

OCD-ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

EC

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
BLM No. 10040136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC028990B
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator YATES PETROLEUM CORPORATION		7. If Unit or CA Agreement, Name and No.
Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		8. Lease Name and Well No. CREEK AL FEDERAL COM. 20
3a. Address 105 S 4TH STREET ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. 30-015-32886
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SENE 1980FNL 1200FEL At proposed prod. zone SENE 1980FNL 1200FEL (H) Secretary's Potash		10. Field and Pool, or Exploratory CULBERTSON
14. Distance in miles and direction from nearest town or post office APPROXIMATELY 8 MILES SW OF LOCO HILLS, NM		11. Sec., T., R., M., or Bk. and Survey or Area Sec 25 T18S R30E Mer NMP SME: BLM
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 120'	16. No. of Acres in Lease 560.00	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 2000'	19. Proposed Depth 12250 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3588 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00
24. Attachments		20. BLM/BIA Bond No. on file
		23. Estimated duration 45 DAYS
CAPITAN CONTROLLED WATER BASIN		

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 05/16/2003
Title REGULATORY AGENT		
Approved by (Signature) /s/ Janice L. Gambay	Name (Printed/Typed) Janice L. Gambay	Date 9 JUL 2003
Title ACTING STATE DIRECTOR	Office NM STATE 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.

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.

APPROVAL FOR 1 YEAR

Additional Operator Remarks (see next page)

Electronic Submission #21932 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Linda Askwig on 05/16/2003 (03LA0518AE)

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

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

DISTRICT I
1625 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 87506

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

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 Morrow
Property Code	Property Name	Well Number
	CREEK "AL" FEDERAL COM.	20
OGRID No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3588

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	25	18S	30E		1980	NORTH	1200	EAST	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.						
320									

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-028990-B	NM-025507	NM-028990-B
		1980'
		3585' 3587'
		1200'
		3575' 3579'
		N.32°43'12.8"
		W.103°55'43.6"

OPERATOR CERTIFICATION

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

Cy Cowan

Signature

Printed Name

Regulatory Agent

Title

May 2, 2003

Date

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.

4/16/2003

Date Surveyed

Signature of Hei-Lo Jones

Professional Surveyor

HEI-LO JONES

NEW MEXICO

3640

Certification No. Hei-Lo Jones RLS 3640

CREEK 20

PROFESSIONAL LAND SURVEYOR

GENERAL SURVEYING COMPANY

0 330' 660' 990' 1650' 1980' 2310' 2310' 1980' 1650' 990' 660' 330' 0'

YATES PETROLEUM CORPORATION
Creek AL Federal Com. #20
 1980' FNL & 1200' FEL
 Section. 25 -T18S-R30-E
 Eddy County, New Mexico

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

Rustler	485'	Dolomite	8300'
Tansill	1800'	Wolfcamp	9570'
Yates	1910'	Strawn	10750'
Seven Rivers	2350'	Atoka	11075'
Queen	3075'	Morrow	11470'
Grayburg	3560'	Chester	12120'
Delaware	4600'	TD	12250'
Bone Spring	5820'		

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

Water: Approx 250' - 350'
 Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 9 5/8" casing and rated for 3000 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>	<u>Length</u>	
WITNESS	17 1/2"	13 3/8"	48#	H-40	ST&C	0-700'	700'	WITNES
	12 1/4"	9 5/8"	36#	J-55	ST&C	0-4000'	4000'	
	8 3/4"	7"	29#	P-110	LT&C	0-100'	100'	
	8 3/4"	7"	26#	L-80	LT&C	100'-8600'	8500'	
	8 3/4"	7"	26#	HCP-110	LT&C	8600'-11000'	2400'	
	8 3/4"	7"	29#	P-110	LT&C	11000'-12250'	1250'	

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

B. CEMENTING PROGRAM:

Surface casing: 400 sx Lite (YLD 2.0 WT 12.5) Tail in w/ 250 sx Class "C"
+ 2% CaCL₂ (YLD 1.32 WT 14.8).

Intermediate Casing: Lead with 1100 sx Lite (YLD 2.0 WT 12.5); Tail in w/250 sx Class "C"
+ 2% CaCL₂ (YLD 1.32 WT 14.8).

