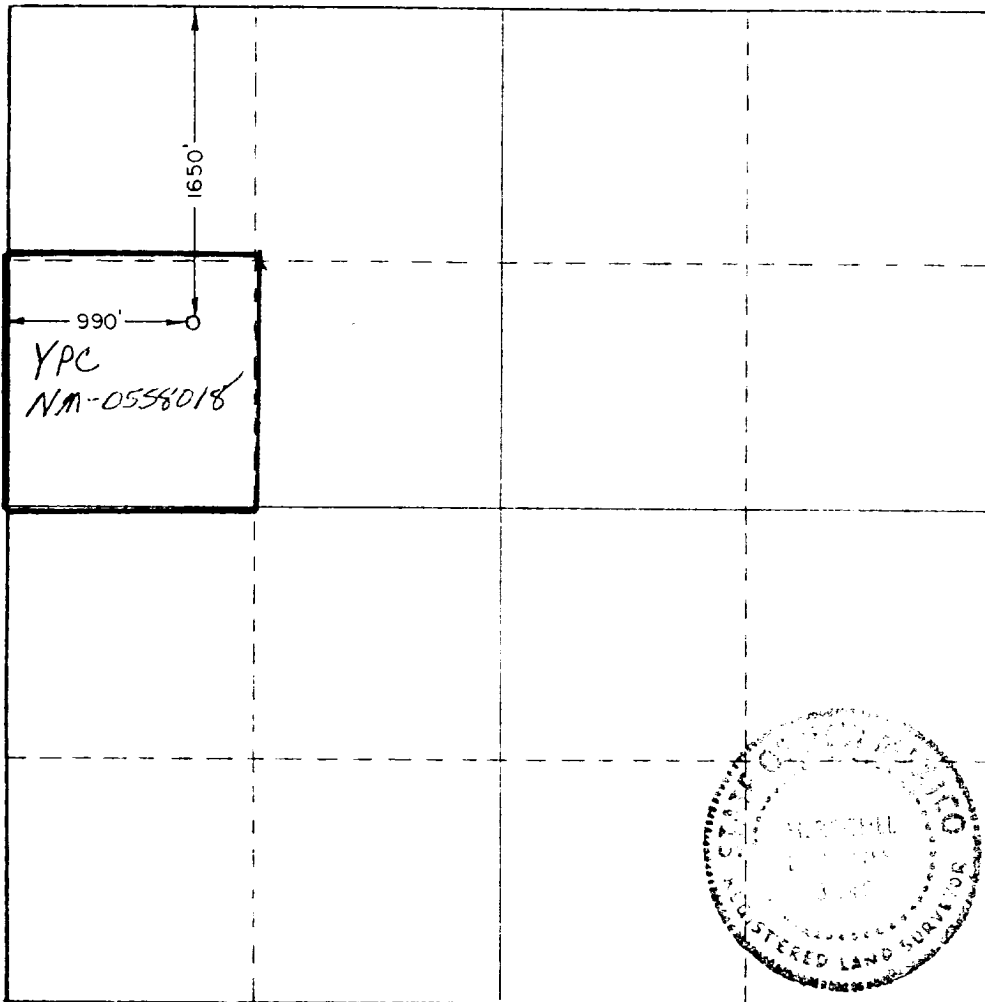
All distances must be from the outer boundaries of the Section

| | | | | | |
|--|--|--------------------------------------|--|-------------------------|----------------------|
| Operator YATES PETROLEUM CORPORATION | | | Lease Union, S1 Federal | | Well No. 5 |
| Unit Letter E | Section 1 | Township 8 South | Range 31 East | County Chaves | |
| Actual Portage Location of Well: | | | | | |
| 1650 feet from the North | | 990 feet from the West | | | |
| Ground Level Elev. 4368.6' | Producing Formation San Andres | Depth Under Tomahawk SA | Section Area in Acres 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.



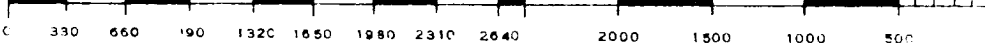
CERTIFICATION

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

Gliserio Rodriguez
Name
Gliserio Rodriguez
Position
Regulatory Manager
Company
Yates Petroleum Corp.
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
Harold Jones
Certificate No.
3640



YATES PETROLEUM CORPORATION
L on "SI" Federal #8
1650' FNL and 990' 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:

| | |
|--------------|--------------|
| <u>Salt</u> | <u>1675'</u> |
| <u>Yates</u> | <u>2057'</u> |
| <u>Queen</u> | <u>2577'</u> |
| <u>SA</u> | <u>3220'</u> |
| <u>TD</u> | <u>4250'</u> |

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

Water: 150'- 180'

Oil or Gas: 3250'

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 with GR-CNL onto surface and DLL from TD.
to casing.

