

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPlicate
(Other instructions on back side)

Form approved.
Budget Bureau No. 42-R1425.

N. M. OIL & GAS COMMISSION
P. O. BOX 1980
HOBBS, NEW MEXICO 88240

30-005-20882

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

Yates Drilling Co.

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

850' FSL and 1450' FWL

At proposed prod. zone

same

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

23 miles East of Hagerman, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

850'

16. NO. OF ACRES IN LEASE

40

17. NO. OF ACRES ASSIGNED

TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*

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

19. PROPOSED DEPTH

2200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3923.0' 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
12 1/4"	8 5/8"	24#	375'	circulated
7 7/8"	4 1/2"	9.5#	TD	

We propose to drill and test the Queen and intermediate formations. Approximately 375' of surface casing will be set and cement circulated to shut off gravel and caving. If commercial, production casing will be run and cemented with adequate cover, perforate, and stimulate as needed for production.

MUD PROGRAM: FW^t 375', 10# Brine to TD, Mud up w/SW gel to log. LCM^{if} needed.

BOP PROGRAM: BOP's will be installed at the offset and tested daily.

GAS NOT DEDICATED.

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

Gregory Rodriguez (for K)

TITLE

Regulatory Coordinator

DATE

6/17/82

(This space for Federal or State office use)

PERMIT NO.

APPROVED

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY

AUG 6 1982

JAMES A. GILLHAM
DISTRICT SUPERVISOR

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

DATE

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AUG 10 1982

U.S. CO.
ROLES OFFICE

NE EXICO 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.

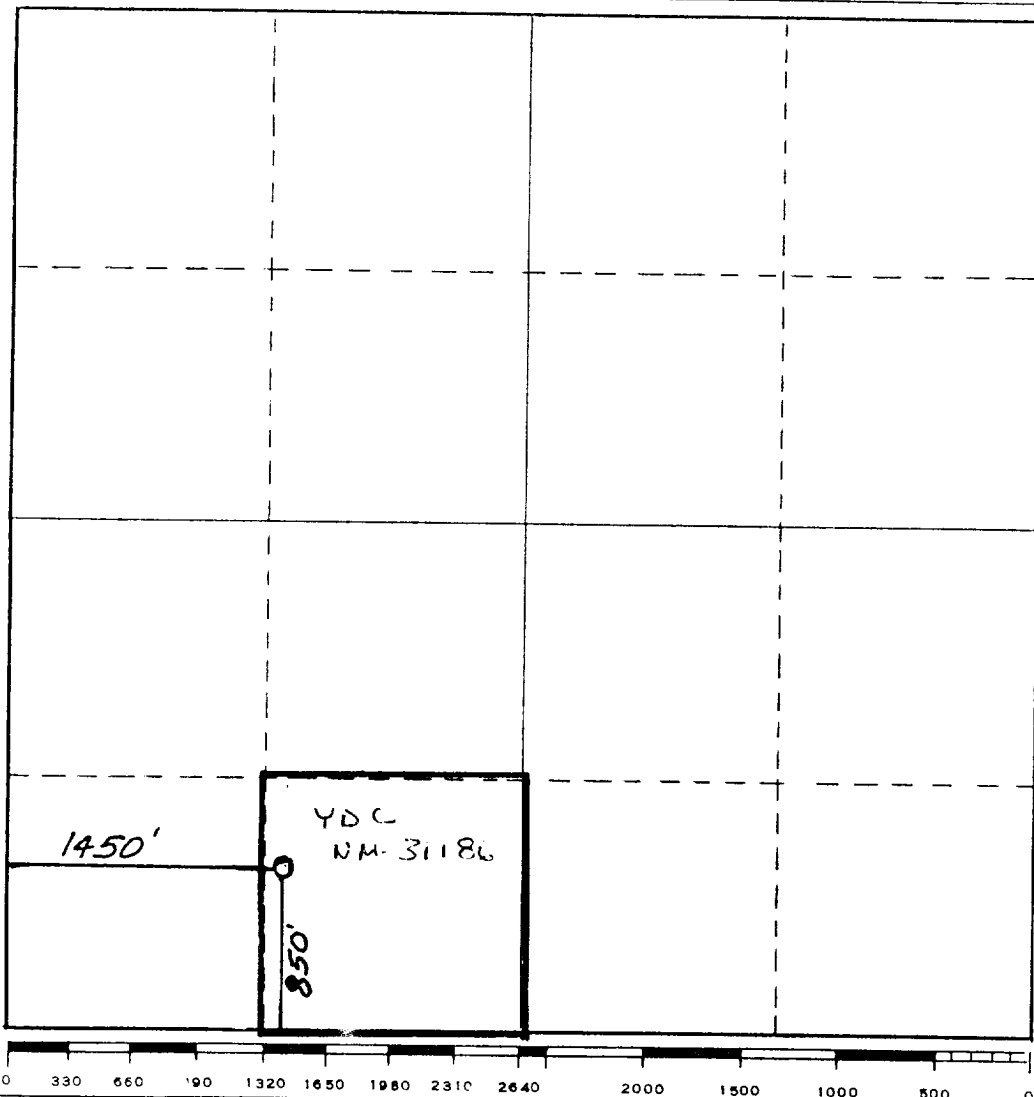
Operator YATES DRILLING COMPANY			Lease Sotol UQ Federal		Well No. 1
Unit Letter N	Section 7	Township 15 South	Range 30 East	County Chaves	
Actual Footage Location of Well: 850 feet from the South line and 1450 feet from the West line					
Ground Level Elev. 3923.	Producing Formation Queen		Pool Under Queen		Dedicated Acreage: 32.0 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 TO BE COMMUNITIZED

