



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

March 21, 1980

Harvey E. Yates Company
P. O. Box 1933
Roswell, New Mexico 88201

Gentlemen:

HARVEY E. YATES COMPANY Oakason Fed No. 2 1980 FSL 660 FWL Sec. 28 T.7S R.31E Chaves County Lease No. NM 15015

Above Data Required on Well Sign

Your APPLICATION FOR PERMIT TO DRILL the above-described well to a depth of 4,000 feet to test the San Andres formation is hereby approved subject to compliance with the OIL AND GAS OPERATING REGULATIONS (30 CFR 221) and the following conditions:

1. Drilling operations authorized are subject to compliance with the GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL LEASES, dated July 1, 1978.
2. Prior to commencing construction of road, pad, or other associated developments, operator will provide the dirt contractor with a copy of the SURFACE USE PLAN and this approval including the GENERAL REQUIREMENTS.
3. All access roads will be limited to a 12 foot wide driving surface, excluding turnarounds. Surface disturbance associated with road construction will be limited to 20 feet in width.
4. Submit a Daily Report of Operations from spud date until the Well Completion Report (form 9-330) is filed. The progress report should be not less than 8" x 5" in size and each page should identify the well.
5. All permanent above-ground structures and equipment shall be painted in accordance with the attached Painting Requirements. The color used should simulate Sandstone Brown (Federal Standard No. 595A, color 20318 or 30318).
6. Notify the Survey by telephone 24 hours prior to spudding well.
7. Cement behind the 8-5/8" casing must be circulated.
8. Special stipulations: No drilling between April 1st and May 31st.
9. Please have anyone contacting the Survey in regard to this well to identify the well with all of the information required above for the well sign.

Sincerely yours,

(C-10, 8-1)

George H. Stewart
Acting District Engineer

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY30-005-20737
5. LEASE DESIGNATION AND SERIAL NO.
NM-15015

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

Harvey E. Yates Company

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3. ADDRESS OF OPERATOR

P. O. Box 1933, Roswell, N. M. 88201

MAR 10 1980

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

At surface

1980' FSL & 660'

U.S. GEOLOGICAL SURVEY
ARTESIA, NEW MEXICO

At proposed prod. zone

Same

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Oakason Federal

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Cato-San Andres

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

Sec. 28, T-7S, R-31E

12. COUNTY OR PARISH

Chaves

13. STATE

N. M.

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

12 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)

660'

16. NO. OF ACRES IN LEASE

480

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.

1650'

19. PROPOSED DEPTH

4000'

20. ROTARY OR CABLE TOOLS

Rotary

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

4309.66' GL

22. APPROX. DATE WORK WILL START*

May 15, 1980

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"	23#	1400'	700 - Circulate
7-7/8"	4-1/2"	9.5#	4000'	300

BOP: Shaffer type E 10" series 900 hydraulic blowout preventer will be used.

Mud program: Fresh water native mud to 3550', mud system from 3550' to TD.

