

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

1650' FSL & 330' FWL of Section 18-26S-38E

At proposed prod. zone

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

8 miles SE of Jal, New Mexico

10. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

3700'

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

3002' GR

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# J-55	Approx. 500	350 sx - circulate
7-7/8"	5 1/2" or 4 1/2"	14# J-55	TD	900 sx - circulate
		9.5# J-55		

Propose to drill and test the Queen and intermediate formations. Approx. 500' of surface casing will be set and cemented to the surface. If commercial, will run 5 1/2" or 4 1/2" casing and circulate cement. Will perforate and stimulate as needed for production.

Mud Program: F. W. Gel & LCM to 500', Brine and brine gel w/starch to TD.

BOP Program: BOP's will be installed on 8-5/8" casing and tested.

Gas sales are not dedicated.

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

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

Ed Powell

TITLE

Engineer

DATE

June 2, 1977

(This space for Federal or State office use)

Unless drilling operations have
PERMIT NO. Commenced, this drilling approval

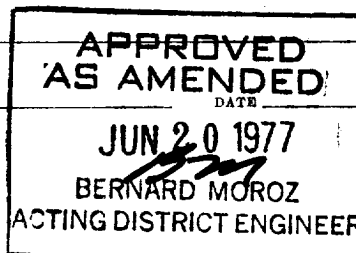
Expires 9-20-77

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:



"APPROVAL TO FLARE GRANTED
WHILE DRILLING AND TESTING."

*See Instructions On Reverse Side

Instructions

General: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

Item 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plate, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

Items 15 and 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

Item 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

☆ U.S. GOVERNMENT PRINTING OFFICE : 1963-O-711-396

RECEIVED

JUN 21 1977

OIL CONSERVATION COM.1.
HOBBS, N. M.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PL

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

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

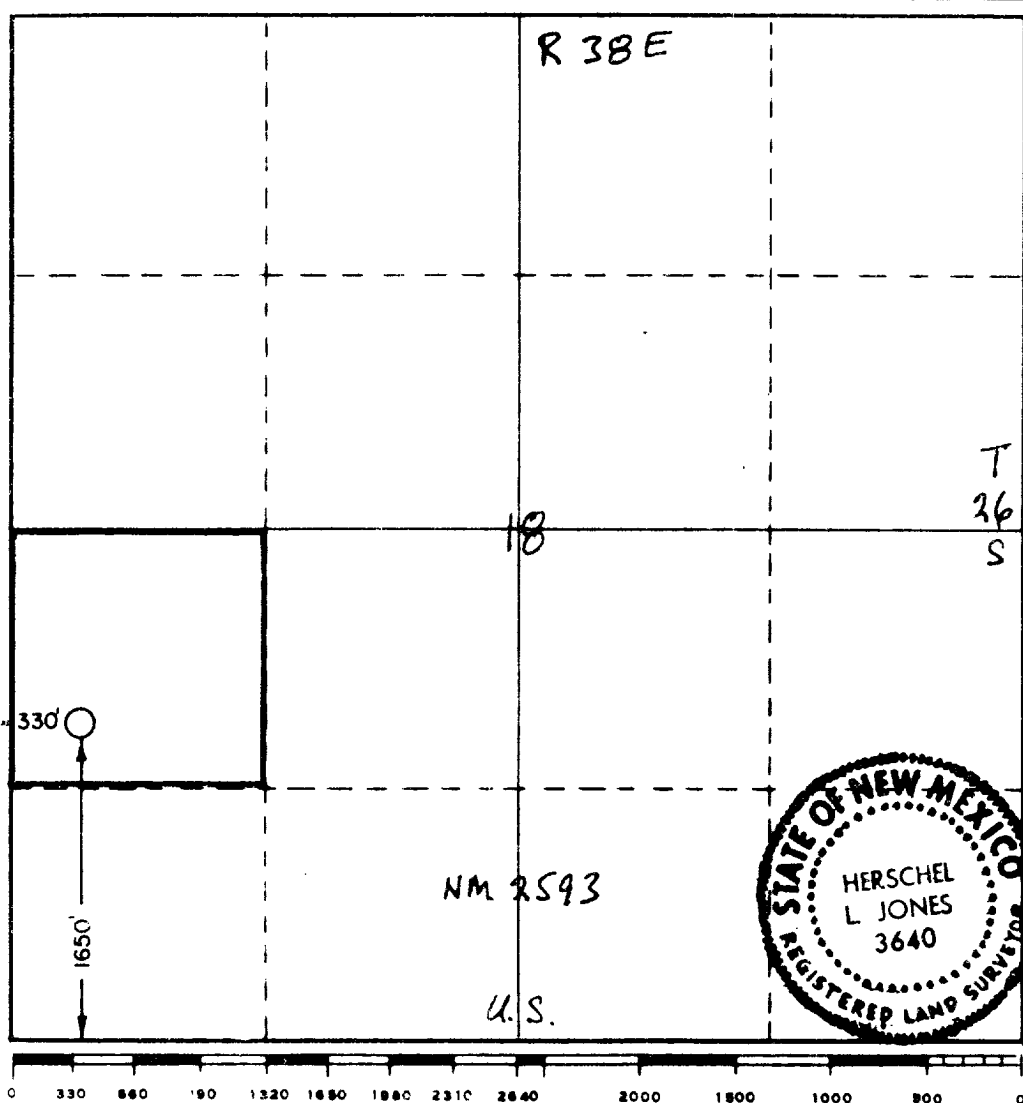
Operator YATES PETROLEUM CORPORATION		Lease Ed Powell Federal IG		Well No. 1
Unit Letter "L"	Section 18	Township 26 South	Range 38 East	County Lea County
Actual Footage Location of Well: 1650 feet from the South line and 330 feet from the West line				
Ground Level Elev. 3002	Producing Formation Queen	Pool Leonard Queen South	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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	Eddie M. Mahfood
Position	Engineer
Company	Yates Petroleum Corp.
Date	May 27, 1977
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	May 27, 1977
Registered Professional Engineer and/or Land Surveyor	
Herschel L Jones	
Certificate No.	3640