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

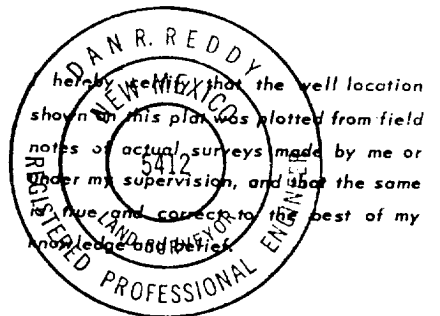
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



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 Corp
Date
6/28/82



Date Surveyed
June 19, 1982
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.
NM PE&LS #5412

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O.C.D.
HOMES OFFICE

Yates Drilling Co.
~~YATES PETROLEUM CORPORATION~~
School "UQ" Federal #1
850' FSL and 1450' FWL
Section 7-T15S-R30E

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Drilling Co. 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>Queen</u>	<u>2012'</u>
<u>TD</u>	<u>2200'</u>
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 100' to 250'

Oil or Gas: 2045'
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:	<u>Surface casing to TD</u>
DST's:	<u>as warranted</u>
Coring:	<u>as warranted</u>
Logging:	<u>CNL-FDC TD to casing w/GR-CNL to surface & DLL from TD to csg</u>
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Chaves Drilling Co.

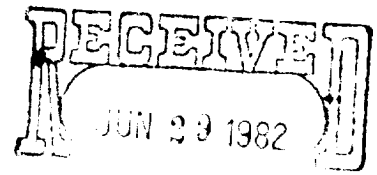
~~XXXXXXXXXXXXXXXXXXXXXXXXXXXX~~

Sotol "UQ" Federal #1

850' FSL and 1450' FWL

Section 7-T15S-R30E

Chaves County, New Mexico

OIL & GAS
U.S. GEOLOGICAL SURVEY
ROSWELL, NEW MEXICO

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 23 miles east of Hagerman, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

1. Proceed east of Hagerman on Highway 31 for a distance of approximately 22.2 miles.
2. Turn south on (Chaves County 22) for approximately 1.1 miles.
3. Turn east for approximately 1.3 miles.
4. New access road will start here.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately 1200' in length from point of origin to the southwest edge of the drilling pad. The road will lie in a west to east 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~~ 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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G.C.D.
MOBBS OFFICE

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. If construction materials are needed for the pad or road, they will be obtained from the pit located in NE/4 SW/4 of Sec. 12-T15S-R30E.
-

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 flat.
- 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 flat. The immediate area of the wellsite is discussed above in paragraph 9B.
- B. Flora and Fauna: The vegetation cover on wellsite consists of mesquite native grasses 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 ~~xxx~~ are no inhabited dwellings in the vicinity of the proposed wellsite.
- E. Surface Ownership: The wellsite is on federal minerals and surface.