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

Harvey E. Yates

TITLE

Vice President

DATE 3-6-80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION AT

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

All distances must be from the outer boundaries of the Section

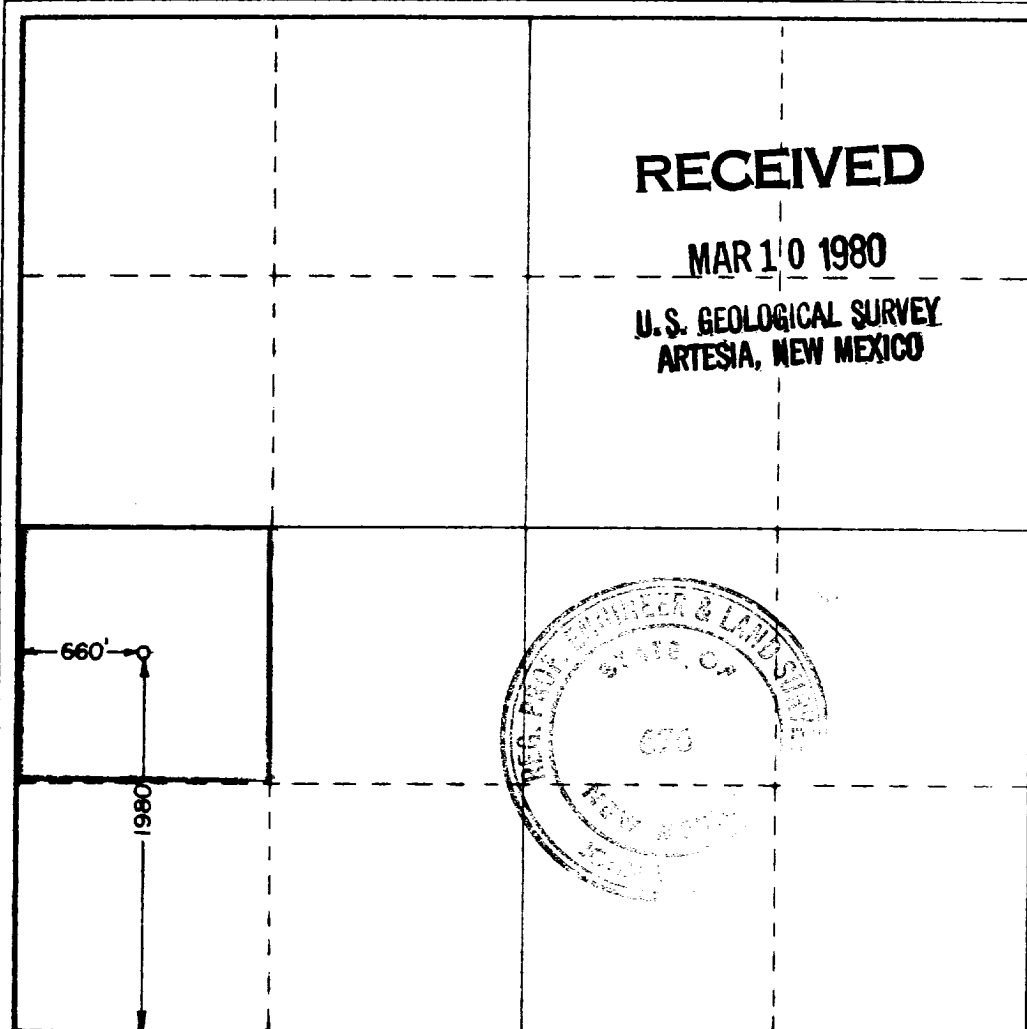
Operator: Harvey E. Yates Co.			Lease: Oakason Federal		Well No.: 2
Unit Letter: L	Section: 28	Township: 7 South	Range: 31 East	County: Chaves	
Actual Footage Location of Well: 1980 feet from the South line and 660 feet from the West line					
Ground Level Elev.: 4309.7	Producing Formation: San Andres		Pool: Cato-San Andres	Dedicated Acreage: 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.

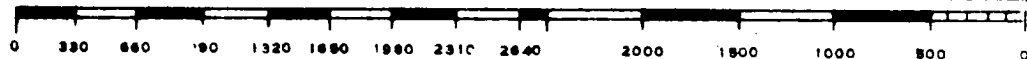
Name: *Harvey E. Yates*
Position: **Vice President**
Company: **Harvey E. Yates Company**
Date: **March 7, 1980**

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: **March 4, 1980**

Registered Professional Engineer and Land Surveyor

John W. West
Certificate No. **JOHN W. WEST 676**
PATRICK A. ROMERO 6063
Ronald J. Eidean 3239



APPLICATION FOR DRILLING

Harvey E. Yates Company
Oakason Federal #2
1980' FSL & 660' FWL
Section 28, Township 7S, Range 31E
Chaves County, New Mexico

In conjunction with Form 9-331C, Application for Permit to Drill subject well in Section 28, Township 7S, Range 31E, Chaves County, New Mexico, Harvey E. Yates Company 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 bolsun deposits and other surficial deposits.
2. The estimated tops of geologic markers are as follows:

Anhydrite	1429'
Yates	1910'
Seven Rivers	2062'
Queen	2566'
San Andres	3025'
Pi Marker	3560'
P-1	3721'
P-2	3802'
P-3	3906'
TD	4000'

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

Water - at approximately 100' or less.
Oil - San Andres, P-1, P-2 and P-3 zones.