RECEIVED

JUN 21 1977

**OIL CONSERVATION DIVISION
HOBBS, N. M.**

APPLICATION FOR DRILLING

Yates Petroleum Corporation
Ed Powell Federal "IG" Well No. 1
1650' FSL and 330' FWL, Section 18-T26S-R38E
Lea 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 U.S.G.S. requirements:

1. The geologic surface formation is quaternary Alluvium and sand.
2. The estimated tops of geologic markers are as follows:

Rustler	1047'
Base Salt	2457'
Yates	2692'
Queen	3433'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Surface Water - approximately 100'
	Santa Rosa Water - approximately 400'
Oil or Gas:	Approximately 3433' to TD.
4. Proposed casing program: Approximately 500' of 8 5/8" 24# J-55 new casing cement circulated. Oil string will be 5 1/2" 14# J-55 new casing or 4 1/2" 9.5# J-55 new casing, cement circulated. See Form 9-331C.
5. Pressure Control Equipment: See Exhibit E and Form 9-331C. BOP's on 8 5/8" casing, tested daily.
6. Mud Program: See Form 9-331C. Fresh water gel to 500', Brine and Brine Gel with starch for fluid loss control as hole conditions dictate.
7. Auxiliary Equipment: Sub with full-opening valve for drillpipe.
8. Testing, logging and coring programs: No coring. May drill stem test after logging. 10-foot samples from base of salt to TD. Sidewall neutron and dual lateral log.

9. No abnormal pressures or temperatures are anticipated. Hydrogen sulfide and other toxic gases are minimal or non-existent. Hole will be loaded at all times with brine or mud, inhibited for corrosion.
10. Anticipated starting date: This is an expiring lease and will be drilling prior to June 30, 1977 or sooner as approved.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Yates Petroleum Corporation
Ed Powell Federal "IG" Well No. 1
1650' FSL and 330' FWL, Section 18-T26S-R38E
Lea County, New Mexico
(Development 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 necessary 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 effects associated with the operations.

1. EXISTING ROADS.

- A. Exhibit A is a portion of a New Mexico State Highway Department map, showing the general location of the proposed wellsite with respect to the major highways in the area. Exhibit B is a portion of BLM quad-color map No. SE-30, on a scale of 1/2 inch to a mile, showing the area and the roads in the vicinity of the wellsite on a somewhat larger scale, and Exhibit C is a topographic map, on a still larger scale, showing roads in the immediate vicinity. The proposed wellsite is located at a distance of approximately 8.55 miles south and east of Jal, New Mexico as follows:
 - (1) Proceed south on Highway 18 from O'Neal's restaurant in Jal for a distance of approximately 6.0 miles. At this point, turn left (east), across a cattle guard, onto a dirt road. The road curves to the right immediately after crossing the cattle guard.
 - (2) Continue on this road, past a water tank battery on your left after 1.65 miles. After an additional 0.45 miles beyond the water tanks, turn left (north) and continue about 0.45 miles to Herman Ledbetter Jay Federal Well No. 1. The new access road will originate just south of the tank at the Jay #1 location and is clearly staked and visible.
- B. The surface of the existing access road will not require any work to make it satisfactory for traffic to the proposed location