Production Casing: TOC-3500'; Lead with 600 sx Lite (YLD 2.0 WT. 12.5). Tail in w/ 500 sx
Super "C" (YLD 1.62 WT 13.2)

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-700'	FW Gel/Paper	8.6-9.0	32-36	N/C
700'-4000'	Brine	10.0-10.2	28	N/C
4000'-11000'	Cut Brine	8.8-9.5	28	N/C
11000'-12250'	S Gel/Starch/Drispac/KCL	9.5-10.0	32-40	<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: 30' samples to 5000'. 10' samples 5000' to TD.

Logging: Platform HALS

Coring: Sidewall cores as warranted.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 700'	Anticipated Max. BHP:	300	PSI
From: 700'	TO: 4000'	Anticipated Max. BHP:	1700	PSI
From: 4000'	TO: TD	Anticipated Max. BHP:	6100	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None

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 PETROLEUM CORPORATION

105 South 4th Street

Artesia, NM 88210

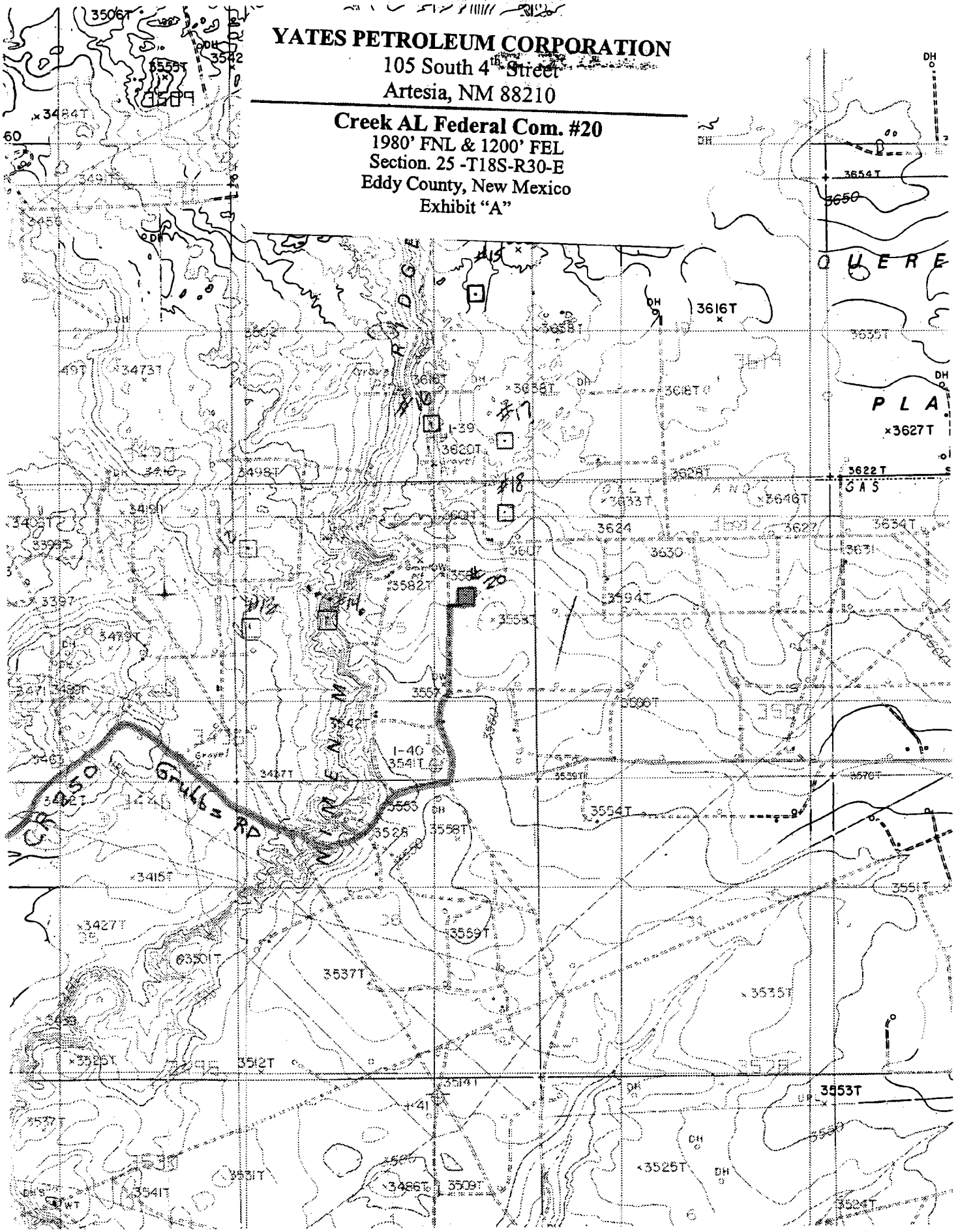
Creek AL Federal Com. #20

1980' FNL & 1200' FEL
Section 25. T125 FNL

Section. 25 -T18S-R30-E

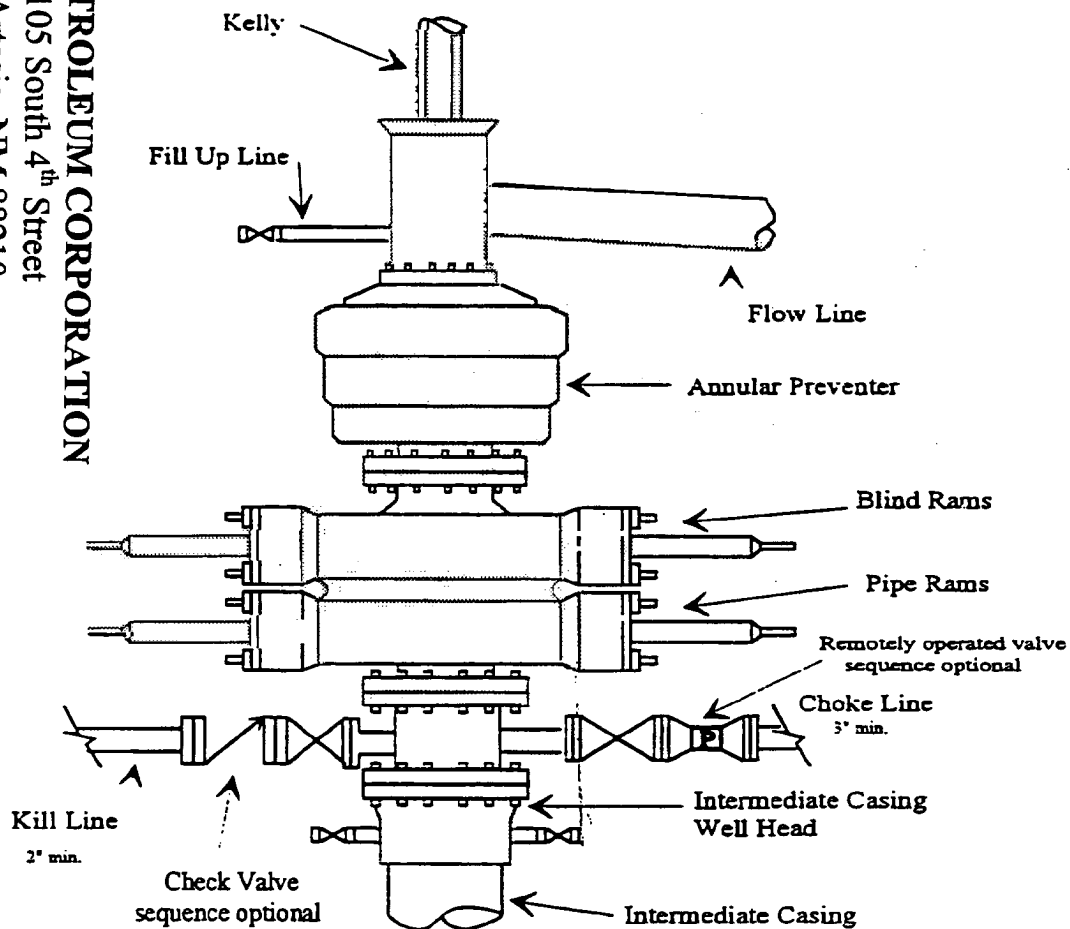
Eddy County, New Mexico

Exhibit "A"

