

30-005-21086

Form 3160-3 N. M. OIL CONS. COMMISSION
(November 1983) P. O. BOX 1980 UNITED STATES
(formerly 9-3310) HOBBS, DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT TRIPLICATE* Form approved.
(Other instructions on Budget Bureau No. 1004-0136
reverse side) Expires August 31, 1985

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 105 South Fourth Street, Artesia, New Mexico 88210
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 1650' FSL and 1650' FEL
At proposed prod. zone Same
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 30 miles east of Hagerman, New Mexico
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 1650' (Also to nearest drlg. unit line, if any)
16. NO. OF ACRES IN LEASE 840 acres
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.
19. PROPOSED DEPTH 2250'
20. ROTARY OR CABLE TOOLS Cable Tool
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3874.6 GR
22. APPROX. DATE WORK WILL START* ASAP

5. LEASE DESIGNATION AND SERIAL NO. NM-81259
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Vest Ranch "RE" Federal
9. WELL NO. 1
10. FIELD AND POOL, OR WILDCAT Undesignated Queen
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Section 21-T14S-R30E
12. COUNTY OR PARISH Chaves
13. STATE NM

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/2"	8-5/8"	24# J-55	Approx. 950' *	500 sacks - circulate
8"	5-1/2"	14# J-55	TD	400 sacks - 1600'

We propose to drill and test the Queen and intermediate formations. Approximately 950' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: That used in cable tool drilling.

* In the Rustler anhydrite at least 50 feet below the top (450 to 525 feet) / D.R.E. / 06-13-89



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 Clifton R. May TITLE Permit Agent DATE 5-24-89

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

APPROVED BY /s/ A. Ray Keller TITLE Acting Area Manager DATE June 27, 1989
CONDITIONS OF APPROVAL, IF ANY:

PLEASE BE ADVISED THAT THERE WILL BE NO EXCAVATION OF FEDERALLY OWNED MINERAL MATERIAL FOR CONSTRUCTION OF THE ACCESS ROAD OR PAD WITHOUT PAYMENT IN ADVANCE

APPROVAL OF THIS APPLICATION DOES NOT WARRANT OR CERTIFY THAT THE APPLICANT HOLDS LEGAL OR EQUITABLE TITLE TO THOSE RIGHTS IN THE SUBJECT LEASE WHICH WOULD ENTITLE THE APPLICANT TO CONDUCT OPERATIONS THEREON.

18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

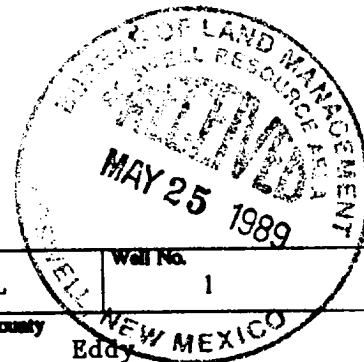
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Aztec, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