2. PLANNED ACCESS ROAD.

- A. The proposed new access road will be a total distance of about 2320 feet in length, starting just south of the tank on the Ledbetter Jay #1 location, and proceeding in a generally northeast direction for approximately the first 1000 feet. At this point, about 30 feet south and east of the corner marker of sections 13 and 24-T26S-R37E and

sections 18 and 19-T26S-R38E, the road will turn north for approximately 1320 feet, ending at the southeast corner of the drilling pad, as shown in Exhibit D. The road will be 12 feet in width and will be covered with the necessary depth of compacted caliche. The surface of the road will be crowned in the center, with drainage on both sides. It is not anticipated that any culverts or cattle guards will be required, but four turnouts will be constructed along the length of the new access road.

- B. The route of the new access road passes through an area of undulating sand dunes, and it will be necessary to blade-scrape the surface to a level condition.
 - C. Caliche for the new road and the drilling pad will be obtained from an existing, privately owned pit, owned by the same rancher who owns the land at the wellsite (Tom Linebery). The pit is located about 0.2 miles south of the water tanks mentioned in paragraph 1A(2), above. Arrangements have been made with the land owner for the acquisition of caliche from this source.
 - D. The center line of the proposed new access road has been staked and flagged, with each flag clearly visible from the next closest flag.
3. LOCATION OF EXISTING WELLS.
- A. There has been considerable drilling activity within a one mile radius, with a heavy concentration in section 24-T26S-R37E, southwest of the proposed location. The nearest production is an oil well approximately 1/4 mile west of the wellsite, in section 13-T26S-R37E (Tenneco No. 2).
4. 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, a battery and the necessary production facilities will be installed on the drilling pad, as shown in Exhibit C. A gas or diesel self-contained unit will be used to provide the necessary power. There is an overhead power line to Tenneco Well No. 2, approximately 990 feet west of the proposed well.
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 Exhibits A, B and C.
6. SOURCE OF CONSTRUCTION MATERIALS.
- A. Caliche for construction of the drilling pad and the new access road will be obtained from an existing pit on privately owned surface in the southwest quarter of Section 24-T26S-R37E. This pit is

owned by rancher Tom Linebery, who has agreed to make this source of caliche available. See paragraph 2C, above.

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 to the U.S.G.S. for appropriate approval.
- 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.

8. ANCILLARY FACILITIES.

- A. None required.

9. WELLSITE LAYOUT.

- A. Exhibit C shows the relative location and dimensions of the well pad, reserve pits, and major rig components.
- B. The ground surface in the vicinity of the wellsite consists of soft, blowing sand, with a tendency to form sand dunes caused by the wind. The proposed pad area includes anomalies of as much as three or four feet, and will be leveled to produce a level surface. The pad surface will be covered with at least six inches of compacted caliche.
- C. The reserve pits will be plastic lined.
- D. The pad and pit 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 been filled.
- C. If the proposed well is non-productive and the site is abandoned, arrangements will be made with the owner of the land at the location for appropriate reclamation of the surface (see attached letter re agreement between the operator and the land owner.) Any applicable regulations of the Bureau of Land Management and United States Geological Survey will be complied with and reclamation will be accomplished as expeditiously as possible. All pits will be filled and leveled within 90 days after abandonment.

11. OTHER INFORMATION.

- A. Topography: The proposed wellsite is located in an area of loose, sometimes blowing sand, with surface elevation ranging from minor undulations to sand dunes 8 to 10 feet in height.
- B. The topsoil at the wellsite is soft, loose sand.
- C. Flora and Fauna: The vegetation cover at the wellsite is moderately sparse, consisting primarily of prairie grass, mesquite, shinnery, cactus and miscellaneous weeds and prairie flowers. No wildlife was observed, but it is likely that typical semi-arid desert wildlife, such as rabbits, coyotes, gophers, rodents and snakes, inhabit the area. The area is used for cattle grazing.
- D. There are no ponds, lakes, streams or river within several miles of the wellsite.
- E. There are no houses or other buildings within several miles of the wellsite. There are two windmills about two miles from the wellsite, one of them northwest and the other, southwest of the location.
- F. The wellsite is on privately owned surface, with federal control of minerals. The operator has come to an agreement with the fee owner concerning entry onto his property and reclamation of the surface in the event that the well is non-productive and the site abandoned. See paragraph 10C, above.
- G. There is no evidence at the drilling pad and pit area, or over the route of the proposed new access road, of any archeological, historical or cultural sites. Indications were noted of Indian relics at a distance of several hundred feet east of the proposed new road, which will not affect work on the pad, pit or road. The report by the private archeologist who studied the location will include this information.