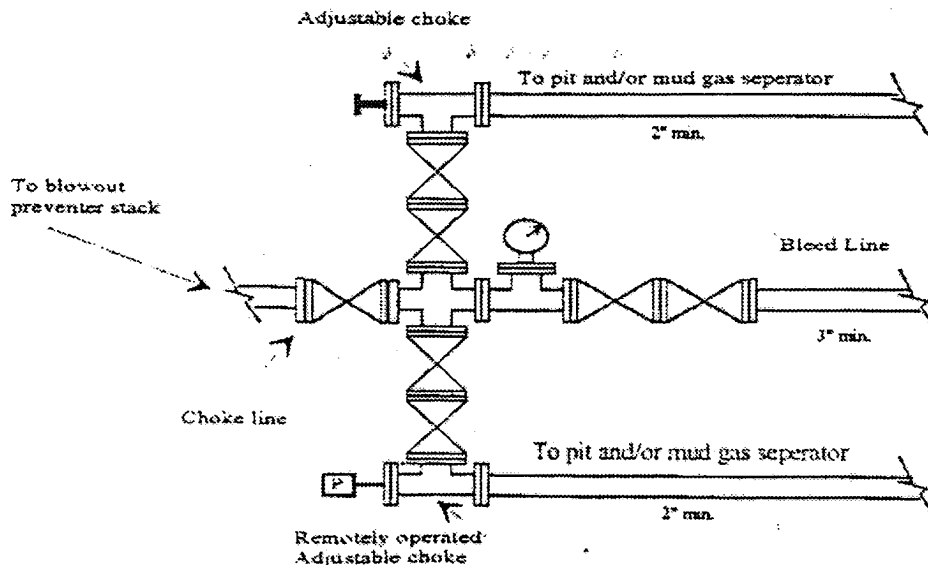


Yates Petroleum Corporation

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

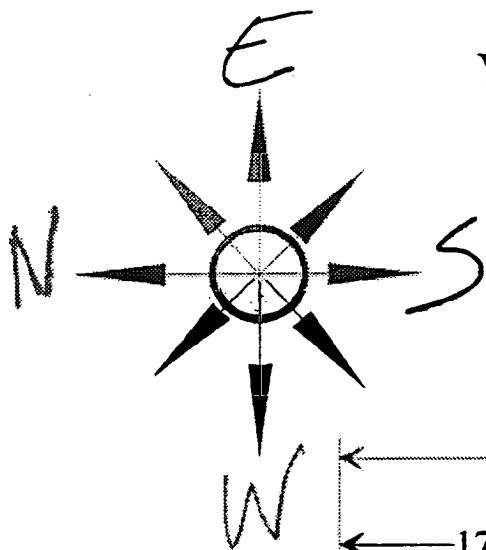


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1980' FNL & 1200' FEL
Section. 25 - T18S-R30-E
Eddy County, New Mexico
Exhibit "B"



Yates Petroleum Corporation

Location Layout for Permian Basin

12,000' to 14,000'