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

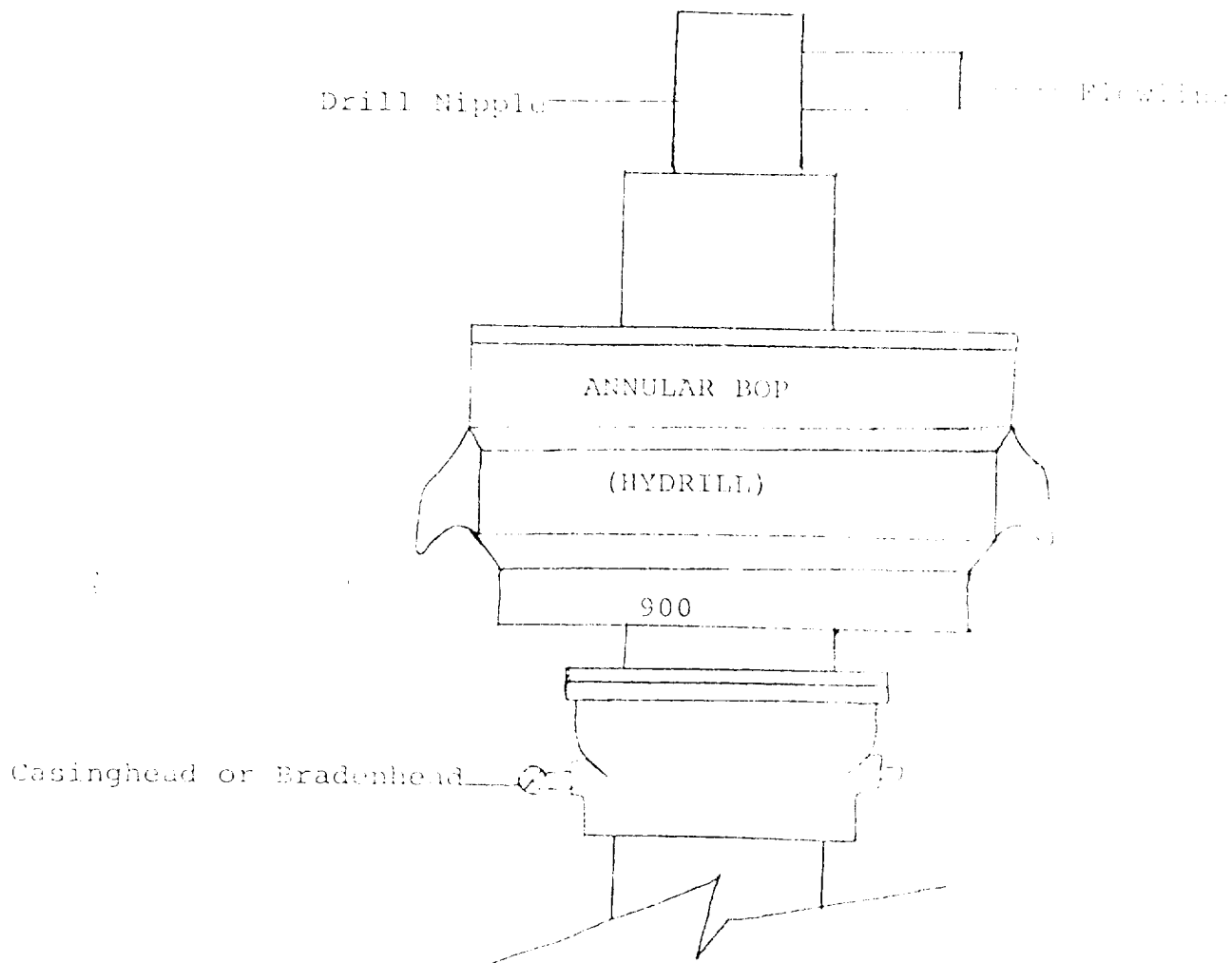
13. CERTIFICATION.