4. Proposed casing program: See Form 9-331C.
5. Pressure control equipment: See Form 9-331C and Exhibit C.
6. Mud program: See Form 9-331C.
7. Auxiliary equipment: Blowout preventer.
8. Testing, logging and coring programs: Sidewall Neutron Density, Fracture Identification Log. Possible core in P-2 zone and P-3 zone. Possible DST in the San Andres.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval, but no later than May 15, 1980.

SURFACE USE PLAN

Harvey E. Yates Company
Oakason Federal #2
1980' FSL & 660' FWL
Section 28, Township 7S, Range 31E
Chaves County, New Mexico

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ARTESIA, NEW MEXICO

1. EXISTING ROADS:

A. Exhibit A is a portion of highway map showing the location of the proposed well. To reach this location, travel from Roswell on U. S. Highway 70 northeast towards Kenna, New Mexico approximately 25 miles. You should come to a road that is commonly known as Railroad Mountain Road. Turn east on this road and travel about 19 miles. Now there should be a road heading due south. Turn on this road and drive to a fork in the road (between 1/4 and 1/2 mile). Take the left fork and travel about 1 3/4 miles. Our proposed location is due east about 275' (to the stake).

2. PLANNED ACCESS ROADS:

A. We plan to construct approximately 120' of new road due east to our location from the existing access road. The road will be 12' X 6" compacted caliche. Please see Exhibit B for details.

3. LOCATION OF EXISTING WELLS:

A. Exhibit B shows one dry hole and one producing well in this section. The producing well is the Oakason Federal #1.

4. LOCATION OF TANK BATTERIES, ETC.:

A. At this time there are no production facilities in this section.

B. When we submitted the Application to Drill the Oakason Federal #1, we stated that the tank battery would be located on the Oakason Federal #1 drilling pad. We have changed our plans and now plan to install the tank battery on the south side of the Oakason Federal #2 location because of the accessibility of the existing access road.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Water will be obtained from commercial sources.

6. SOURCE OF CONSTRUCTION MATERIAL:

A. Caliche will be obtained from a federal pit located in the NW/4 NW/4 of section 4, township 8 south, range 31 east.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. Waste will be buried in reserve pits at a depth of 24". The well site will be cleaned of all waste and this will be done within 30 days after completion of the well.

8. ANCILLARY FACILITIES:

A. None required.

9. WELLSITE LAYOUT:

A. Please refer to Exhibit C on which is shown the configuration of a WEK Drilling Co., Inc. rig. The wellsite will need minimal cut and fill. We don't plan to line the reserve pits.

10. PLANS FOR RESTORATION OF THE SURFACE:

A. If the well is completed as a producing well, we will knock down the pits and smooth out the surface. If not productive, in addition to the above, we will level the location.

11. OTHER INFORMATION:

A. The surface is federal.

B. There are no lakes, ponds, streams, etc. in the immediate area.

C. There is no evidence of any archaeological, historical or cultural sites in the area.

D. There are no occupied dwellings or windmills in the immediate area of the wellsite.

E. The topography consists of rolling sand hills with native grasses. Usual wildlife for this area includes jackrabbits, reptiles, coyotes, etc.

12. OPERATOR'S REPRESENTATIVES:

Peck Hardee
Harvey E. Yates Company
Suite 300
Security National Bank Building
Roswell, New Mexico
Office: 505/623-6601
Mobile: 505/623-0989 #4109
Home: 505/623-8980

Craig Huber
Harvey E. Yates Company
917 South 11th
Artesia, New Mexico
Office: 505/623-6601
Mobile: 505/748-1366 #4114
Home: 505/746-4239

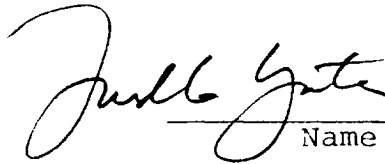
Surface Use Plan
Harvey E. Yates Company
Oakason Federal #2
Page 3