Pits North

YATES PETROLEUM CORPORATION

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Artesia, NM 88210

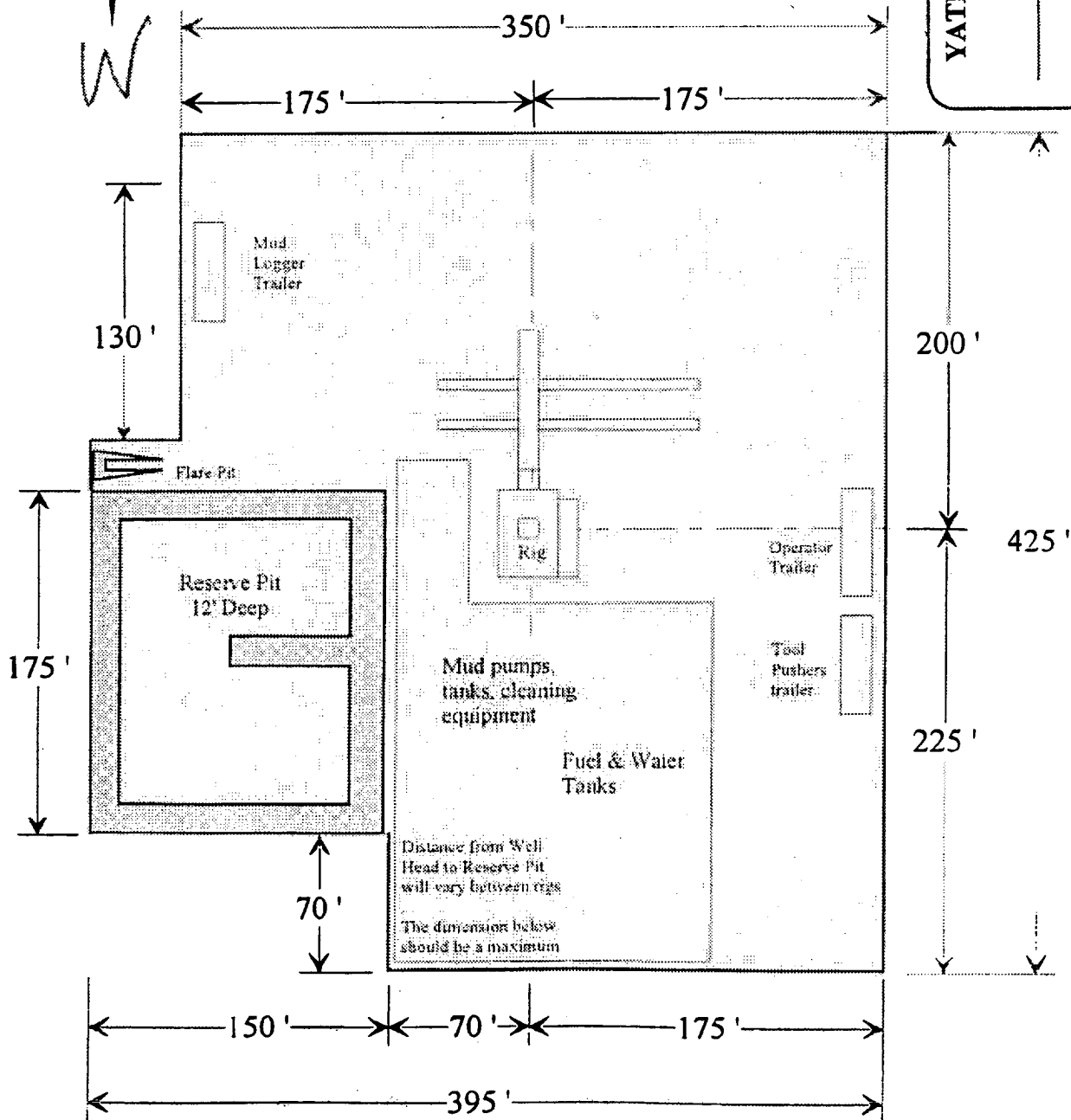
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Exhibit "C"