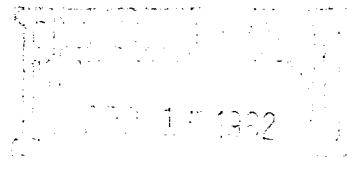
9. No abnormal pressures or temperatures are anticipated.

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

RECEIVED
MAY 12 1982
O.C.D.
AC. LIBS OFFICE

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Union "SI" Federal #8
1650' FNL and 990' 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 turn west for approximately 1 mile to the Union SI #1 (gas well). The new road will start here.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately .2 of a mile in length from point of origin to the southwest edge of the drilling pad. The road will lie in a southeasterly 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.

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.
-
-

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.

RECEIVED
MAY 13 1982
J.C.D.
HOURS OFFICE

- 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, terpenine 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 well is on private surface with 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



Yates Petroleum Corp
 Under 51' Fed # 8
 1650' FNL + 990' FWL
 Sec 1-35-31E
 Hayes County
 Elevation 10m

COUNTY
COUNTY

HOSWELL
 DISTRICT 6

Kerrin

R. 30 E. PARALLEL

R. 31 E.

R. 32 E.
R. 33 E.

MERCIDIAN

HIDE

Hoswell Lake

HOSWELL

DISTRICT 6

COUNTY
COUNTY

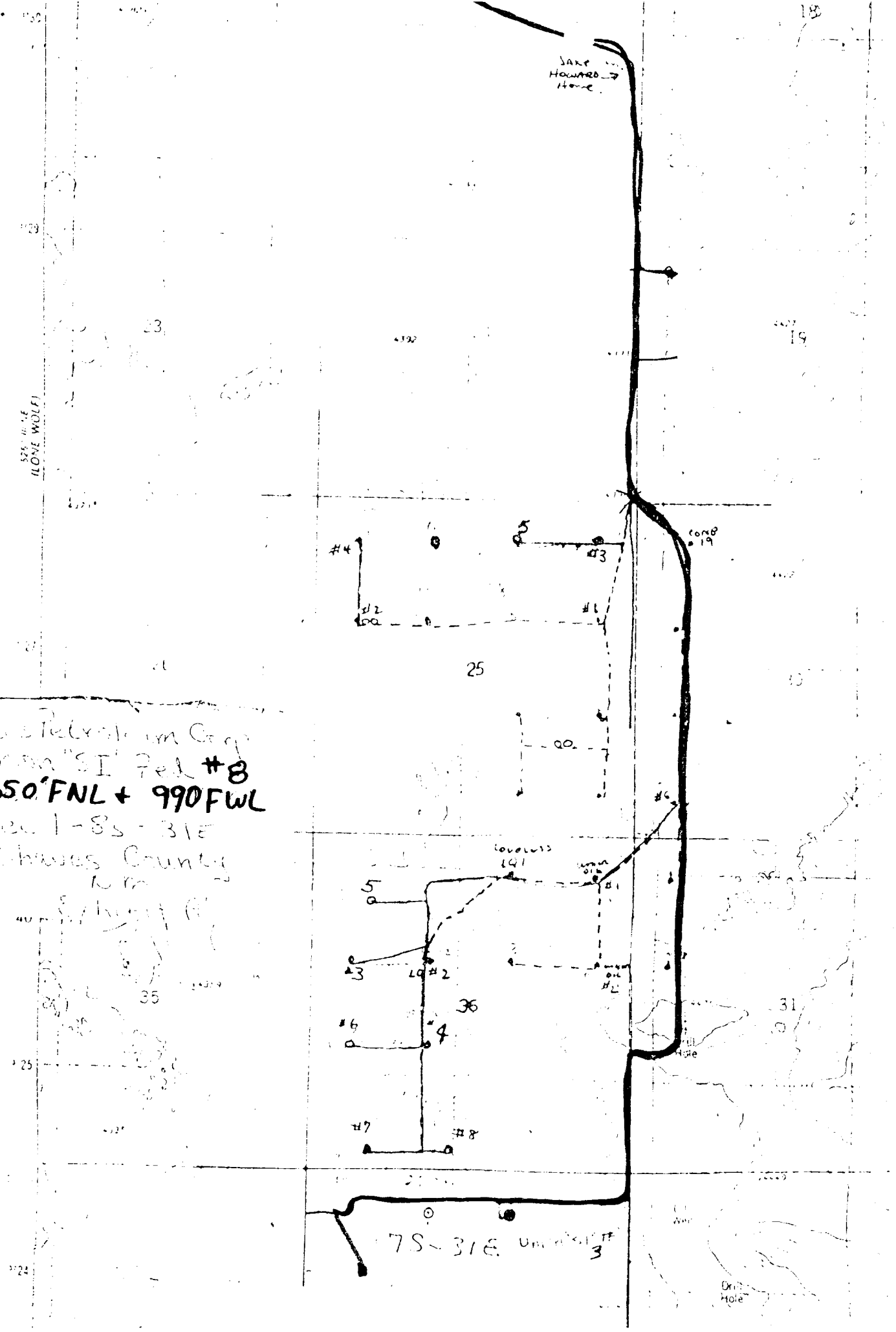
RECEIVED
MAY 12 1982
O.C.D.
MOBBS OFFICE