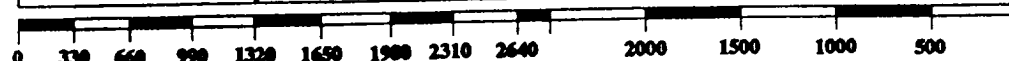
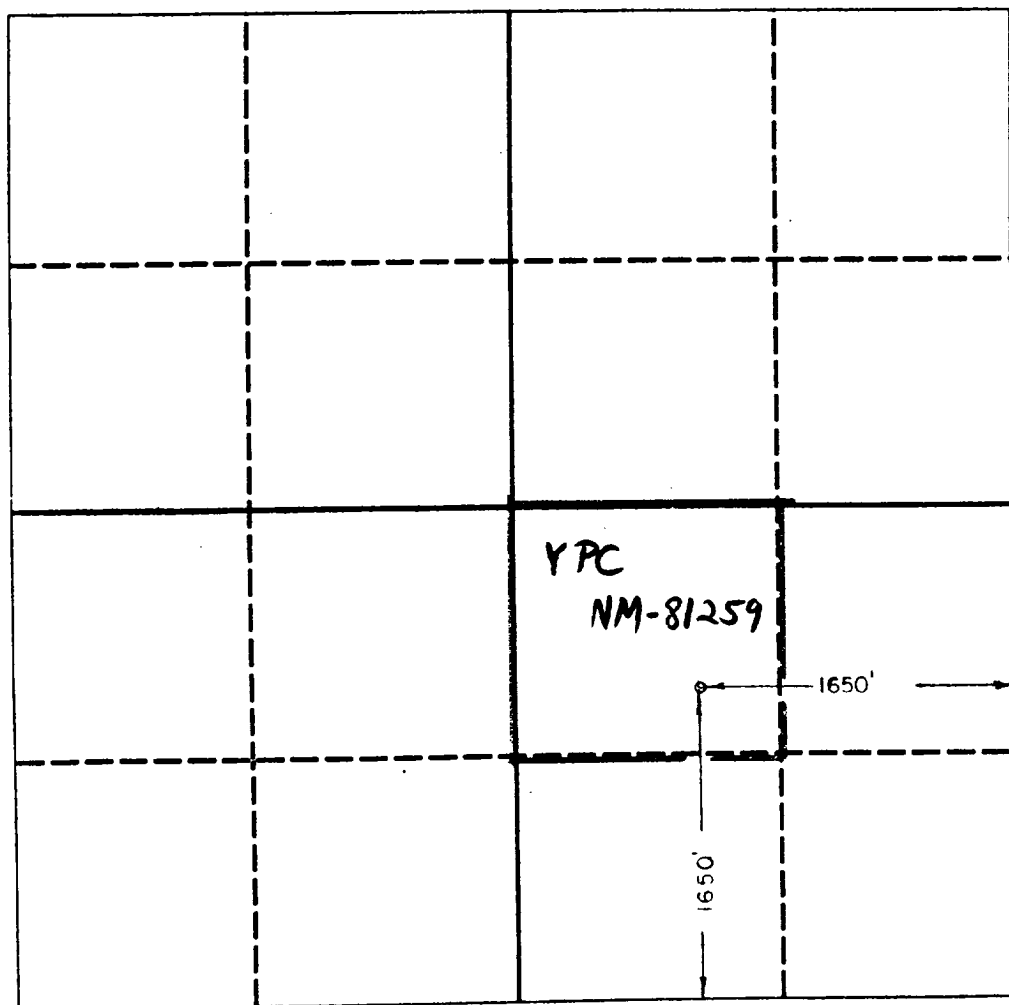
WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section



Operator YATES PETROLEUM CORPORATION			Lease VEST RANCH "RE" FEDERAL		Well No. 1
Unit Letter J	Section 21	Township 14 South	Range 30 East	County Eddy	NMPM
Actual Footage Location of Well: 1650 feet from the South line and 1650 feet from the East line					
Ground level Elev. 3874.6	Producing Formation QUEEN		Pool UNDESIGNATED QUEEN	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature Clifton R. May
Printed Name CLIFTON R. MAY
Position PERMIT AGENT
Company YATES PETROLEUM CORP
Date 5-22-89

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes or 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 5-22-89
Signature of Seal of Professional Surveyor Herschel Jones
3640
Certified by FRED B. JONES

YATES PETROLEUM CORPORATION
VEST RANCH "RE" FEDERAL #1
1650' FSL and 1650' FEL of
Section 21-T14S-R30E
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 BLM requirements.

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

Anhydrite	500'
Salt	570'
Base Salt	1424'
Yates	1440'
7-Rivers	1986'
Queen	2130'
TD	2250'.

