

EC

OCD-ARTESIA

Form 3160-3
(August 1999)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: ☒ DRILL ☐ REENTER		5. Lease Serial No. NMNM04560
1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES DRILLING COMPANY		7. If Unit or CA Agreement, Name and No.
Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		8. Lease Name and Well No. PECOS RIVER DEEP UNIT 9
3a. Address 105 SOUTH FOURTH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. 30-015-32864
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW 660FSL 1650FWL At proposed prod. zone SESW 660FSL 1650FWL		10. Field and Pool, or Exploratory MCMILLAN McNown, North
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 20 MILES SOUTH OF ARTESIA, NM.		11. Sec., T., R., M., or Bk. and Survey or Area Sec 28 T19S R27E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'	16. No. of Acres in Lease 400.00	12. County or Parish EDDY
17. Spacing Unit dedicated to this well 640.00 320	13. State NM	20. BLM/BIA Bond No. on file
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2640'	19. Proposed Depth 10800 MD	21. Estimated duration 45 DAYS
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3471 GL	22. Approximate date work will start	

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. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 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). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 05/22/2003
Title REGULATORY AGENT		
Approved by (Signature) /s/ LESLIE A. THEISS	Name (Printed/Typed) /s/ LESLIE A. THEISS	Date JUL 02 2003
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify 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.

APPROVAL FOR 1 YEAR

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.

Additional Operator Remarks (see next page)

Electronic Submission #22201 verified by the BLM Well Information System
For YATES DRILLING COMPANY, sent to the Carlsbad
committed to AFMSS for processing by Linda Askwig on 05/27/2003 (03LA0529AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

District I
1825 N. French Dr. Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources

OIL CONSERVATION DIVISION

2040 South Pacheco
Santa Fe, N M 87505

Form C-102

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		McMillan Morrow
Property Code	Property Name	Well Number
	PECOS RIVER DEEP UNIT	9
OGRID No.	Operation Name	Elevation
025575	YATES DRILLING COMPANY	3471

Surface Location

UL or Lot No.	Section	Township	Range	Lot Idn.	Feet from the	North/South line	Feet from the	East/West line	County
N	28	19 S	27 E		660	SOUTH	1650	WEST	EDDY

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

Dedicated Acres	Joint or Infill	Consolidation Code	Order No.
640			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTEREST HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

NM-026114		NM-04560	OPERATOR CERTIFICATION I HEREBY CERTIFY THAT THE INFORMATION HEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. Signature <i>Cy Cowan</i> Printed Name Cy Cowan Title Regulatory Agent Date May 2, 2003	
NM-0192530	NM-04560	NM-04510		SURVEYOR CERTIFICATION 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. APRIL 8, 2003 Date of Survey Signature and Seal of Professional Surveyor <i>Don R. Reddy</i> NM 4PEAPS 45402 Certificate Number
NM-04510	NM-04510	NM-04560		
NM-04510 1650'	NM-04560 660'	NM-04510		

YATES DRILLING COMPANY
Pecos River Deep Unit #9
 660' FSL and 1650' FWL
 Section 28, T19S-R27E
 Eddy County, New Mexico

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

Queen	960'	Strawn	9510'
San Andres	1880'	Atoka	9720'
Bone Spring Lime	5510'	Morrow Clastics	10250'
3 rd Bone Springs Lime	7460'	Lower Morrow	10360'
Wolfcamp	7390'	TD	10800'
Cisco Canyon	8330'		

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

Water: 200' - 300'
 Oil or Gas: All potential zones

3. **Pressure Control Equipment:** BOPE will be installed on the 9 5/8" casing and rated for 5000 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>Thread</u>	<u>Interval</u>	<u>Length</u>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-400'	400'
12 1/4"	9 5/8"	36#	J-55	ST&C	0-2800'	2800'
8 3/4"	5 1/2"	17#	L-80	LT&C	0-900'	900'
8 3/4"	5 1/2"	17#	J-55	LT&C	900'-2000'	1100'
8 3/4"	5 1/2"	15.5#	J-55	LT&C	2000'-6200'	4200'
8 3/4"	5 1/2"	17#	J-55	LT&C	6200'-8000'	1800'
8 3/4"	5 1/2"	17#	L-80	LT&C	8000'-9400'	1400'
8 3/4"	5 1/2"	17#	HCP-110	LT&C	9400'-10800'	1400'

Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8

Pecos River Deep Unit #9

Page 2

B. CEMENTING PROGRAM:

Surface casing: 500 sx Class 'C' + 2% CaCl₂(YLD 1.32 WT 14.0).

