

N.M. Oil Cons. DIV-Dis  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

AUG 09 2004

APPLICATION FOR PERMIT TO DRILL OR REENTER

If earthen pits are used in association with the drilling of the well, an OCD pit permit must be obtained prior to pit construction.

OMB No. 1004-0136

Expires November 30, 2000

5. Lease Serial No.

NM-28297

6. If Indian, Allottee or Tribe Name

Not Applicable

7. If Unit or CA Agreement, Name and No.

Not Applicable

8. Lease Name and Well No.

Everette "OO" Federal#11

9. API Well No.

30-005-63724

10. Field and Pool, or Exploratory

Wildcat Precambrian

11. Sec., T., R., M., or Blk, and Survey or Area

Section 26-T5S-R24E

12. County or Parish

Chaves County

13. State

NM

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator

Yates Petroleum Corporation

3A. Address 105 South Fourth Street

Artesia, New Mexico 88210

3b. Phone No. (include area code)

(505) 748-1471

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface

1980' FSL and 1980' FWL, Unit K

At proposed prod. Zone

same as above

14. Distance in miles and direction from nearest town or post office\*

Approximately forty-two (42) miles northeast of Roswell, New Mexico

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)

16. No. of Acres in lease

1040

17. Spacing Unit dedicated to this well

320

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.

19. Proposed Depth

5230'

20. BLM/BIA Bond No. on file

NM-2811

21. Elevations (Show whether DF, KDB, RT, GL, etc.)

3962' GL

22. Approximate date work will start\*

ASAP

23. Estimated duration

30 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.

2. A Drilling Plan.

3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office.

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).

5. Operator certification.

6. Such other site specific information and/or plans as may be required by the authorized office.

25. Signature



Name (Printed/Typed)

Robert Asher

Date

6/22/04

Title:

Regulatory Agent

debbiec@ypcnm.com

Approved by (Signature)

10018: SGD.) ARMANDO A. LOPEZ

Name (Printed/Typed)

10018: SGD.) ARMANDO A. LOPEZ

Date

AUG 06 2004

Title

Assistant Field Manager,  
Acting Lands And Minerals

Office

ROSWELL FIELD OFFICE

Application approval 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.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on reverse)

CEMENT TO COVER ALL OIL,  
GAS AND WATER BEARING  
ZONES i.e., Glaciers  
etc.

APPROVED FOR 1 YEAR

PREVIOUSLY APPROVED

**1625 N. French Dr., Hobbs, NM 88240**

**State of New Mexico**  
**Energy, Minerals & Natural Resources Department**

Form C-102  
Revised August 15, 2000

## District II

**811 South First, Artesia, NM 88210**

**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

**Submit to Appropriate District Office**  
**State Lease - 4 Copies**  
**Fee Lease - 3 Copies**

### District III

**1000 Rio Brazos Rd., Aztec, NM 87410**

**District IV**

**1220 S. St. Francis Dr., Santa Fe, NM 87505**

☐ AMENDED REPORT

# WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number		<sup>2</sup> Pool Code	<sup>3</sup> Pool Name <b>Wildcat Precambrian</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>Everette OO Federal Com.</b>		<sup>6</sup> Well Number <b>11</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>		<sup>9</sup> Elevation <b>3962'</b>