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

Water: Approximately 300+'
Oil or Gas: 2130'-2150'

4. Proposed Casing Program: See Form 9-331C.
5. Pressure Control Equipment: See Form 9-331C.
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:

DST's: None
Logging: CNL/LDC from TD to casing with GR-CNL on to surface; DLL from TD to casing.
Samples: 10' samples out from under surface casing to TD
Coring: None
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
Vest Ranch "RE" Federal #1
1650' FSL and 1650' FEL of
Section 21-T14S-R30E
Chaves County, 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 BLM Topographic map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 26 miles southwest of Artesia, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

- A. Proceed east from Artesia on Highway 82 to Loco Hills. Go north on County Road 217 to Highway 31. Go east approximately .5 of a mile. Turn north on Cindy Road.
- B. Follow Cindy Road approximately 2.8 miles (Just past Myers Windmill).
- C. Turn right (east) and follow road approximately 2.1 miles. New access will start here and go north approximately 500' to the SE corner of pad.

2. PLANNED ACCESS ROAD

- A. The proposed new access road will be approximately 500' in length from point of origin to the southeast corner of the pad. The road will lie in a north-south direction.
- B. The new road will have a 14' driving surface and will be adequately drained to control runoff and soil erosion. 50' right-of-way is requested.
- C. The road will be surfaced with 4" of caliche.
- D. The route of the road is flagged and visible.

3. BLM ROAD RIGHT-OF-WAY

- A. The BLM road system to this area is NM-70523
- B. Please amend existing right-of-way (NM-70523) to include this new access road as it is part of the same system.

*IF THIS IS WHAT
BLM WANTS?*

4. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one mile radius of the wellsite.
- B. Exhibit B shows existing wells within a one-mile radius of the proposed wellsite.

5. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There 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.

6. 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.

7. SOURCE OF CONSTRUCTION MATERIALS:

- A. Additional construction materials will be furnished by the dirt contractor from a Federal pit located in the S/2NE/4 and N/2SE/4 of Section 15-T14S-R30E. This pit was arch cleared on 8/7/87 PAC Report No. 87074. We are considering a State pit in the SE/4SE/4 of Section 21-T14S-R30E if open.

8. 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 operations 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 of 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.

9. ANCILLIARY FACILITIES:

- A. None required.

10. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. A cross section of drill pad with approximate cuts, fills and pad orientation is shown on Exhibit D.
- B. The location surface is fairly flat except for clumps of mesquite and sand.
- C. The reserve pits will not be plastic lined.
- D. A 400' X 400' area has been staked and flagged.

11. 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 been levelled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the BLM will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level within 90 days after abandonment.

12. OTHER INFORMATION:

- A. Refer to the archaeological report for a description of the topography, flora, fauna, soil characteristics, dwelling, historical and cultural sites.
- C. Waterways: None

13. SURFACE OWNERSHIP:

- A. Well site and the access road are owned by United States and administered by the BLM.
- B. The land is leased to Bogle Farms, Inc., Lewis Derrick, Foreman, P. O. Box 441, Artesia, NM 88210.

14. OPERATOR'S REPRESENTATIVE:

- | | |
|---|---|
| <ul style="list-style-type: none">A. Through A.P.D. Approval:
Clifton R. May, Permit Agent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
505-748-1471 | <ul style="list-style-type: none">B. Through Drilling Operations:
Al Springer, Drilling Superintendent
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210
505-748-1471 |
|---|---|

Vest Ranch "RE" Federal #1

Page 4

15. 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. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