Intermediate casing: Lead with 700 sx Lite (YLD 2.0 WT 12.5) Tail in w/200 sx Class C + 2% CaCl₂ (YLD 1.32 WT 14.8).

Production Casing: TOC 7300', Lead w/750 sx Super 'C' (YLD 1.63 WT 13.0)

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
Spud to 400'	FW Gel/Paper	8.4-8.8	32-40	N/C
400'-2800'	Fresh Water	8.4	28	N/C
2800'-9650'	Cut Brine	8.6-9.6	28	N/C
9650'-10800'	S Gel/KCL/Starch/Driscap	9.6-10.0	32-38	<12cc

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' out from under intermediate casing to TD.

Logging: Platform Express/HALS/NGT.

Coring: None anticipated.

DST's: As Warranted.

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0	TO 400'	Anticipated Max. BHP:	175	PSI
From: 400'	TO 2800'	Anticipated Max. BHP:	1225	PSI
From: 2800'	TO 10800'	Anticipated Max. BHP:	5600	PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 189° F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 30 days to drill the well with completion taking another 15 days.

YATES DRILLING COMPANY

105 South 4th Street

Artesia, NM 88210

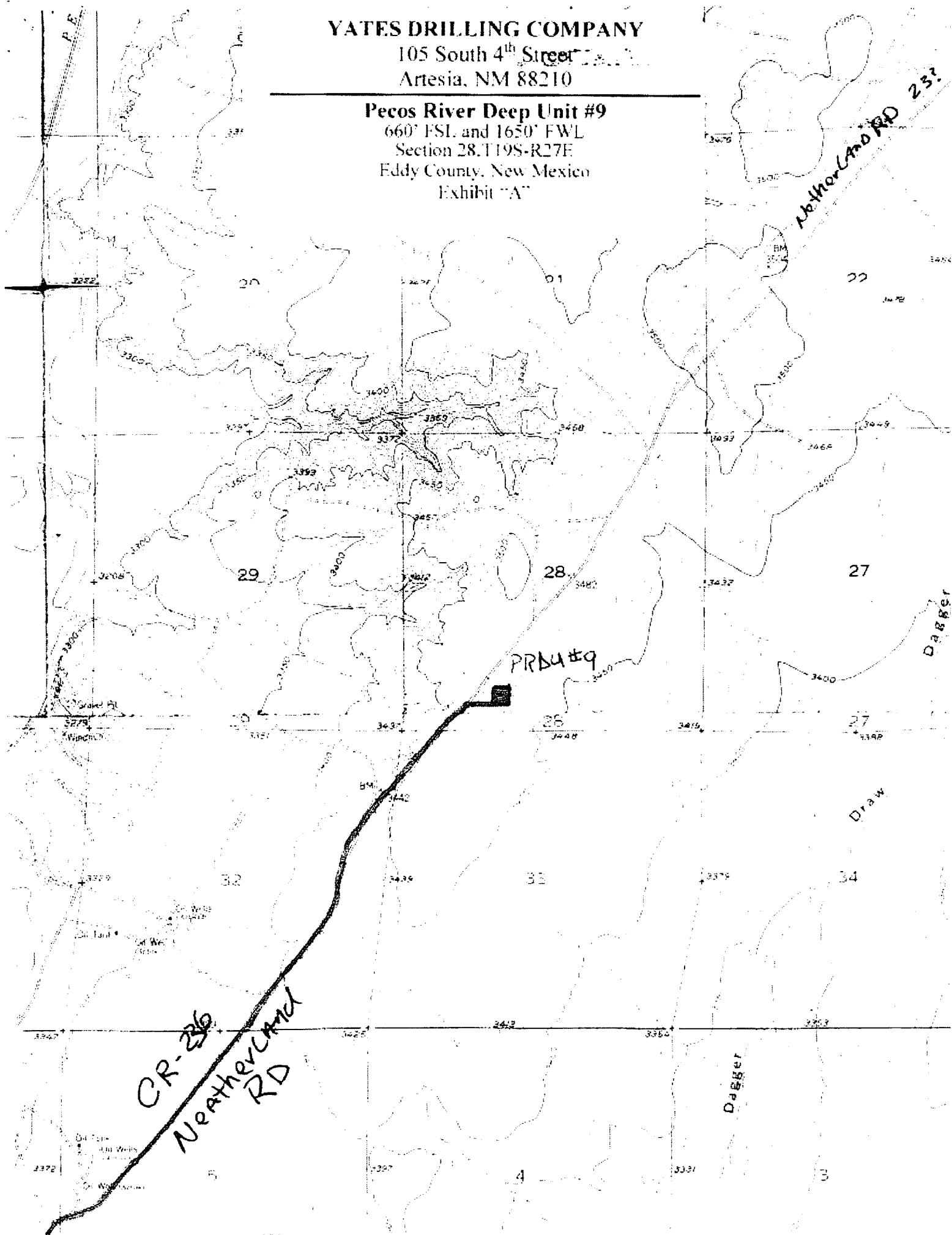
Pecos River Deep Unit #9

660' FSL and 1650' FWL

Section 28.T19S-R27E

Eddy County, New Mexico

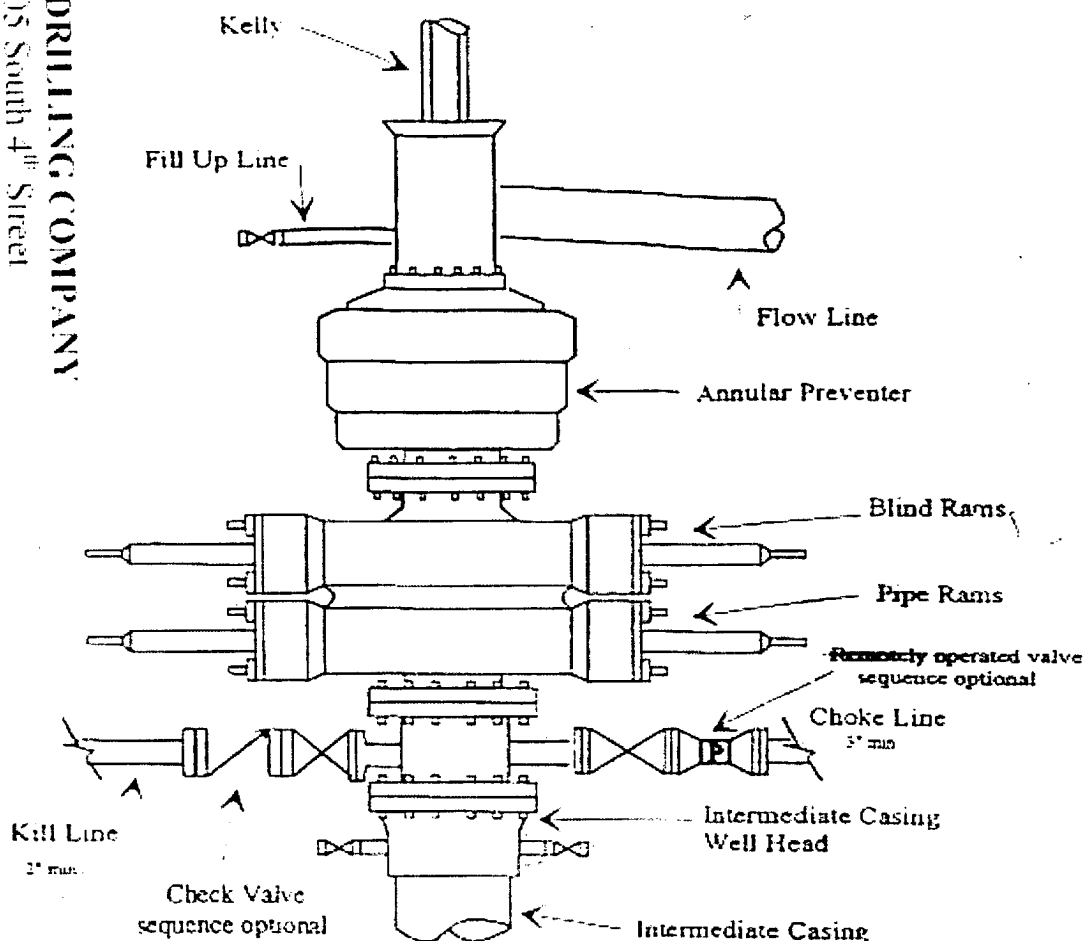
Exhibit "A"