### <sup>10</sup> Surface Location

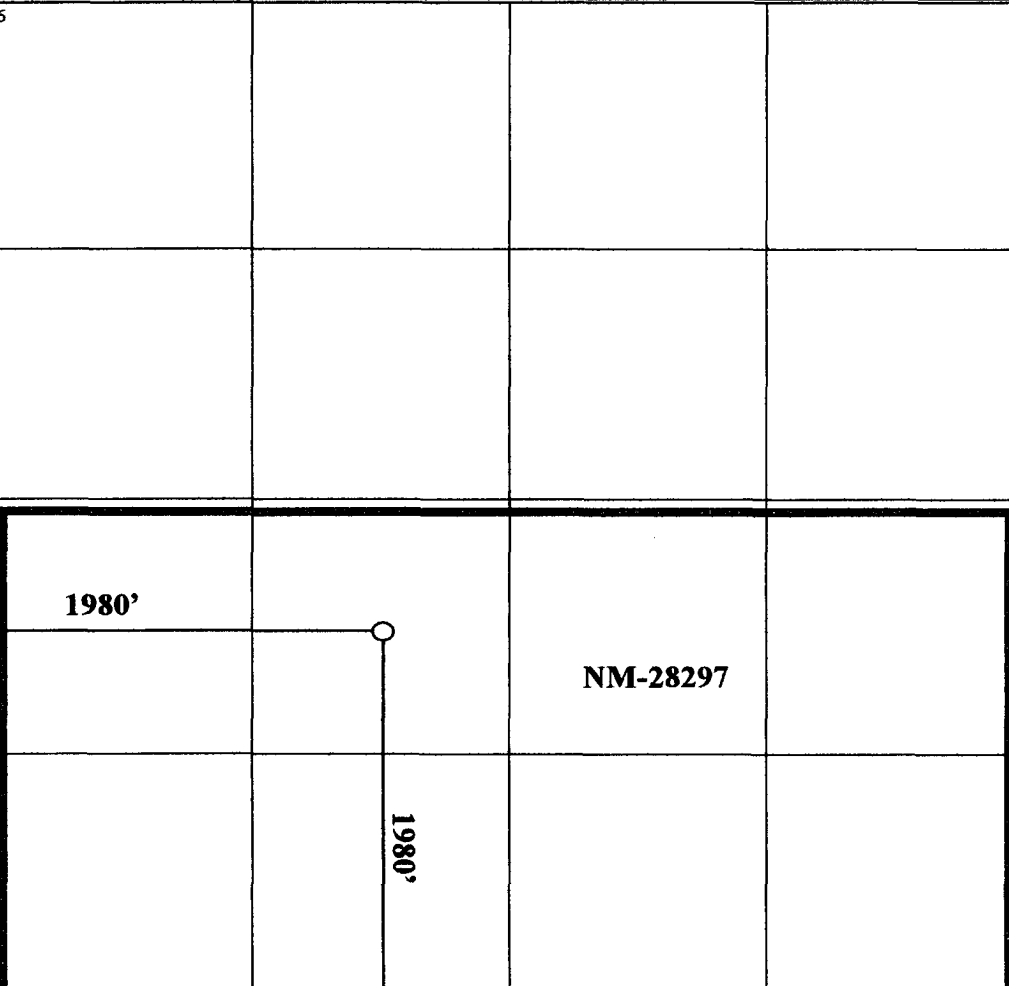

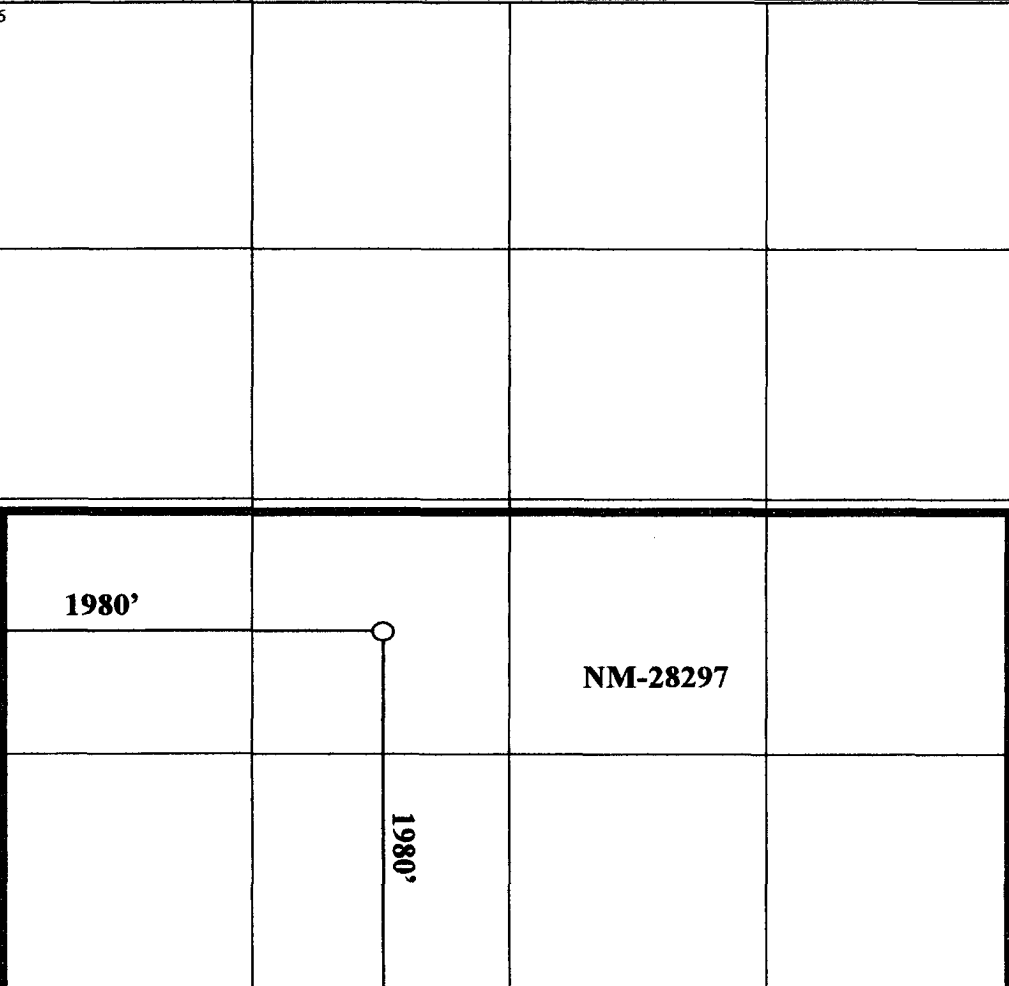
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	26	5S	24E		1980	South	1980	West	Chaves

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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<sup>12</sup> Dedicated Acres <b>320-S/2</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

				<b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature	
				<b>Robert Asher</b> Printed Name	
				<b>Regulatory Agent</b> Title	
				<b>06/22/2004</b> Date	
				<b>18 SURVEYOR CERTIFICATION</b> <i>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 belief.</i> <b>REFER TO ORIGINAL PLAT</b>	
				Date of Survey	
				Signature and Seal of Professional Surveyor:	
				Certificate Number	

1625 N. French Dr., NM 88240  
DISTRICT II  
811 South First, Artesia, NM 88210

Energy, Minerals and Natural Resources Department

Revised March 17, 1999  
Instruction on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410  
DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87508

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name Wildcat Precambrian
Property Code	Property Name EVERETTE "OO" FEDERAL COM.	Well Number 11
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3962