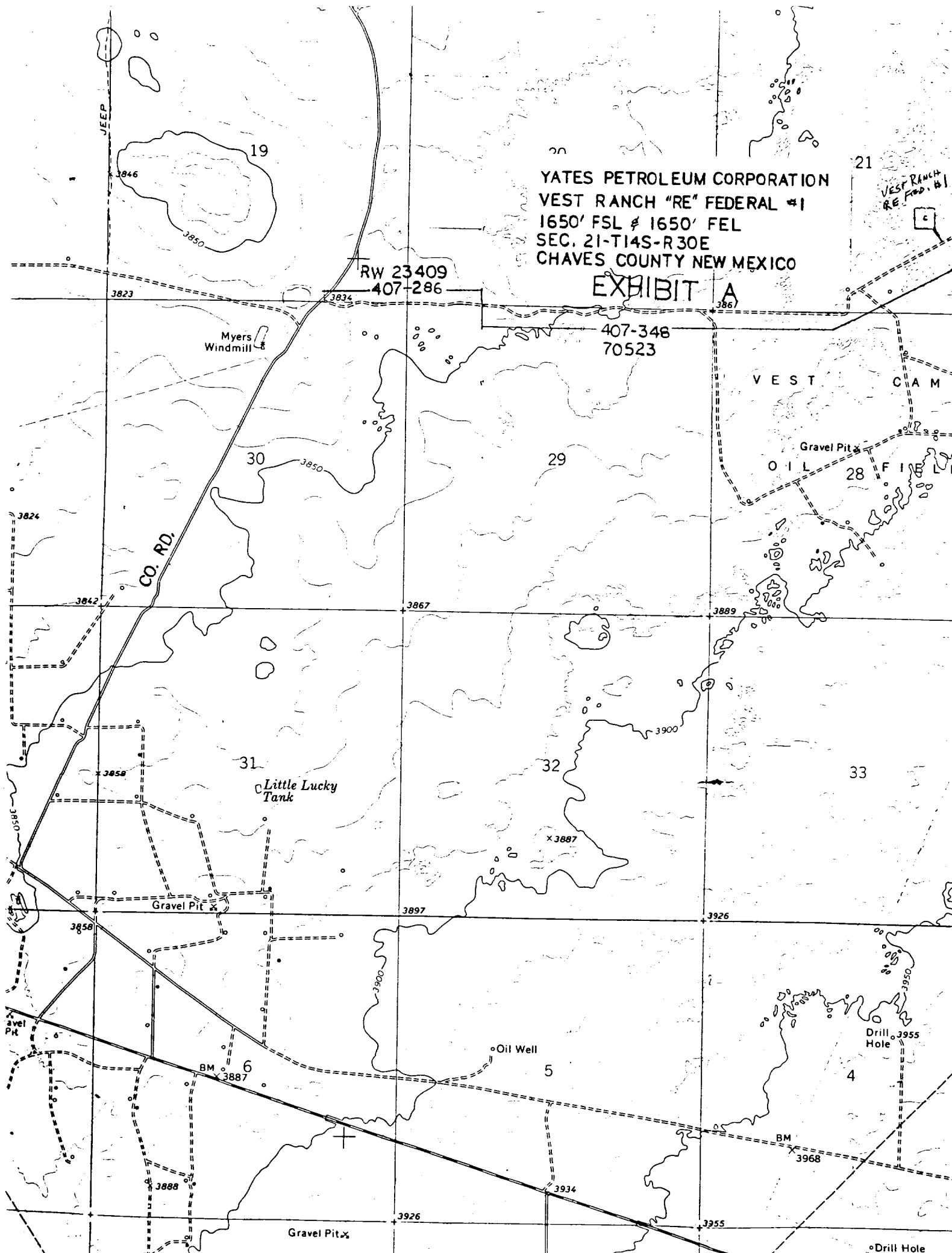
Date

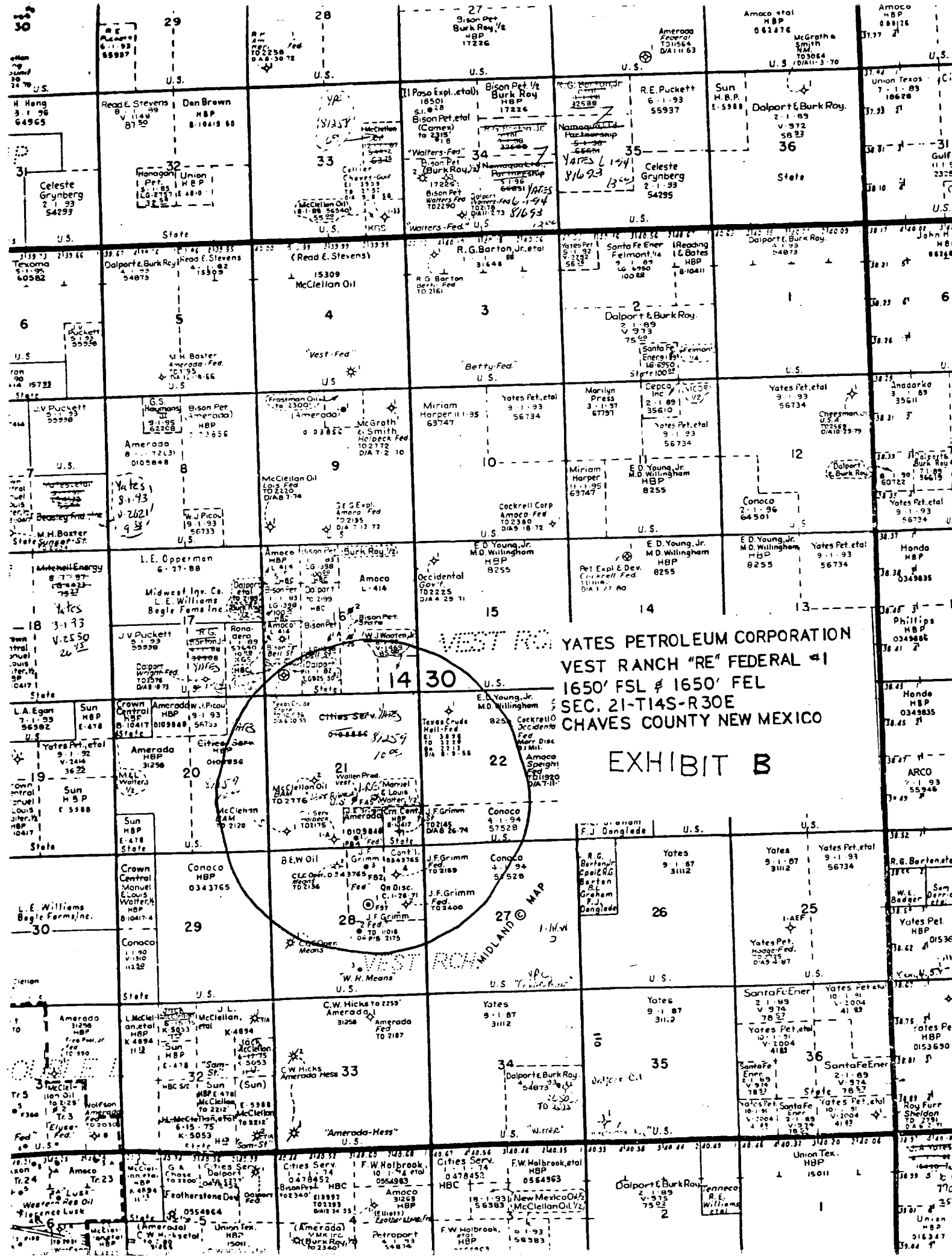
5-24-89

Clifton R. May
Clifton R. May
Permit Agent

YATES PETROLEUM CORPORATION