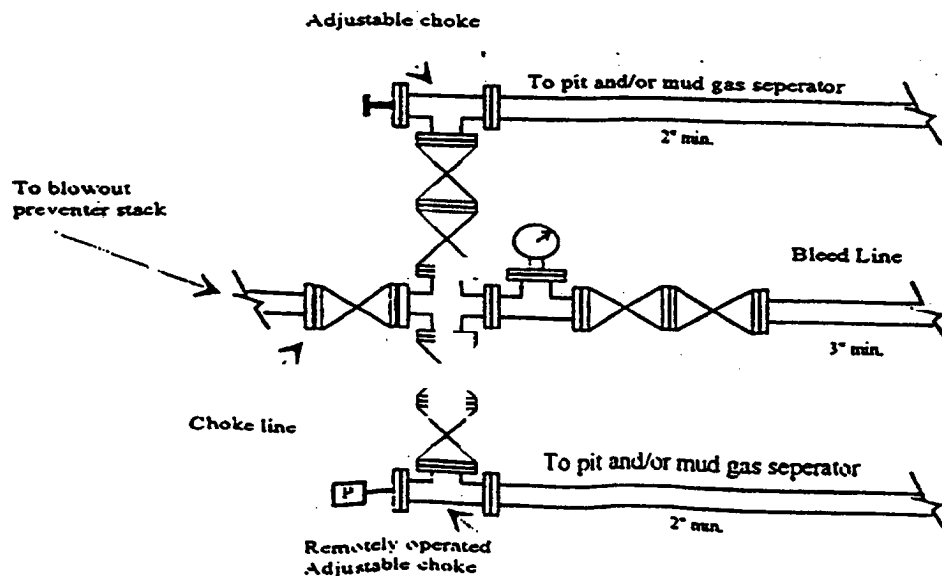
YATES DRILLING COMPANY

BOP-4

Typical 5,000 psi Pressure System Schematic Annular with Double Ram Preventer Stack



Typical 5,000 psi choke manifold assembly with at least these ~~minimum~~ features



YATES DRILLING COMPANY

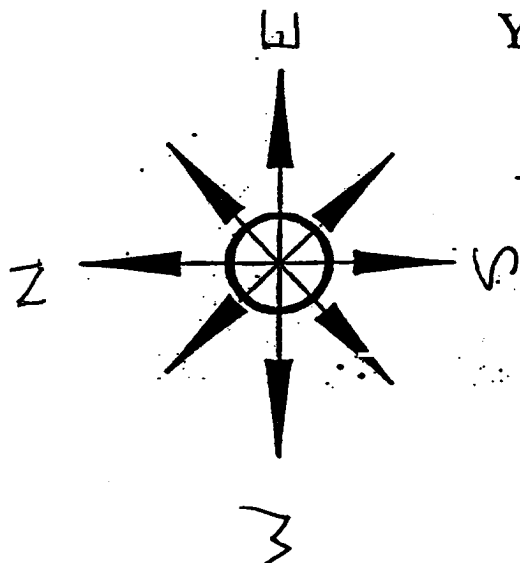
Location Layout for Permian Basin
Up to 12,000'