12. OPERATOR'S REPRESENTATIVE.

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

Eddie Mahfood
or James Jonas
Yates Petroleum Corporation
207 S. 4th Street
Artesia, New Mexico 88210
Telephone: 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 sub contractors in conformity with this plan and the terms and conditions under which it is approved.

June 15, 1977

Date

Eddie L. Hays, Engineer

Name and Title

Yates Petroleum Corporation
Ed Powell Federal "IG" Well No. 1
Section 18-T26S-R38E
Lea County, New Mexico

Proposed New Access Road

PROPOSED LOCATION

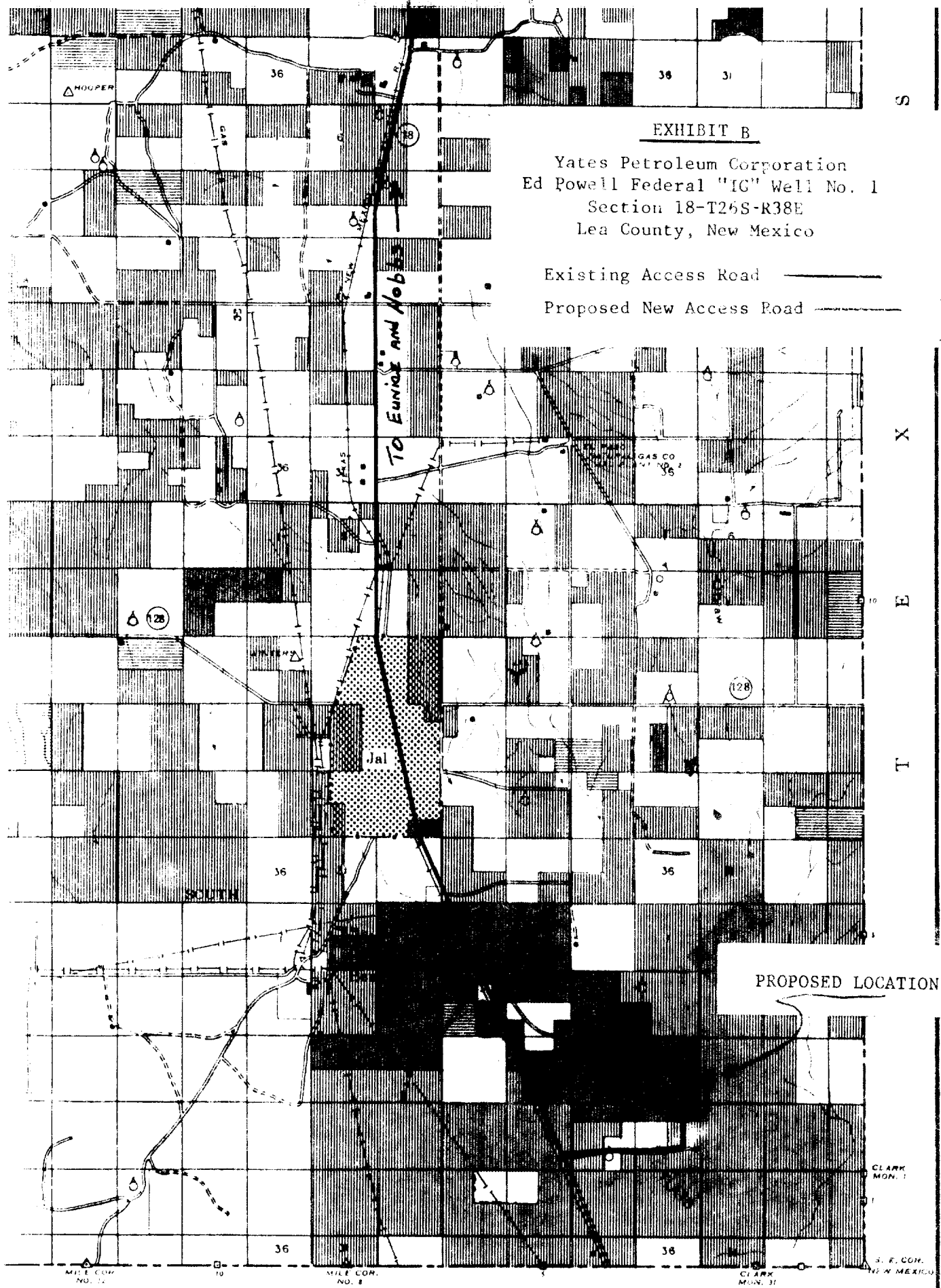


EXHIBIT B

Yates Petroleum Corporation
Ed Powell Federal "IG" Well No. 1
Section 18-T26S-R38E
Lea County, New Mexico