VEST RANCH "RE" FEDERAL #1
1650' FSL & 1650' FEL
SEC. 21-T14S-R30E
CHAVES COUNTY NEW MEXICO

EXHIBIT A

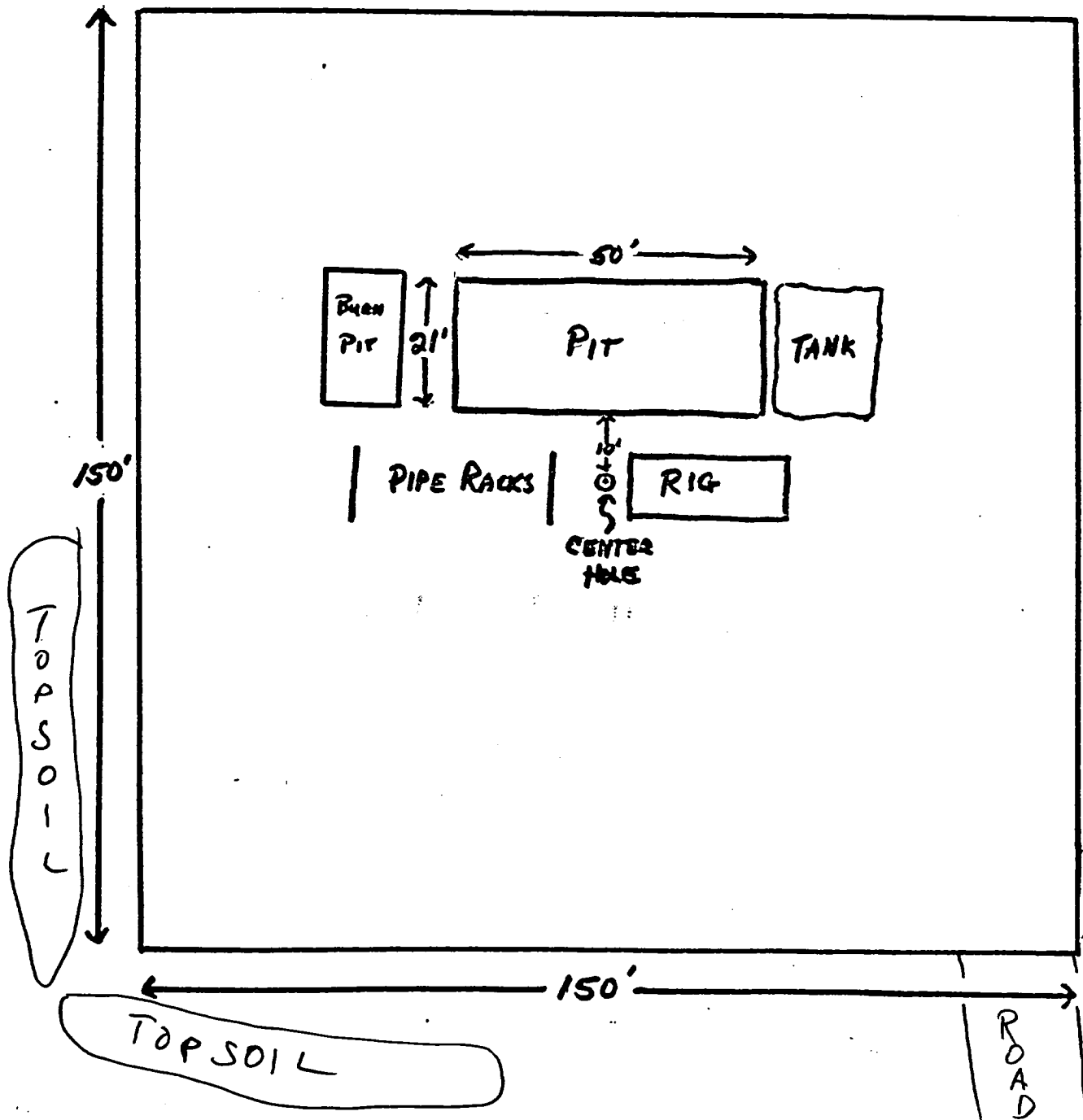




YATES PETROLEUM CORPORATION