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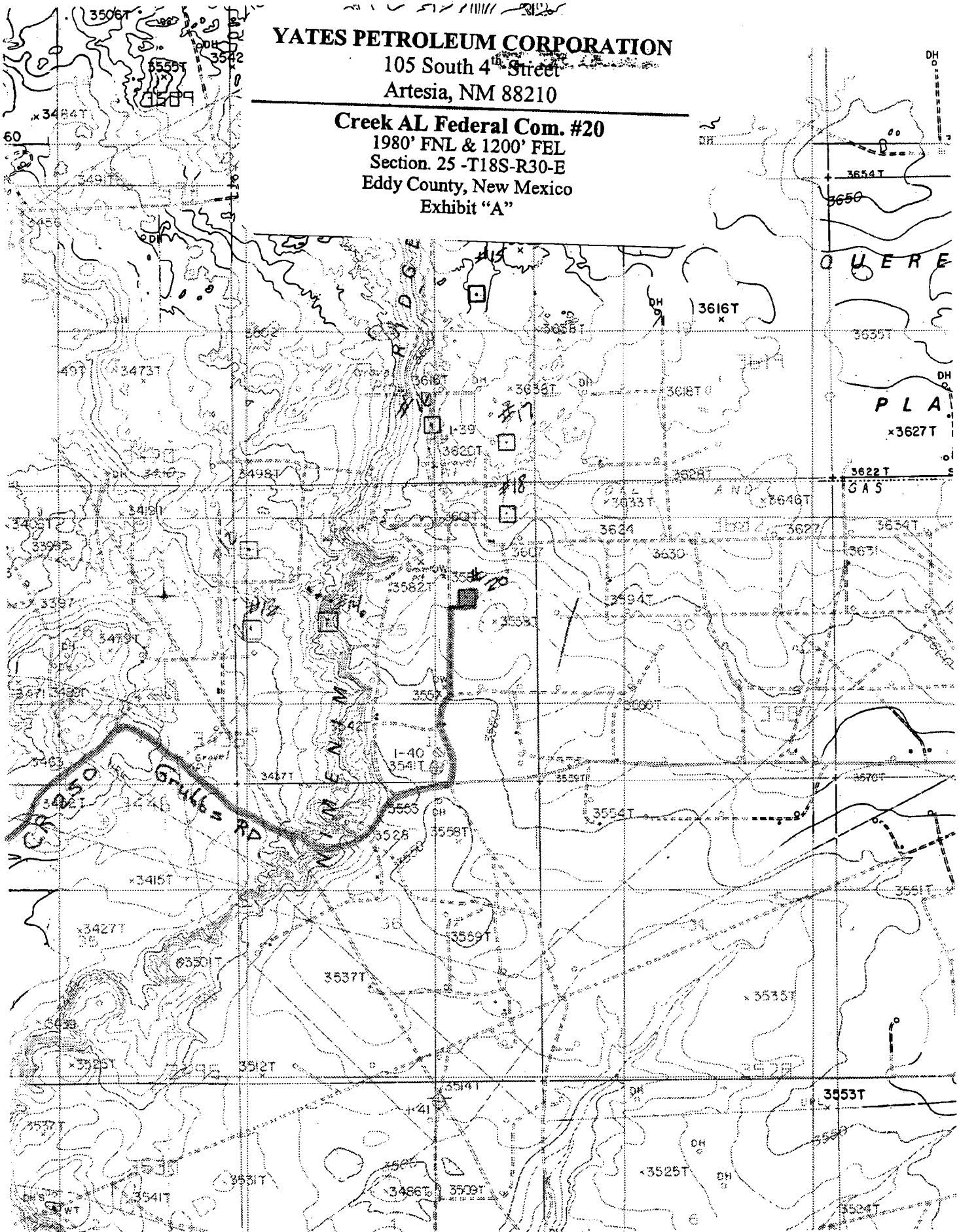
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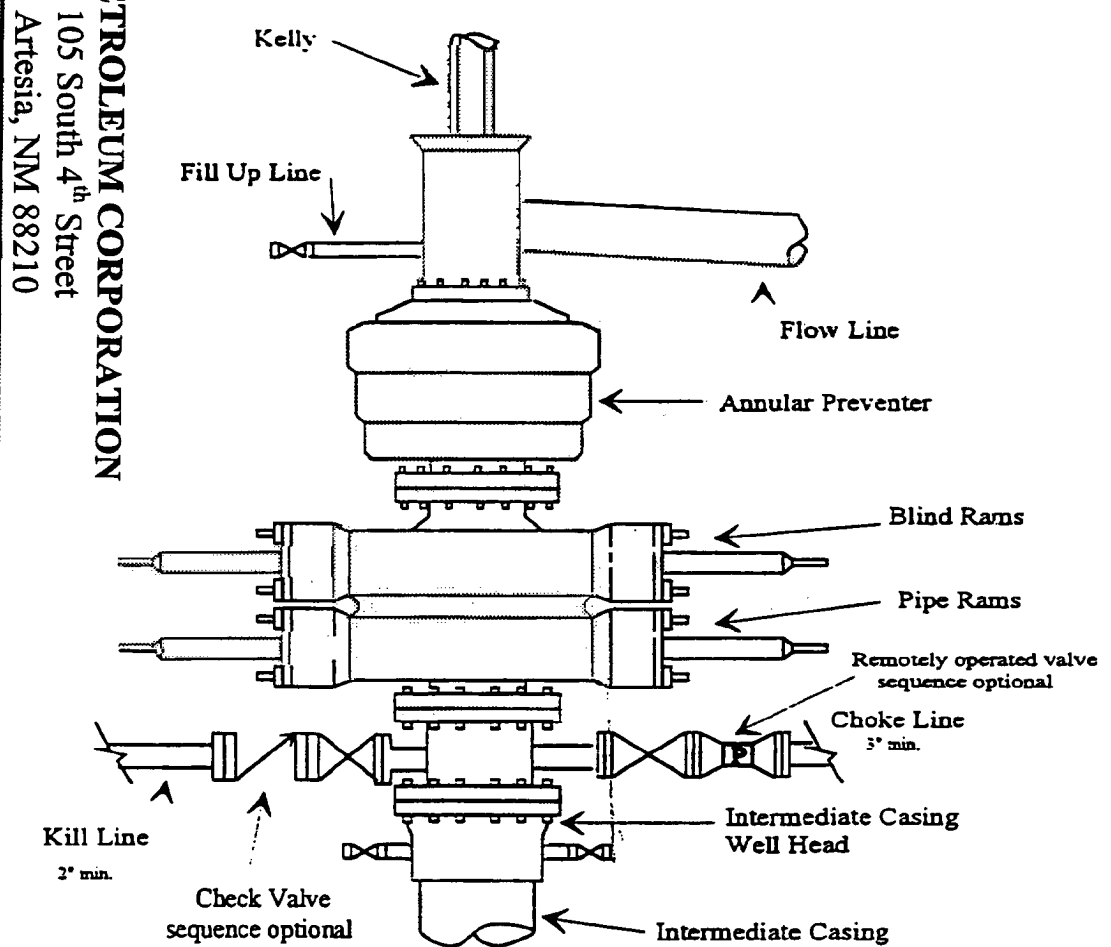
Eddy County, New Mexico