325' W. 1/4
LONE WOLF

JAKE
HOWARD
HOME

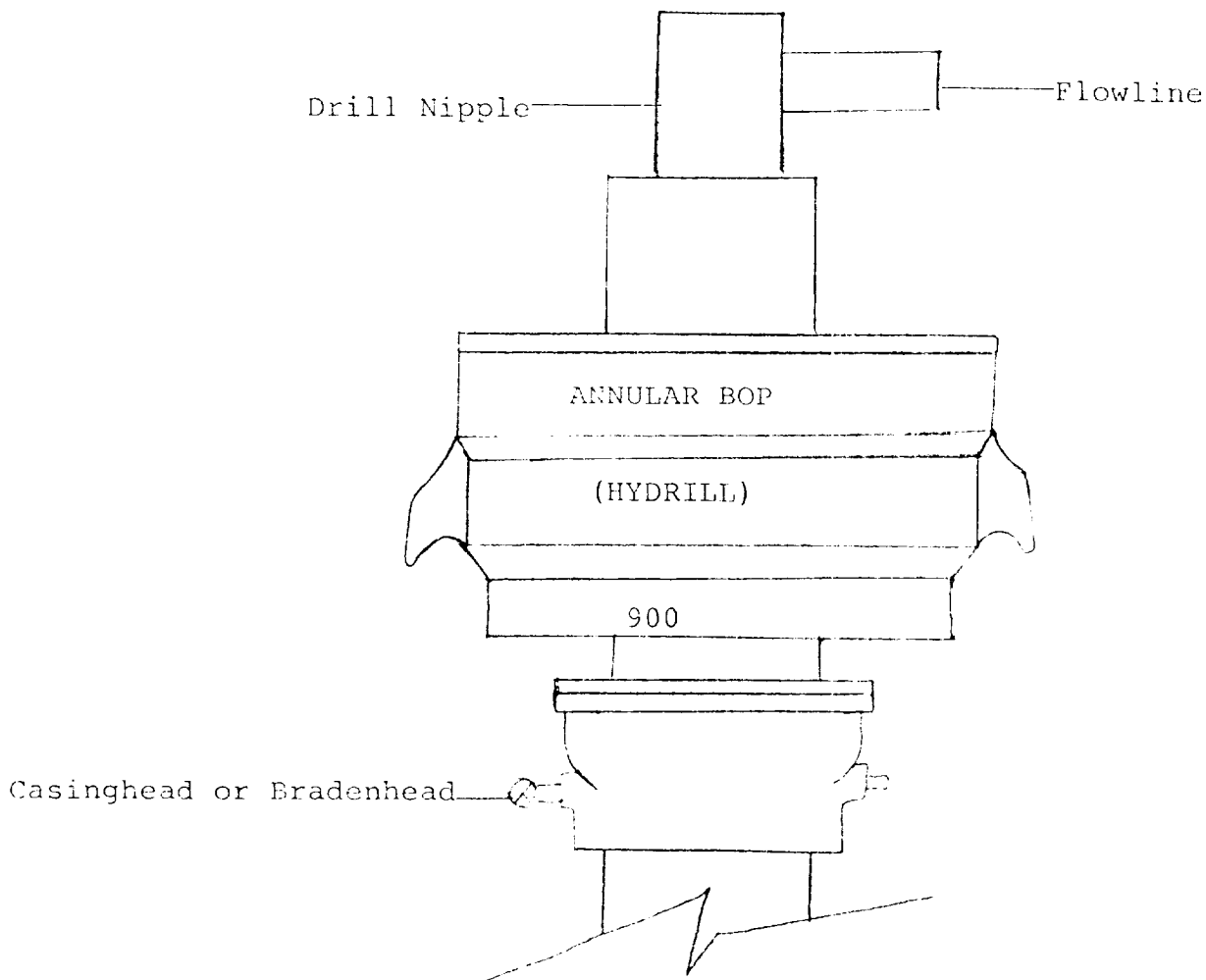
Telecom Corp
Iron "SI" Ped #8
1650' FNL + 990' FWL
Sec 1-8s-31E
Chaves County
N.M.