Existing Access Road —————


Proposed New Access Road —————

T. 24 S.

T. 25 S.

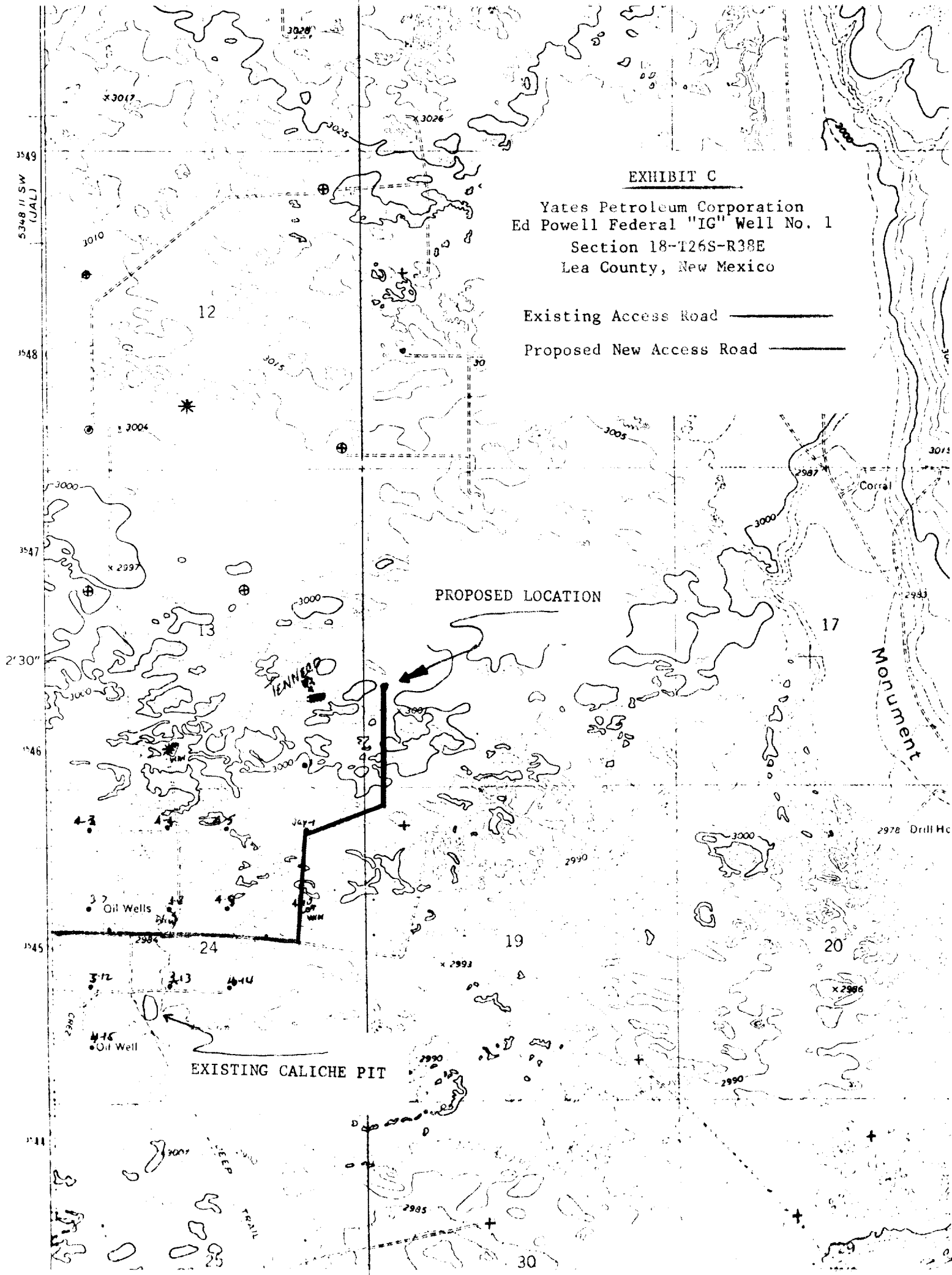
T. 26 S.