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 Harvey E. Yates Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

3/7/8

Date



Vice President

Name and Title

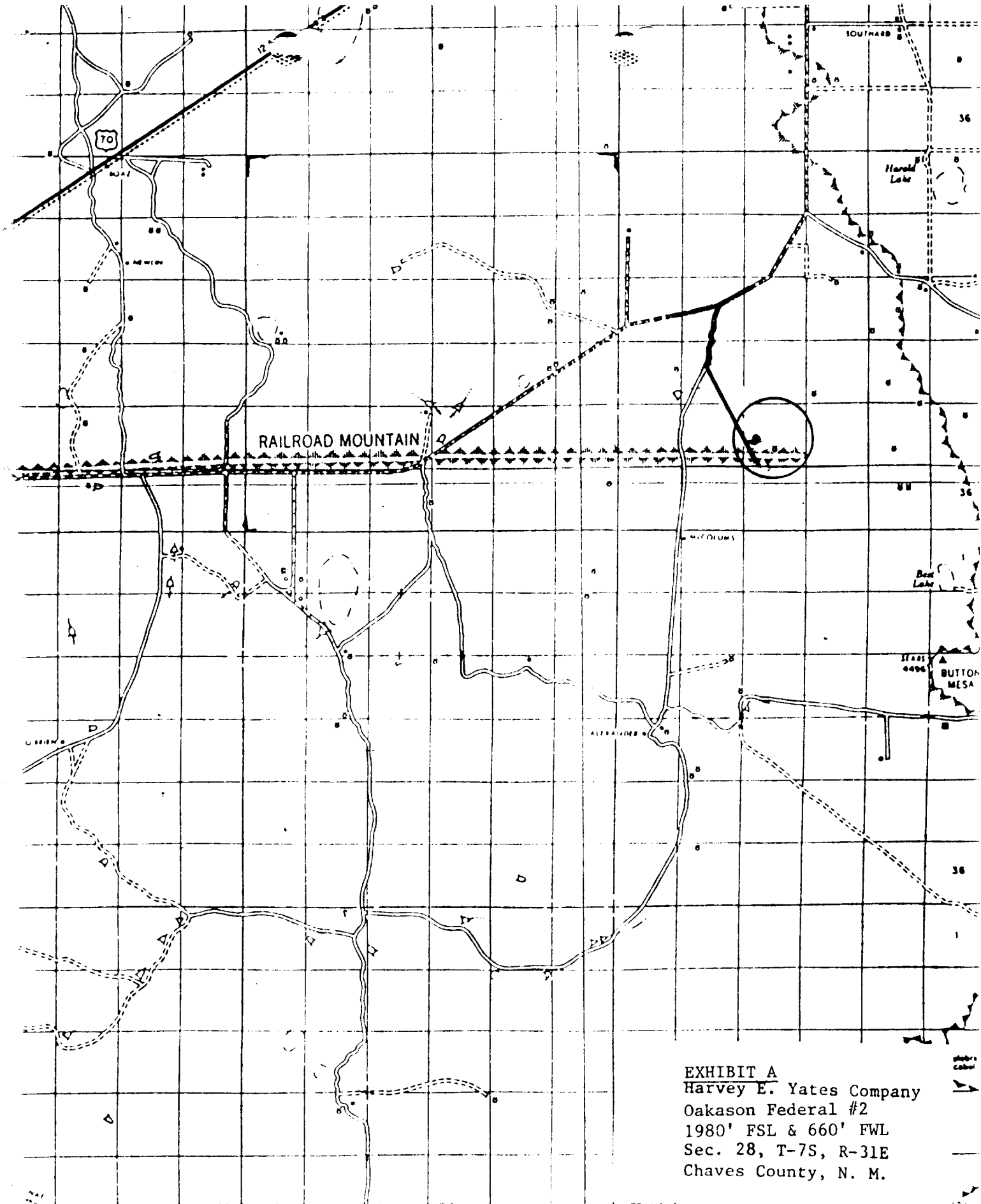


EXHIBIT A
 Harvey E. Yates Company
 Oakason Federal #2
 1980' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N. M.