VEST RANCH "RE" FEDERAL #1
1650' FSL & 1650' FEL
SEC. 21-T14S-R30E
CHAVES COUNTY NEW MEXICO

EXHIBIT B

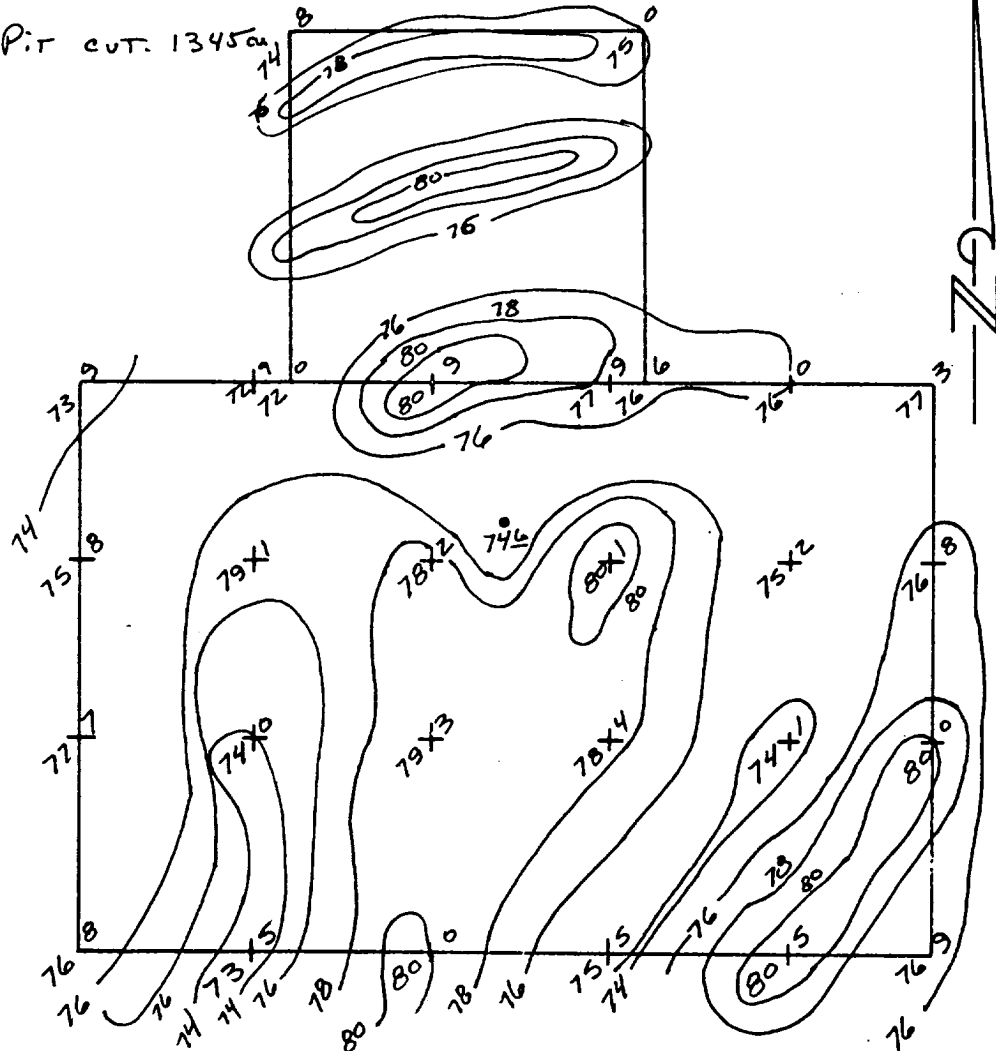
EXHIBIT C



JOB No.

PRD FILL 1,947 cu.yds
CUT 2,110 cu.yds

PIT CUT. 1345 cu.



THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEETS THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