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 Drilling Co. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

6/17/82

Date

for Gliserio Rodriguez
Ken Beardemphl, Regulatory Coordinator

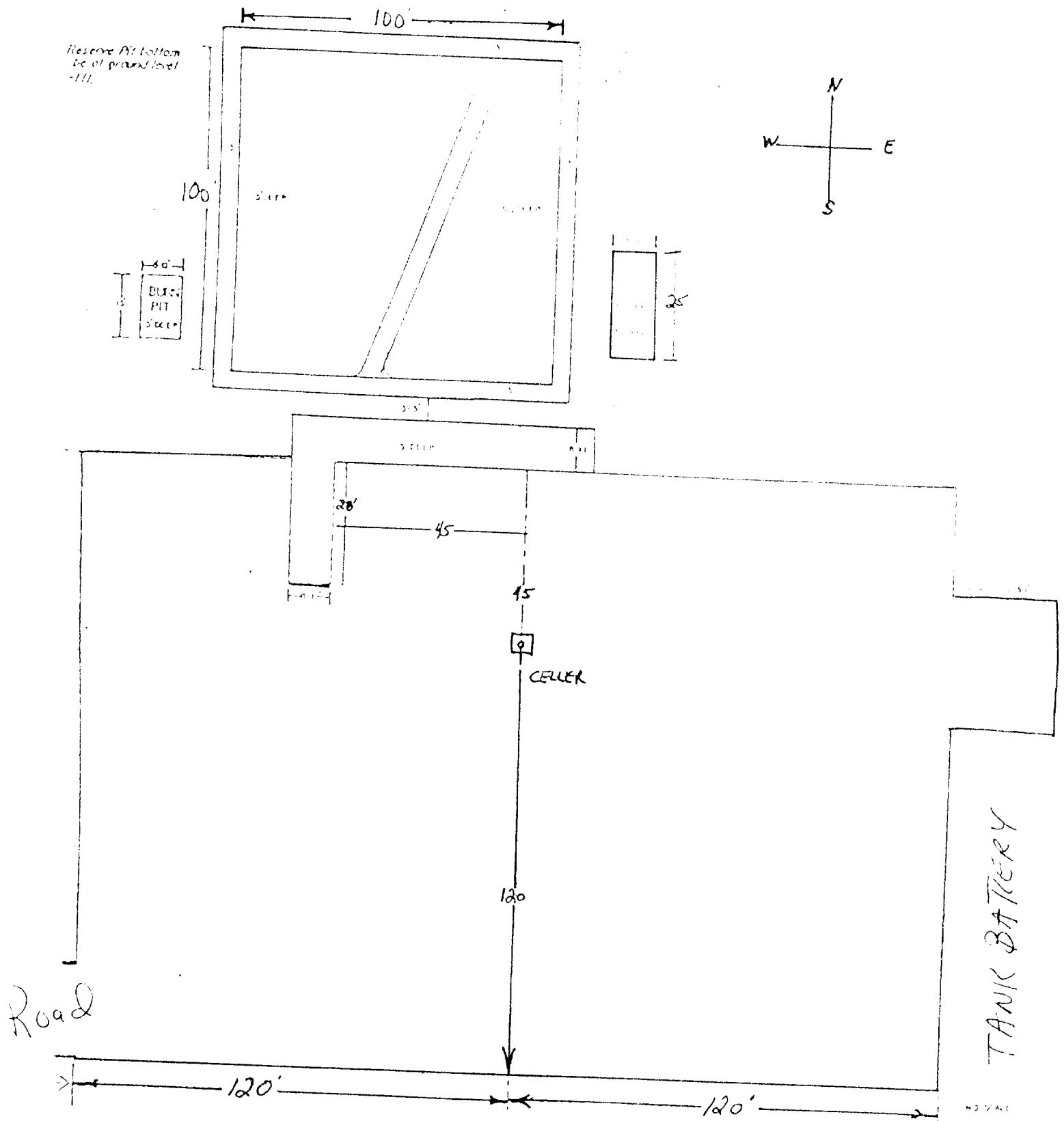


THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

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.