7S-31E. U.S. #3



RECEIVED
MAY 18 1982
C.C.C.
RECORDS OFFICE

EXHIBIT B



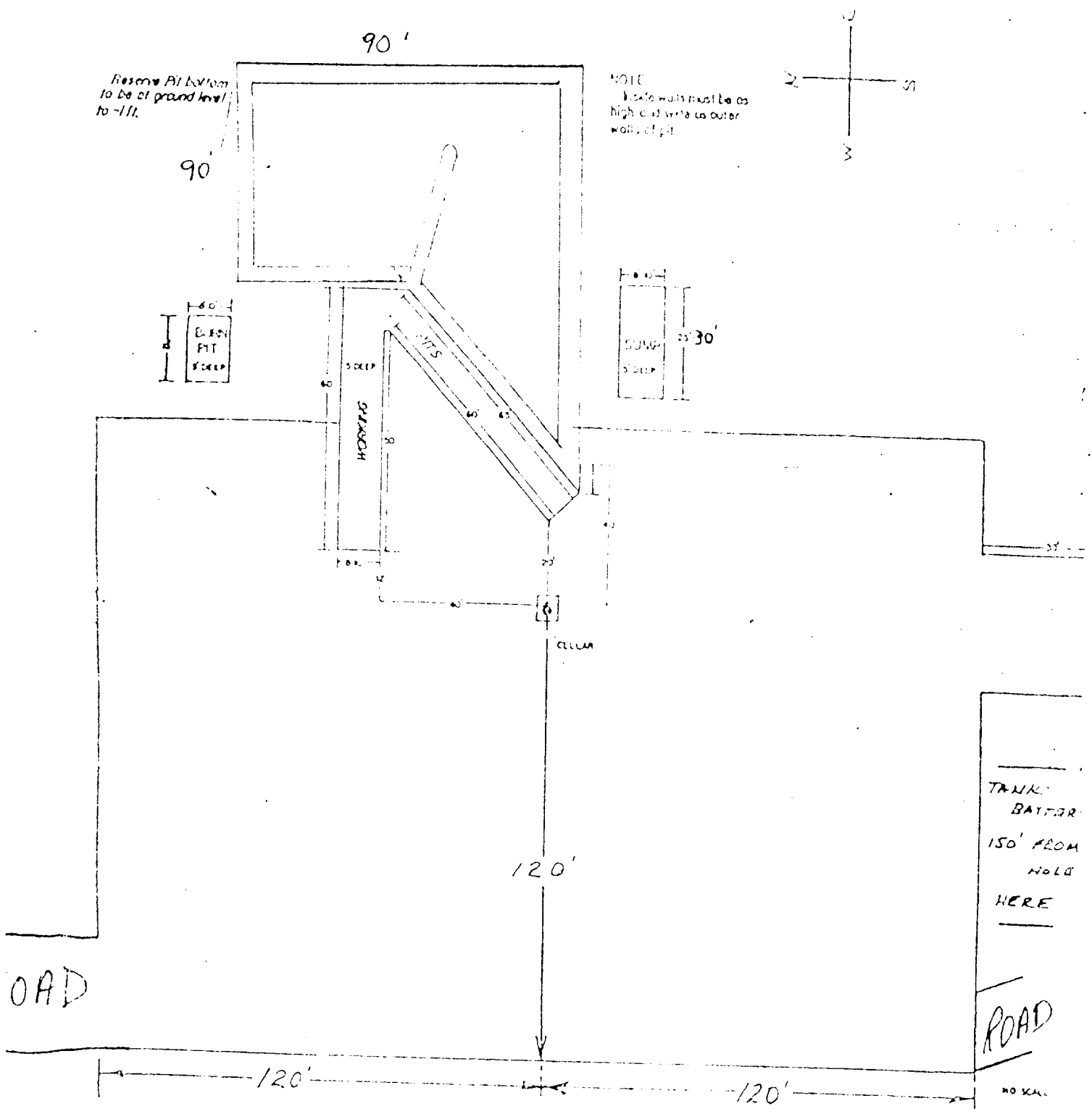
THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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.

RECEIVED
MAY 12 1982
D.C.D.
MAILS OFFICE

EXHIBIT C

YATES PETROLEUM CORPORATION



RECEIVED

MAY 12 1982

FBI
FIELD OFFICE