Caprock - 95

R.29 E.

R.30 E.

R.31 E.

- ✓ EXISTING ROADS
- PROPOSED ROADS
- ✓ PROPOSED DRILLSITES

Longitude West from Greenwich

Scale 1" = 2 M
 1 1/2 2 3
 STATUTE MILES

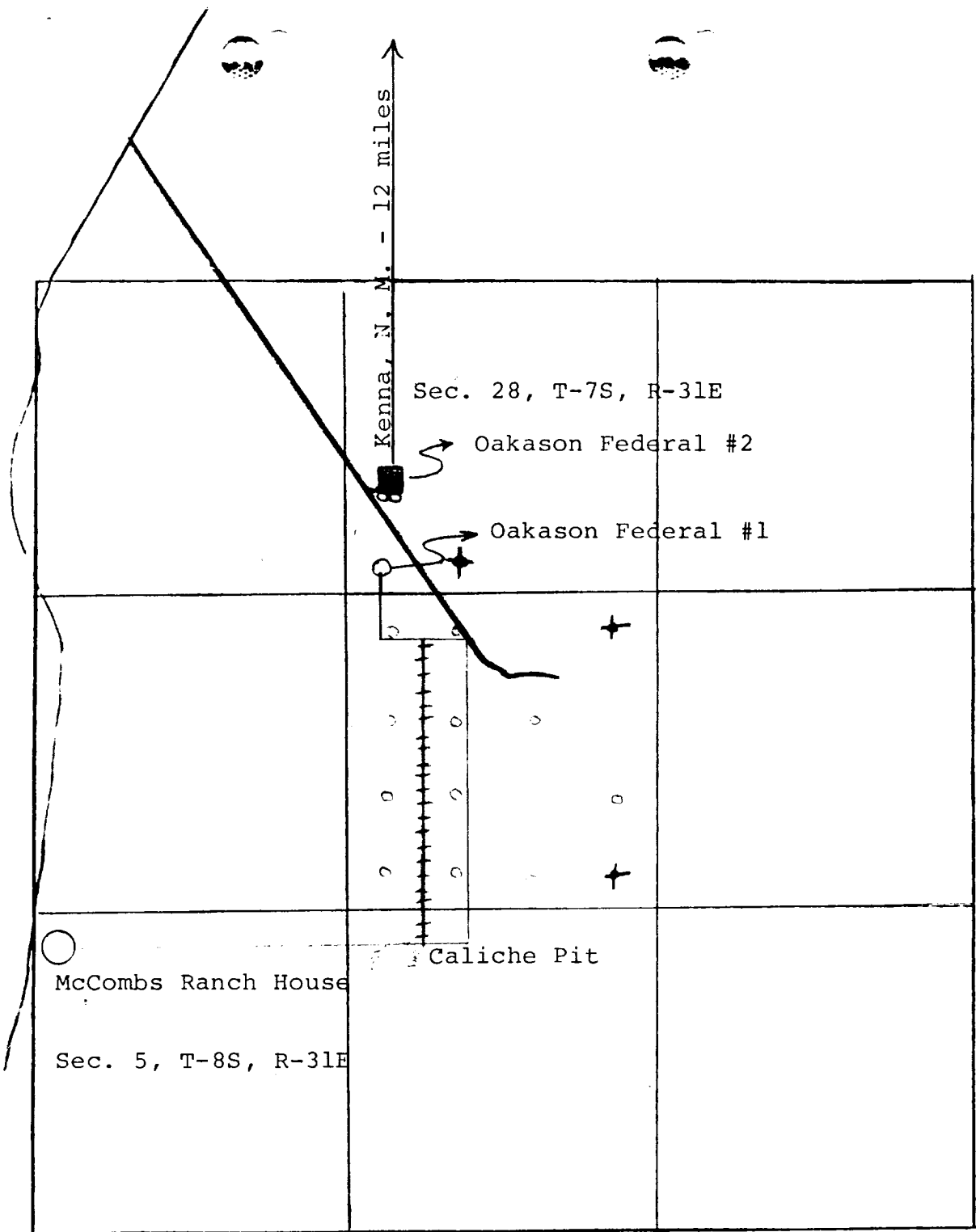
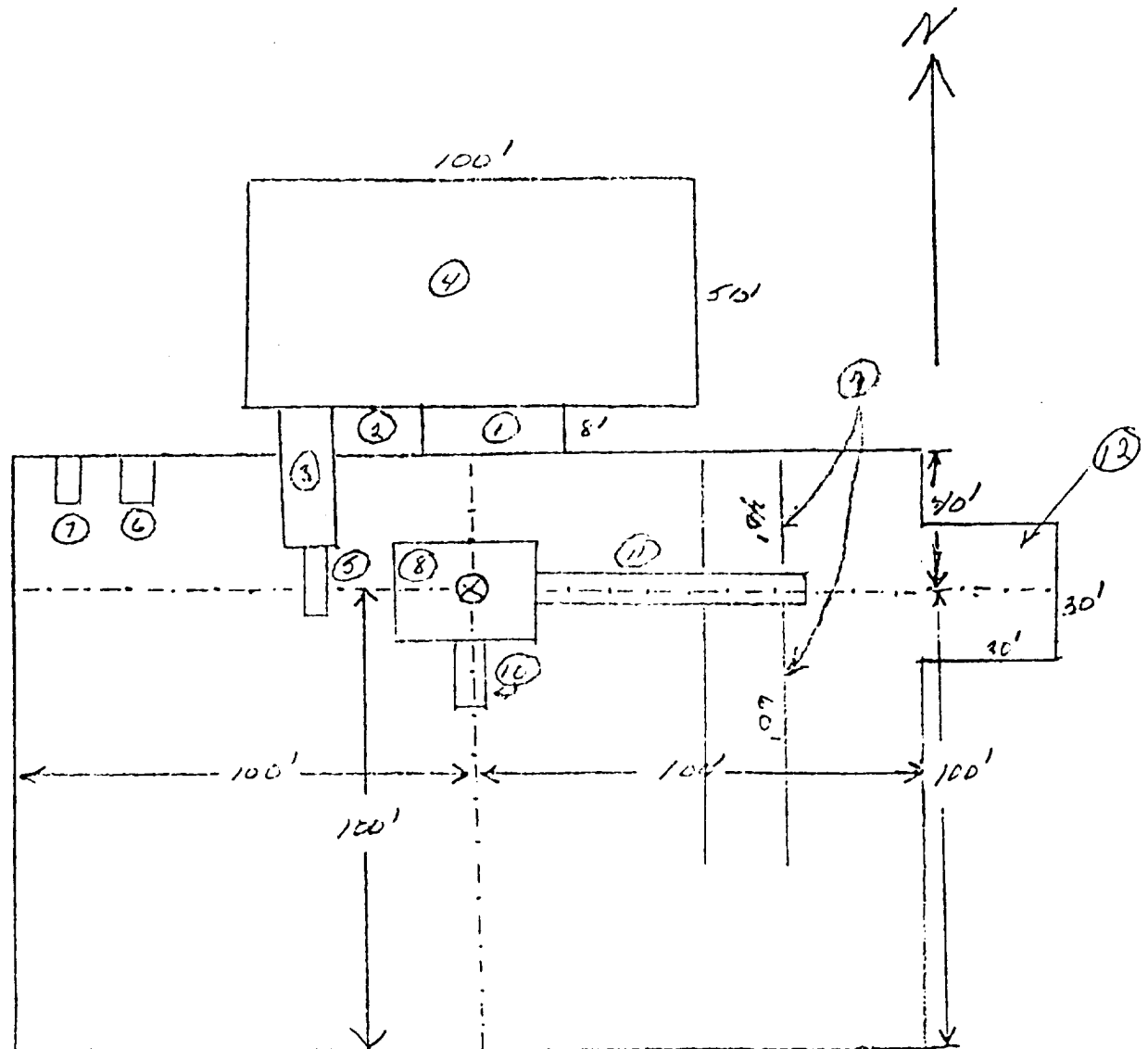


EXHIBIT B

Harvey E. Yates Company
 Oakason Federal #2
 1980' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N. M.