**Surface Location**

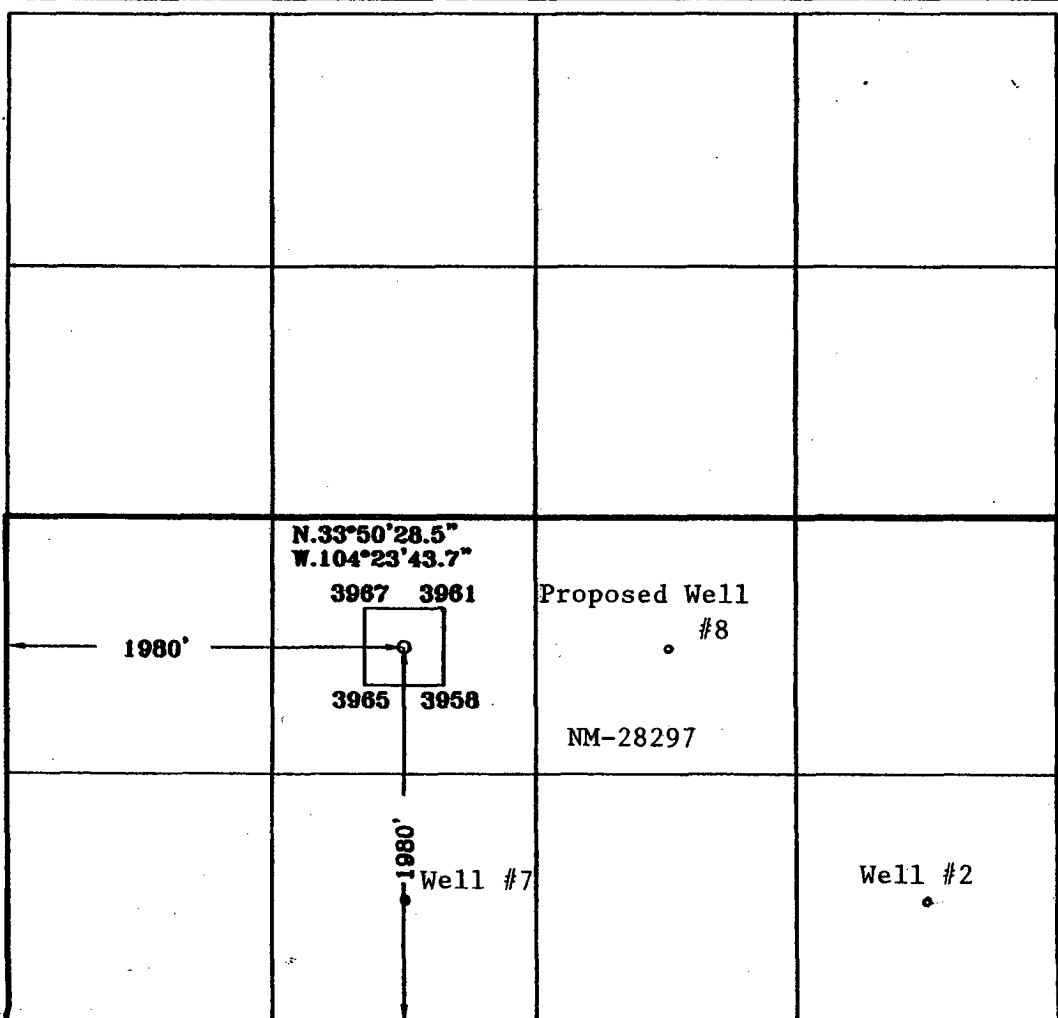
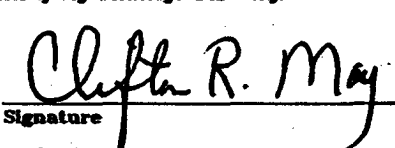

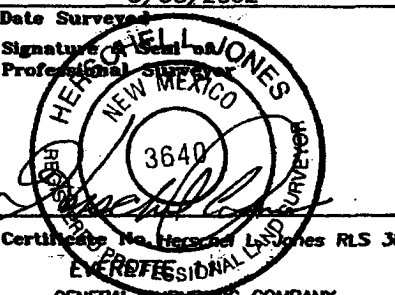
UL or lot No. K	Section 26	Township 5S	Range 24E	Lot Idn	Feet from the 1980	North/South line SOUTH	Feet from the 1980	East/West line WEST	County CHAVES
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**Bottom Hole Location If Different From Surface**

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No.
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**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

				<b>OPERATOR CERTIFICATION</b>  I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.   Signature  Clifton R. May Printed Name  Regulatory Agent Title  3/12/02 Date	
				<b>SURVEYOR CERTIFICATION</b>  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 belief.  3/05/2002 Date Surveyed   Signature Professional Surveyor   Certificate No. Herschel L. Jones RLS 3640 EVERETT PROFESSIONAL SURVEYING COMPANY GENERAL SURVEYING COMPANY	

**YATES PETROLEUM CORPORATION**  
**Everette "OO" Federal #11**  
1980' FSL and 1980' FWL  
Section 26-T5S-R24E  
Chaves County, New Mexico

1. The estimated tops of geologic markers are as follows:

San Andres	610'
Glorieta	1485'
Yeso	1595'
Tubb	2995'
Abo	3620'
Wolfcamp	4340'
Basement - Granite	5130'
TD	5230'

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

Water: 150'-200'  
Oil or Gas: All potential zones.