YATES PETROLEUM CORPORATION

VEST RANCH "RE" FEDERAL #1
Sec. 21-14S-30E
Eddy County

EXHIBIT D,

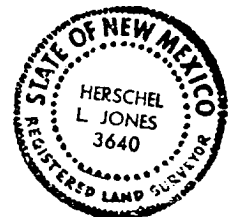
P.O. Box 886

Lovington, New Mexico 88260

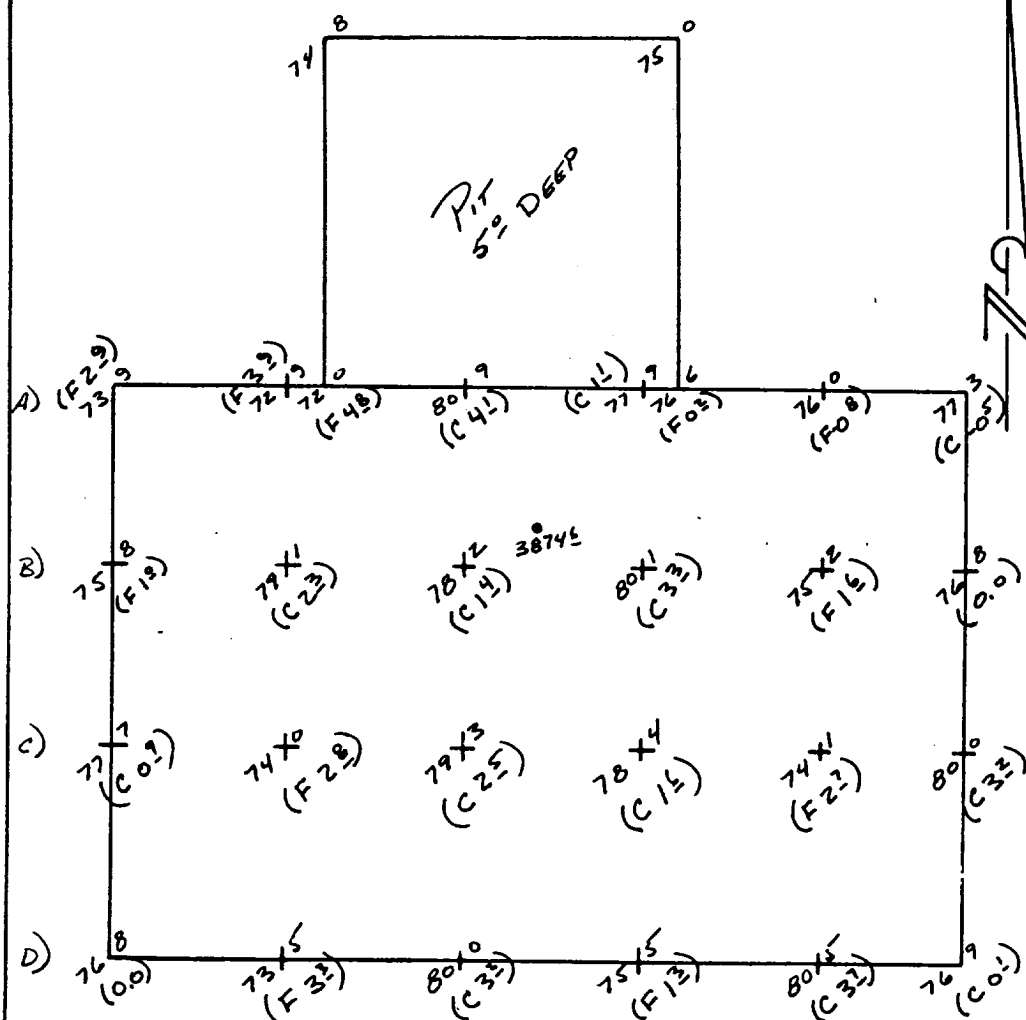
SCALE: " = ' DATE: 5/89

DRAWN BY: erb SHEET 2 OF 4

Herschel L. Jones
HERSCHEL L. JONES R.L.S. No. 260



JOB No.



WELL ELEV. 3874 $\frac{1}{2}$
 AVE GRADE 3876 $\frac{8}{8}$

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY
 DIRECTION AND THE PLAT ACCURATELY REFLECTS THE RESULTS OF SAID SURVEY AND MEETS THE REQUIREMENTS OF THE
 STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR
 PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

YATES PETROLEUM CORPORATION

VEST RANCH "RE" FEDERAL #1
 Sec. 21-14S-30E
 Eddy County

EXHIBIT D₂

P.O. Box 288

Lovington, New Mexico 88260

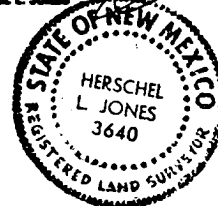
SCALE: " = "

DRAWN BY: erb

DATE: 5/89

SHEET 3 OF 4

Herschel L. Jones
 HERSCHEL L. JONES
 R.L.S. No. 3640



REC'D 12-6-89
ELF

RECEIVED

JUN 29 1989

OCD
HOBBS OFFICE