- ☒ EXISTING ACCESS ROADS
- ☐ PROPOSED NEW ROAD
- ☒ PROPOSED DRILLSITE
- ☐ PRODUCING WELLS
- ☒ DRY HOLES
- ☒ POWERLINES
- ☐ PROPOSED TANK BATTERY

WEK Drilling Co., Inc.



- ① Shale Pit 30' x 8'
- ② Mud Pit 20' x 8'
- ③ Suction Pit 30' x 8'
- ④ Reserve Pit 100' x 50'
- ⑤ Pump

- ⑥ Water Tank
- ⑦ Fuel Tank
- ⑧ Rig
- ⑨ Pipe Racks
- ⑩ Dog House
- ⑪ Cat Walk 60'
- ⑫ Stinger

Schaeffer Type E 10" Series 900 Hydraulic BOP. The waste and debris from this well will be disposed of in a reserve pit and covered up.

Exhibit C
 Harvey E. Yates Company
 Oakason Federal #2
 1980' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N. M.

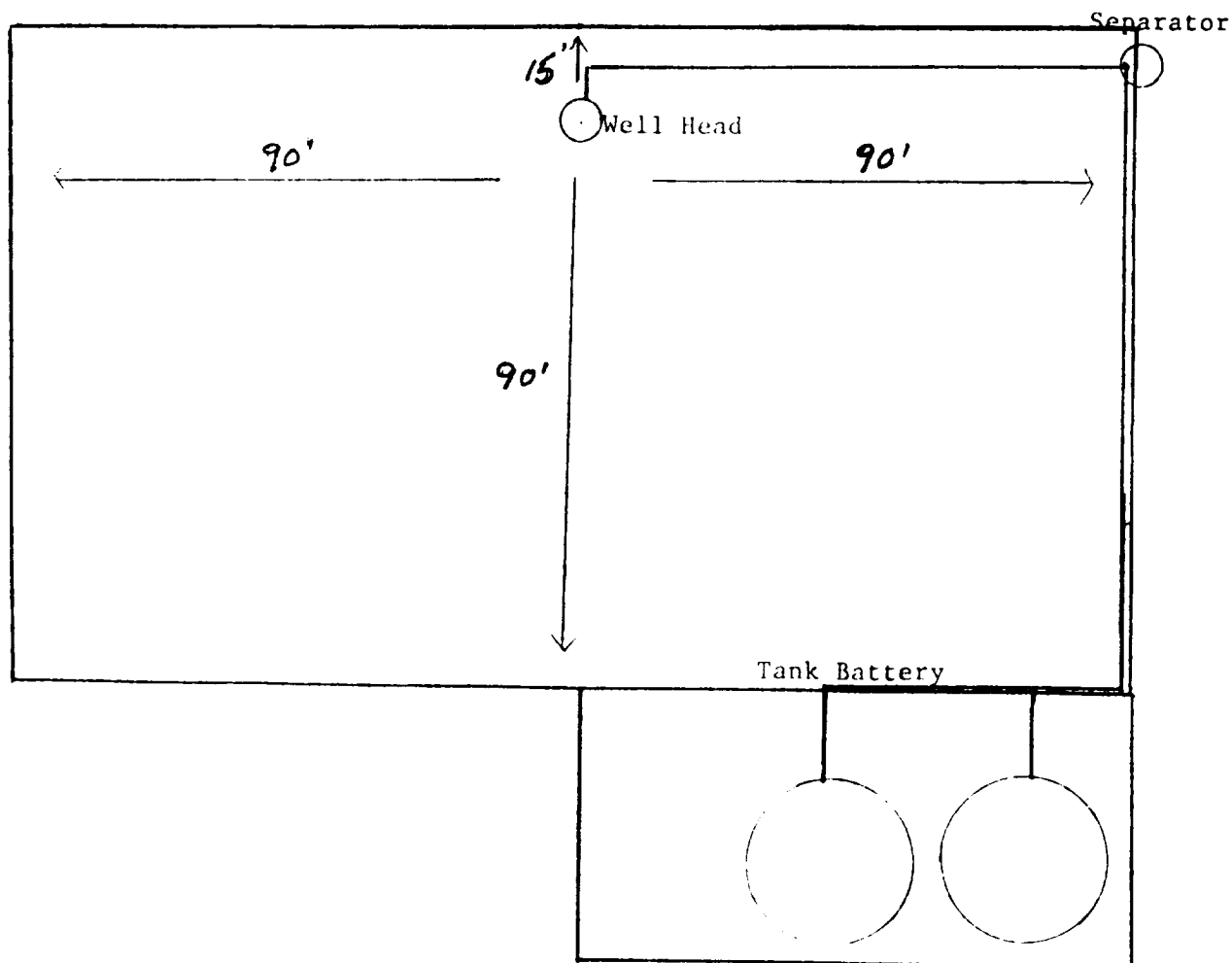


EXHIBIT D

Harvey E. Yates Company
Oakason Federal #2
1980' FSL & 660' FWL
Sec. 28, T-7S, R-31E
Chaves County, N. M.

900 Series

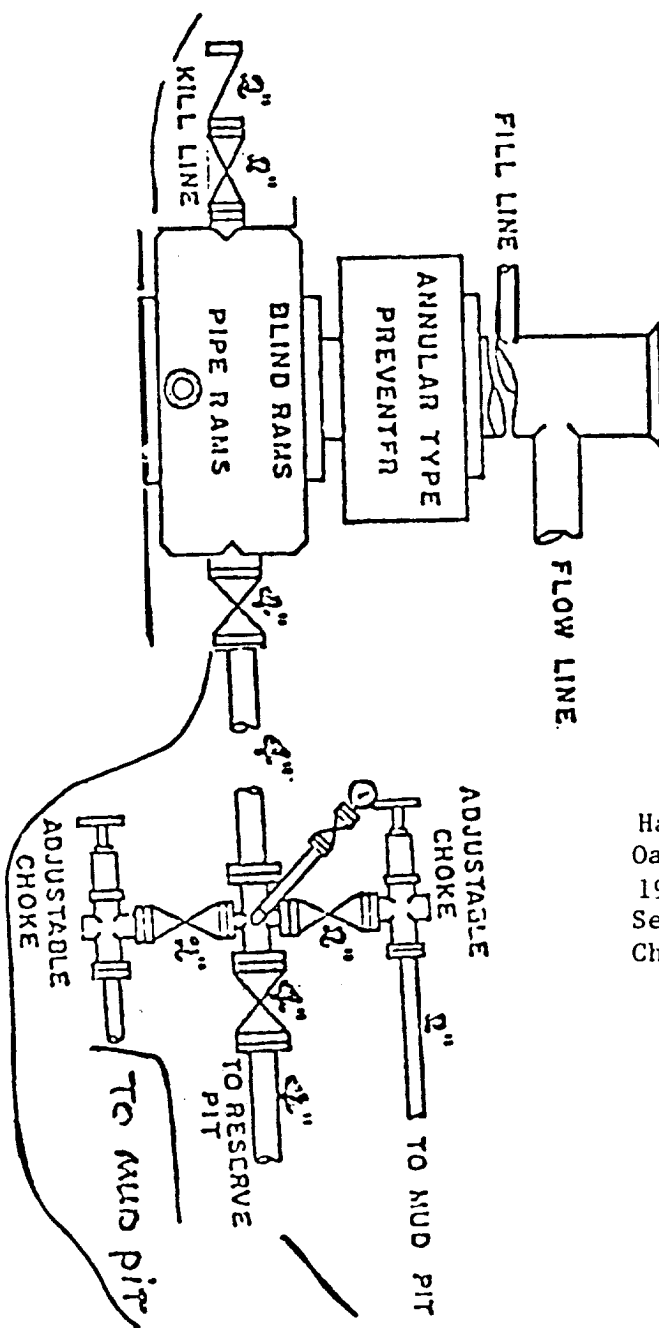


EXHIBIT "E"
 Harvey E. Yates Company
 Oakason Federal #2
 1980' FSL & 660' FWL
 Sec. 28, T-7S, R-31E
 Chaves County, N.M.

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OIL CONSERVATION DIV.

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