Exhibit "A"

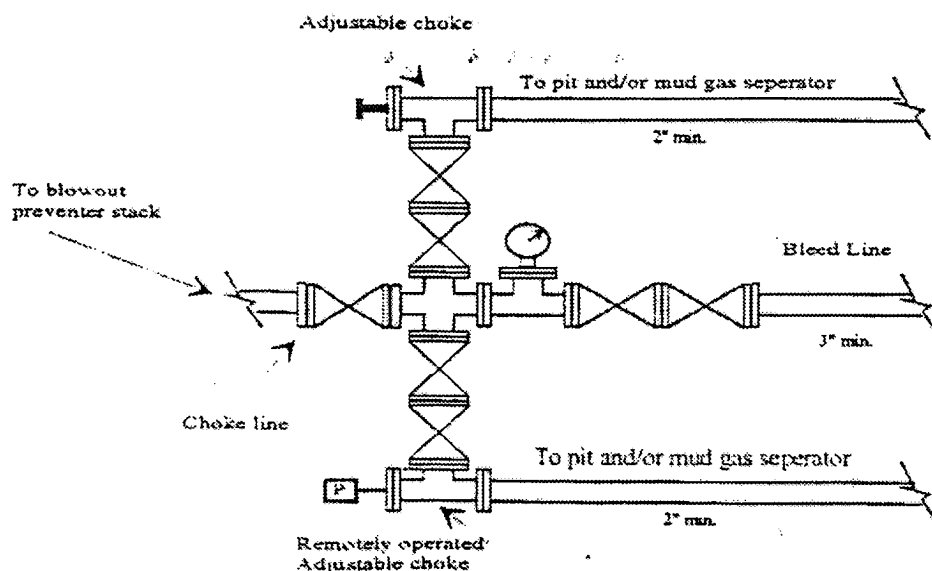


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Exhibit "B"