3. Pressure Control Equipment: BOPE will be installed on the 11 3/4" casing and rated for 2000 BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings, which are set and cemented in place. Blowout Preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

**Auxiliary Equipment:**

- A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

- A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Coupling</u>	<u>Interval</u>
14 3/4	11 3/4"	42#	H-40	ST&C	0-900'
11	8 5/8"*	24#	J-55	ST&C	0-1500'
7/7/8"	5 1/2"	15.5#	J-55	ST&C	0-5230'

\*8 5/8" will only be set if lost circulation is encountered

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
2. Yates Petroleum Corporation requests that a variance be granted in requiring the casing and BOPE to be tested to 2000 PSI to testing the casing and BOPE to 1000 PSI. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 1000 PSI. We would have to go to the greater expense of hiring an independent service to do the testing. Also, the bottom hole pressure in this field is proven to be near 2200 PSI. Shut-in pressure at the surface is less than 1000 PSI. We feel that a 1000 PSI test will demonstrate that the BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well.

A. CEMENTING PROGRAM:

Surface Casing: 200 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C"  
+ 2% CaCL<sub>2</sub> (YLD 1.32 WT 15.6).

Intermediate Casing: 250 sx Lite "C" (YLD 2.0 WT 12.0. Tail in with 200 sx Class C+2%  
CaCl<sub>2</sub> (YLD 1.32 WT 14.8)

Production Casing: 550 sx Pecos Valley Lite (YLD 1.34 WT 13.0). TOC 3100'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-900'	FW GEL,Paper,LCM	8.6 - 9.0	32-36	N/C
900'-1500'	Cut Brine	8.6 – 9.0	29	N/C
1500'-3590'	Brine	10.0 – 10.2	28	N/C
3590'-TD	Salt Gel/Starch/Oil/LCM	9.0-9.8	34-45	<10CC

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from under surface casing.

Logging: Platform Express CNL/LDT, W/NGT TD –Surf csg; with GR/CNL up to Surf:  
DLL/MS FL TD-Surf csg; BHC Sonic TD-Surf csg

Coring: None

DST's: As warranted.

7. ABNORMAL CONDITIONS, BOTTOM HOLE PRESSURE, AND POTENTIAL HAZARDS:

Anticipated BHP:

From: 0	TO: 900'	Anticipated Max. BHP: 375 PSI
From: 900'	TO: 5230'	Anticipated Max. BHP: 2200 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

H<sub>2</sub>S Zones Anticipated: None Anticipated

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 25 days to drill the well with completion taking another 20 days.

**1980' FSL and 1980' FWL**  
**Section 26-T5S-R24E**  
**Chaves County, New Mexico**

This plan is submitted with Form 3160-3, 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 the 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 the BLM map showing the well and roads in the vicinity of the proposed location. The proposed well site is located approximately 42 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

**DIRECTIONS:**

Go north of Roswell on Highway 285 for approx. 26 miles to Dona Anna Road. Turn east and go approx. 10 miles to Mapco Pipeline Road. Turn south and go approx. 0.7 of a mile to left turn to Everette #7. The new road will start here on the #7 and go north 0.2 miles to the SW corner of the pad.

**2. PLANNED ACCESS ROAD:**

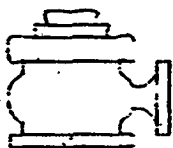
- A. The proposed new access will be approximately 1300' in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a northerly direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. Existing roads will be maintained in the same or better condition as it is found.
- D. One cattle guard will be required.