Yates Petroleum Corporation
Ed Powell Federal "IG" Well No. 1
Section 18-T26S-R38E
Lea County, New Mexico

Proposed New Access Road 

Monument

EXISTING CALICHE PIT



YPC - Ed [] Federal IG No. 1, 1650/s 30/w, Sec 18-26s-38E

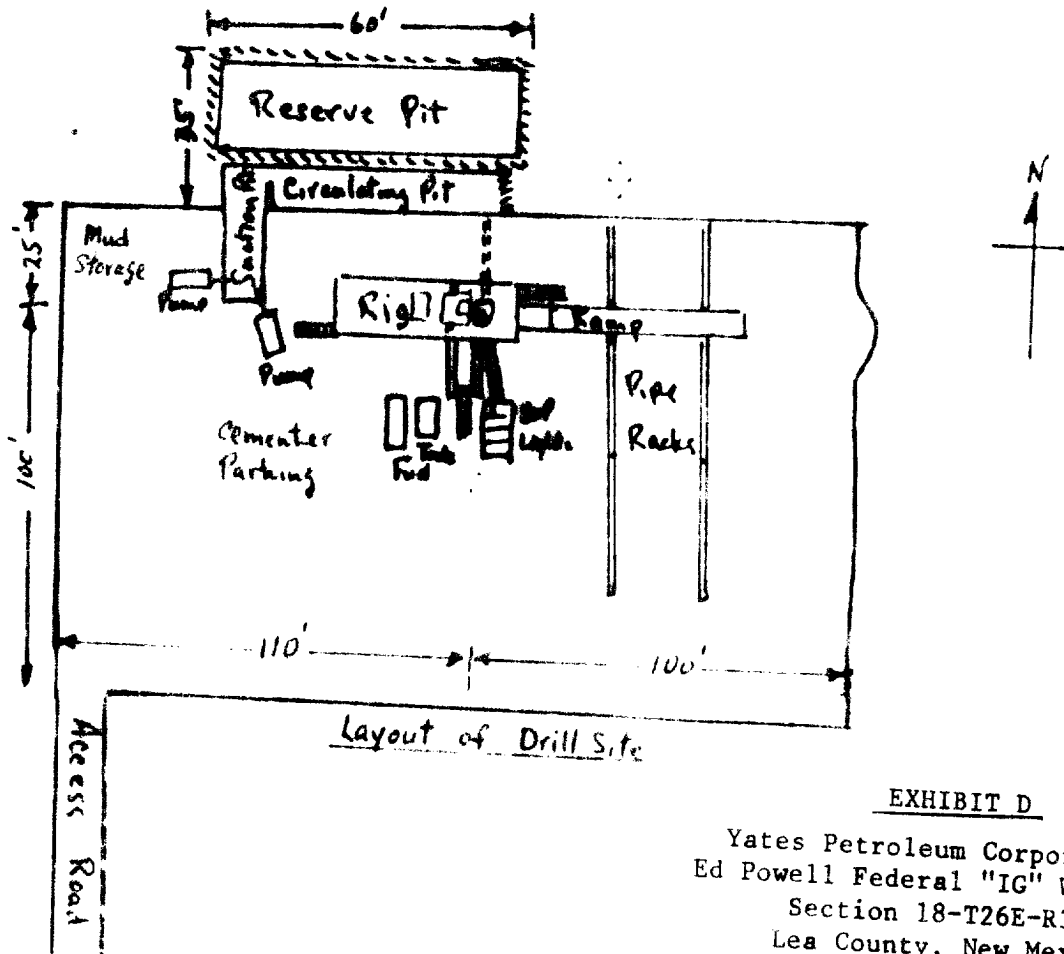
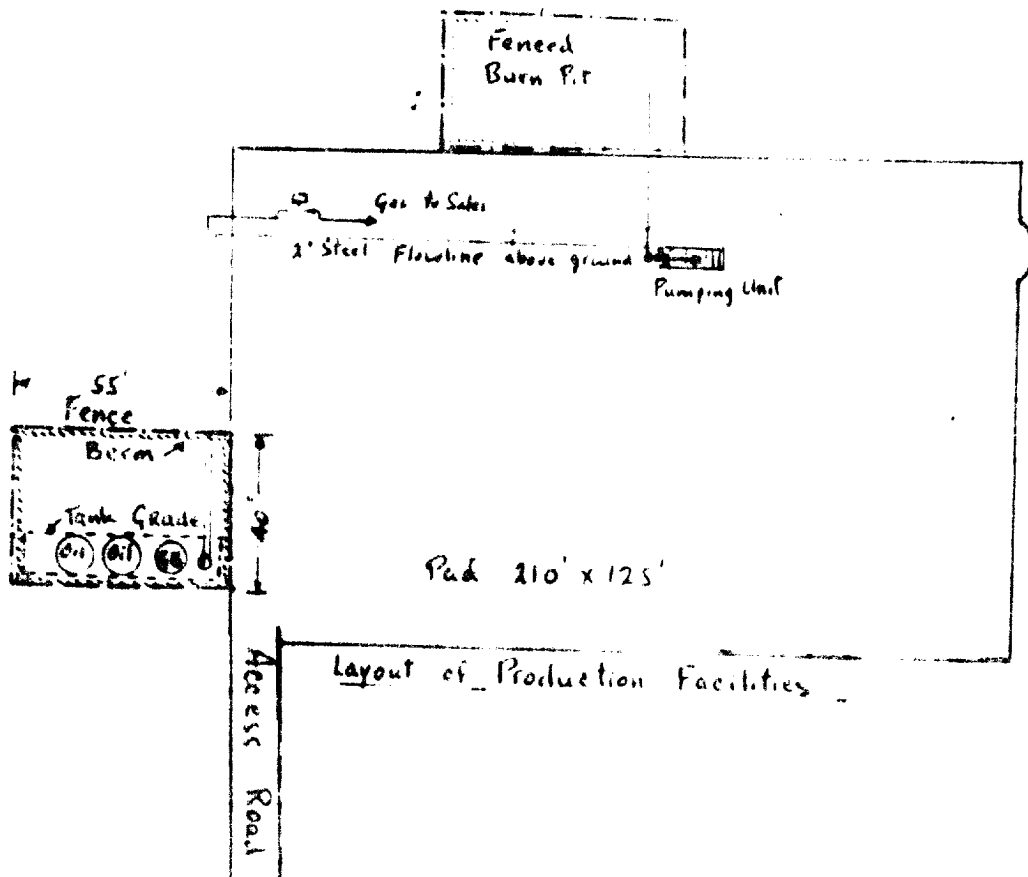
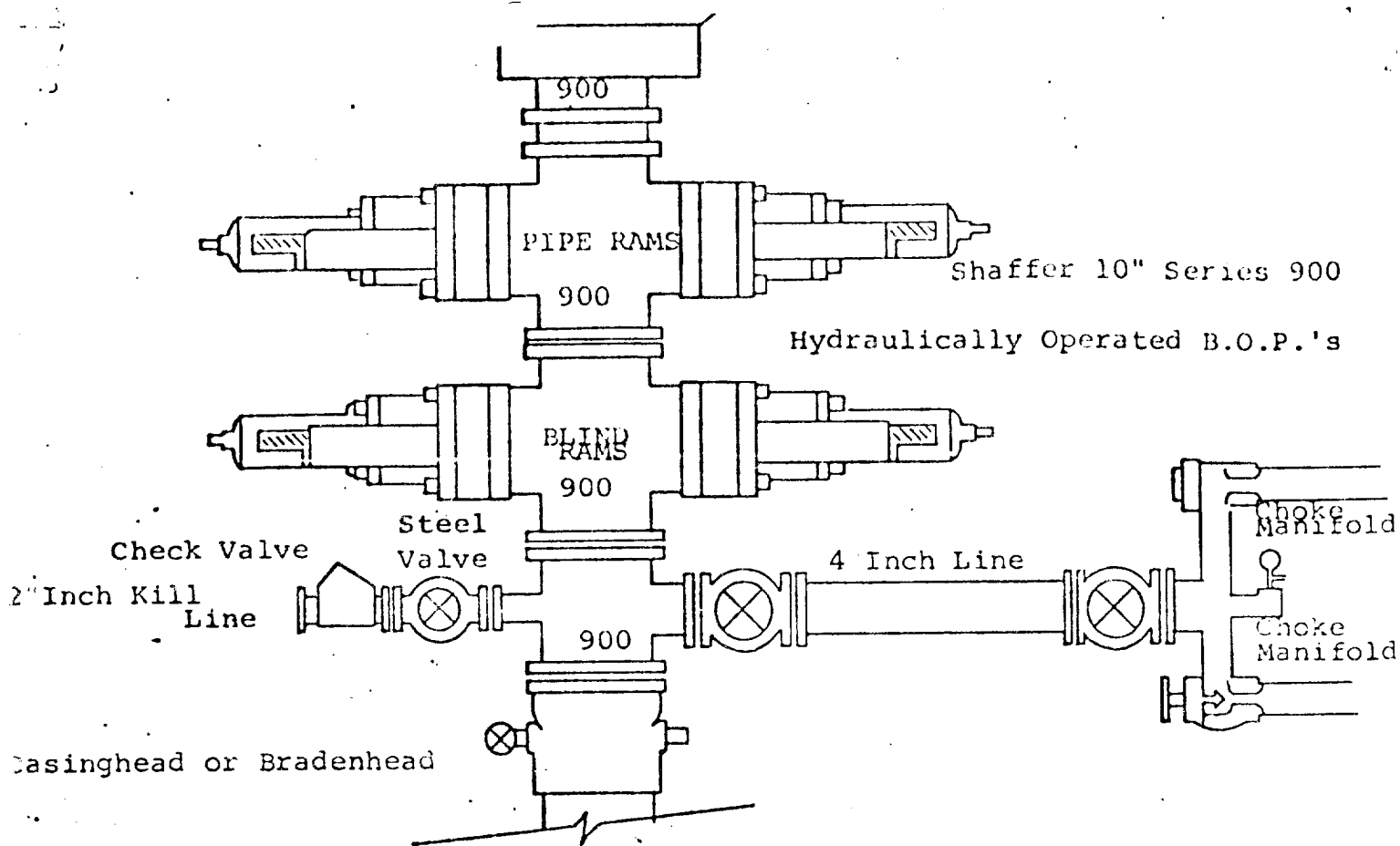