YATES DRILLING COMPANY

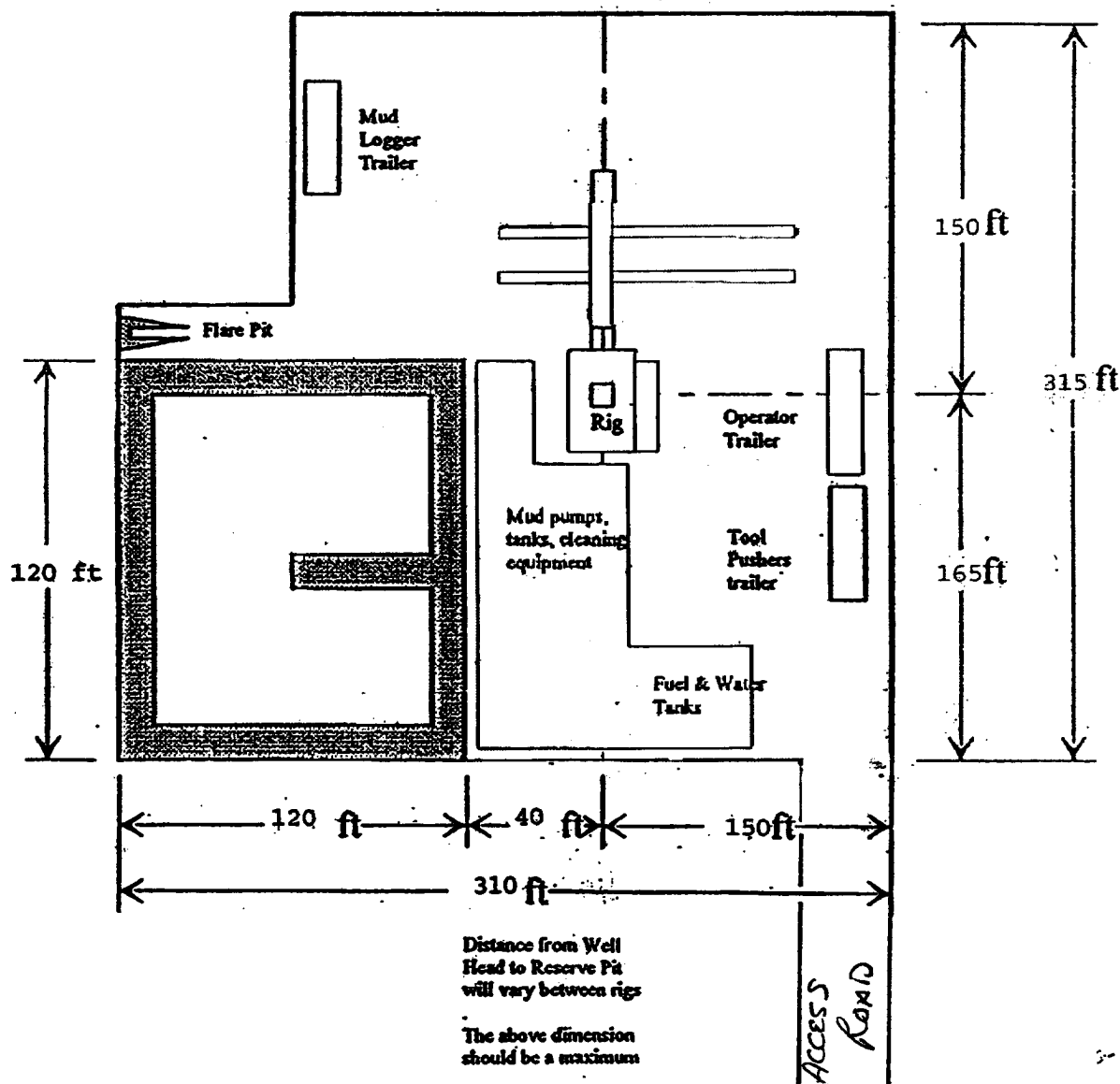
105 South 4th Street
Artesia, NM 88210

Pecos River Deep Unit #9

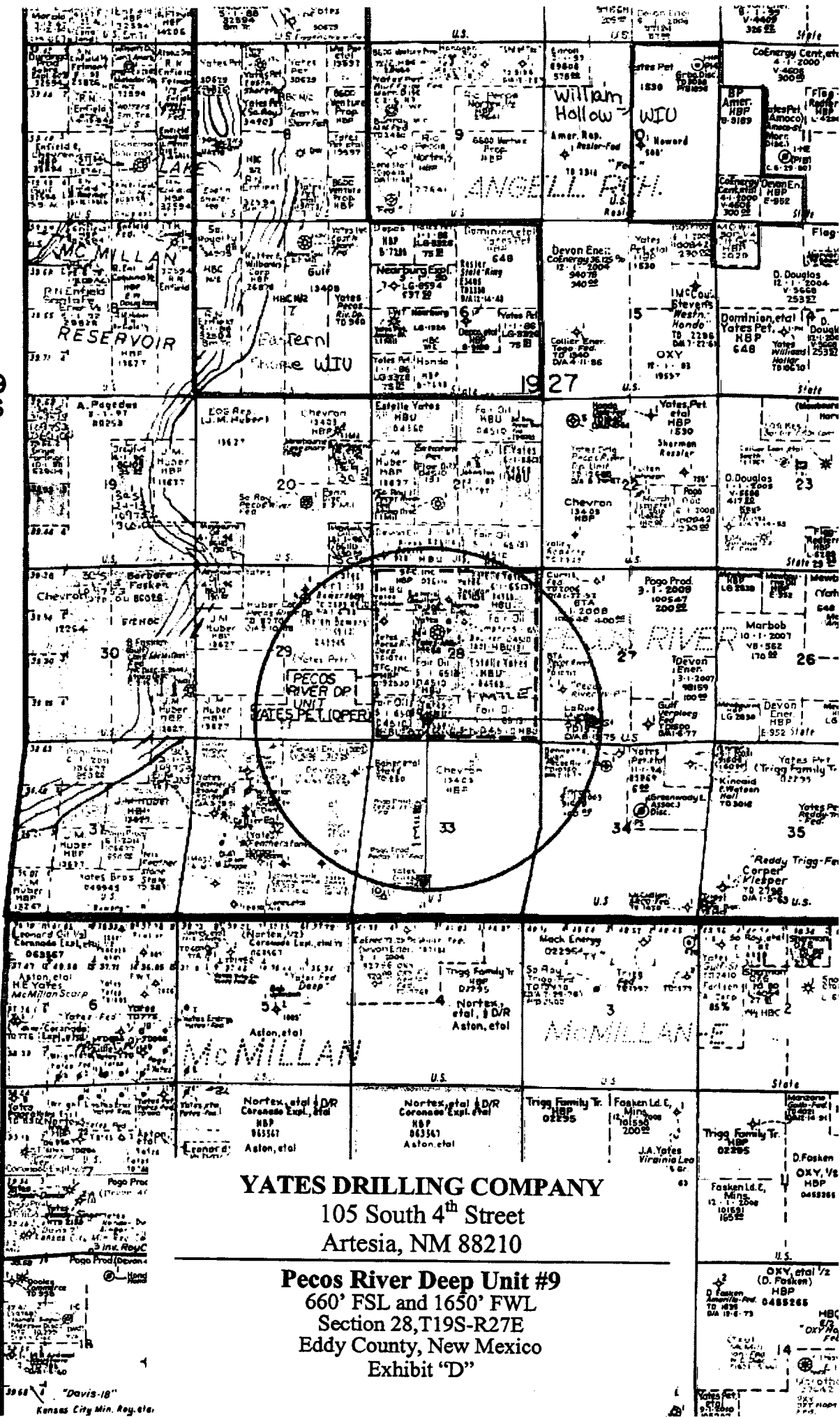
660' FSL and 1650' FWL
Section 28, T19S-R27E
Eddy County, New Mexico
Exhibit "C"



PITS TO THE NORTH



T
19
S



YATES DRILLING COMPANY

105 South 4th Street
Artesia, NM 88210

Pecos River Deep Unit #9
660' FSL and 1650' FWL
Section 28, T19S-R27E
Eddy County, New Mexico
Exhibit "D"

T

2961 "Davis-18"
Kansas City Min. Reg. etc.

District I
1625 N. French Dr., Hobbs, NM 88240

District II
1301 W. Grand Avenue, Artesia, NM 88210

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

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505



Form C-102

Revised August 15, 2000
Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name McMillan Morrow North	
⁴ Property Code		⁵ Property Name Pecos River Deep Unit			⁶ Well Number 9
⁷ OGRID No. 025513		⁸ Operator Name YATES DRILLING COMPANY			⁹ Elevation 3471'

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
N	28	19S	27E		660'	South	1650'	West	Eddy

¹¹ 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

¹² Dedicated Acres 320	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

NM-026114				¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Cy Cowan</i> Signature Cy Cowan Printed Name Regulatory Agent Title July 10, 2003 Date	
NM-0192530 NM-04560					
NM-04510				¹⁸ SURVEYOR CERTIFICATION 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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	
NM-04510 1650' NM-04560 660'					