**3. LOCATION OF EXISTING WELL:**

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

**4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:**

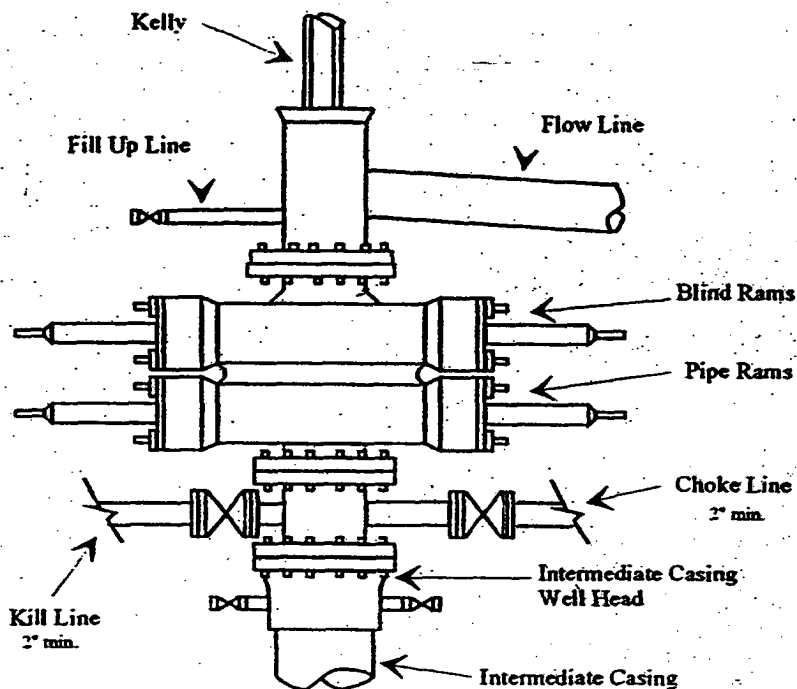
- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.



# Yates Petroleum Corporation

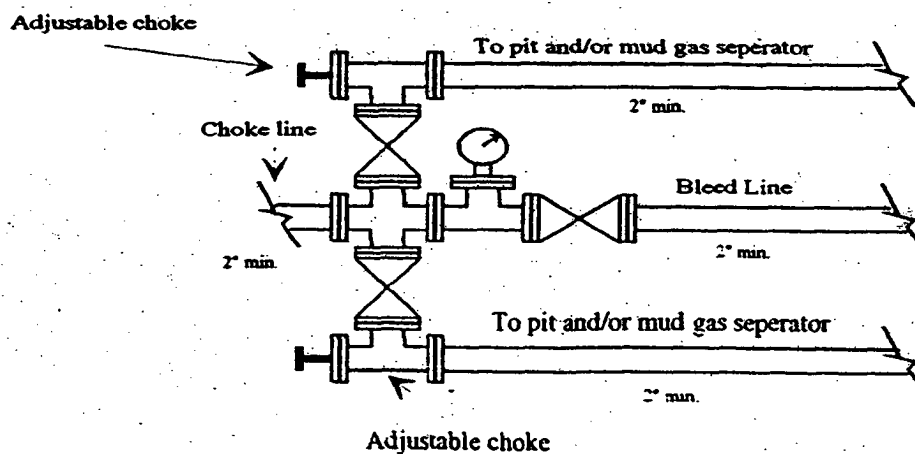
BOP-2

## Typical 2,000 psi Pressure System Schematic Double Ram Preventer Stack



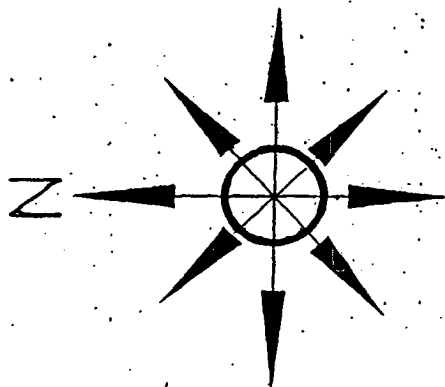
Yates Petroleum Corporation  
Everette "OO" Federal #11  
1980' FSL & 1980' FWL, Unit K  
Section 26-T5S-R24E  
Chaves County, New Mexico  
Exhibit "B"