EXHIBIT D

Yates Petroleum Corporation
Ed Powell Federal "IG" Well No. 1
Section 18-T26E-R39E
Lea County, New Mexico





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. Choke outlet to be a minimum of 4" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.

EXHIBIT E

Yates Petroleum Corporation
 Ed Powell Federal "IG" Well No. 1
 Section 18-T26S-R38E
 Lea County, New Mexico



YATES BUILDING - 207 SOUTH 4TH ST.
ARTESIA, NEW MEXICO - 88210

S. P. YATES
PRESIDENT
MARTIN YATES, III
VICE PRESIDENT
JOHN A. YATES
VICE PRESIDENT
B. W. HARPER
SEC. - TREAS.

June 15, 1977

Surface Management Agency
1717 W. 2nd
Roswell, New Mexico 88201
ATTENTION: Mr. Jaime Provencio

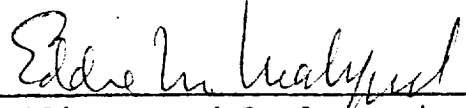
RE: Rehabilitation Agreement, Fee Surface
NWSW Sec. 18-26S-38E, Lea Co., NM

Dear Jaime:

In regards to the restoration requirements on the proposed location, Yates Petroleum Corporation - Ed Powell IG Federal No. 1, 1650/S 330/W Section 18-26S-38E, surface owner Mr. Tom Linebery of Kermit, Texas, asks only that the location be cleaned, the pits filled and levelled, and that no ripping or re-seeding is required.

Respectfully submitted,


YATES PETROLEUM CORPORATION


Eddie M. Mahfood, Engineer

EMM/pt

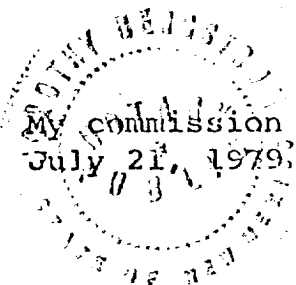
State of New Mexico)
County of Eddy) ss

Subscribed and sworn to before me this 15th day of June, A.D. 1977.


Notary Public

My commission expires:

July 21, 1979



U. S. Geological Survey

HOBBS DISTRICT

Yates Petroleum Corp.
No. 1 Ed Powell Federal "IG"
NW $\frac{1}{4}$ SW $\frac{1}{4}$ sec. 18-26S-38E
Lea County, New Mexico

Above Data Required on Well Sign

CONDITIONS OF APPROVAL

1. Drilling operations authorized are subject to compliance with the attached General Requirements for Drilling Operations on Federal Oil and Gas Leases, dated January 1, 1977.
2. Notify this office (telephone (505) 393-3612) when the well is to be spudded and in sufficient time for a representative to witness all cementing operations. Attached are names and telephone numbers of Geological Survey and Bureau of Land Management personnel who are available for consultation during construction, drilling, completion, and rehabilitation activities.
3. Immediate notice is required of all blowouts, fires, spills, and accidents involving life-threatening injuries or loss of life.
4. Secure prior approval of the District Engineer for variance from the approved drilling program and before commencing plugging operations, plug-back work, casing repair work, corrective cementing operations, or suspending drilling operations indefinitely.
5. Blowout prevention equipment is to be installed, tested, and in working order before drilling below the surface casing and shall be maintained ready for use until drilling operations are completed.
6. Operations must be in compliance with the provisions of the landowner agreement concerning surface disturbance and surface restoration.