EXHIBIT C

YATES PETROLEUM CORPORATION



NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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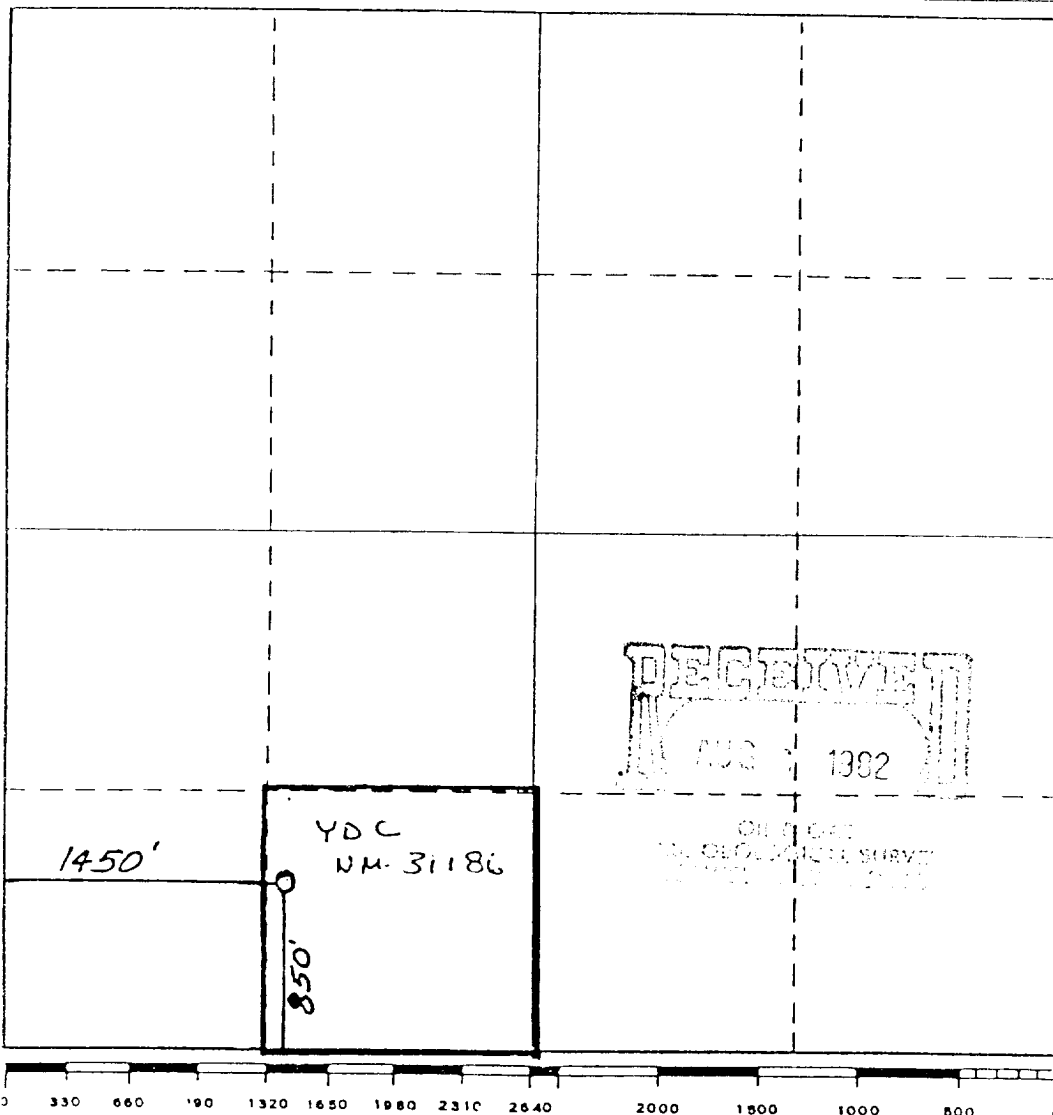
Operator YATES DRILLING COMPANY			Lease Sotol UQ Federal			Well No. 1		
Unit Letter N	Section 7	Township 15 South	Range 30 East	County Chaves				
Actual Footage Location of Well: 850 feet from the South line and 1450 feet from the West line								
Ground Level Elev. 3923.		Producing Formation Queen		Pool Under Queen			Dedicated Acreage: 40 Acres	

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Yes ☐ No ☐ If answer is "yes," type of consolidation _____

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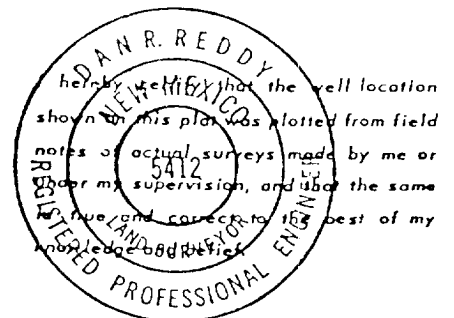
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Gliserio Rodriguez
Name
Gliserio Rodriguez
Position
Regulatory Manager
Company
Yates Petroleum Corp
Date
6/28/82



Date Surveyed
June 19, 1982
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy
Certificate No.
NM PE&LS #5412

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