Typical 2,000 psi choke manifold assembly with at least these minimum features

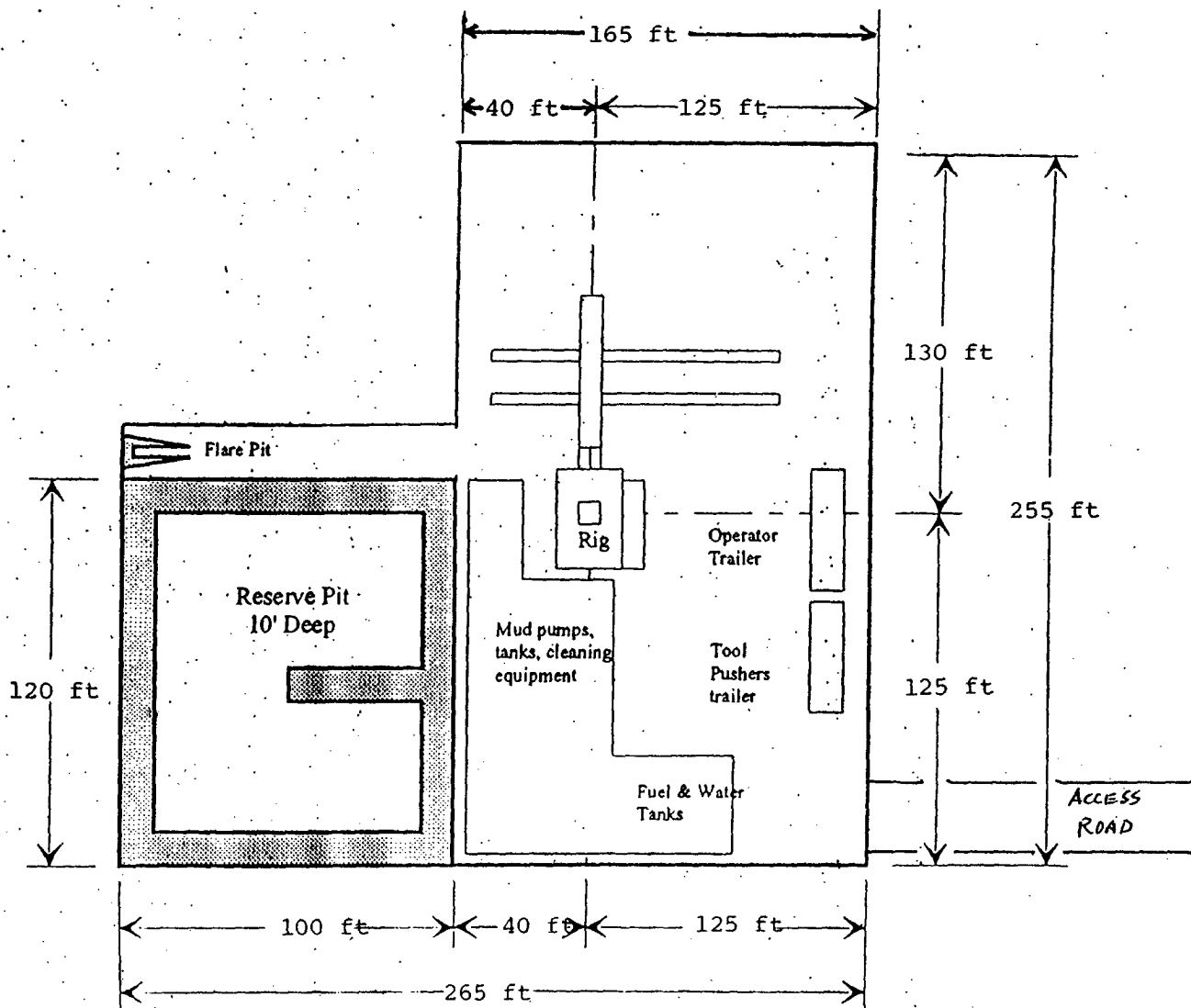


# Yates Petroleum Corporation

## Location Layout for Permian Basin



Yates Petroleum Corporation  
 Everett "OO" Federal #11  
 1980' FSL & 1980' FWL, Unit K  
 Section 26-T5S-R24E  
 Chaves County, New Mexico  
 Exhibit "C"



Distance from Well  
 Head to Reserve Pit  
 will vary between rigs



