

EC

OCD-ARTESIA

I-15

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM82904
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input 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. ADELINE ALN FEDERAL 14
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. 30-015-32937
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SESW 330FSL 2310FWL At proposed prod. zone SESW 330FSL 2310FWL		10. Field and Pool, or Exploratory WILCOAT Sand Dunes, Delaware, South
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 24 MILES NE OF LOVING, NM.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T24S R31E 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 688.29	12. County or Parish EDDY
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1300'	19. Proposed Depth 8200 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3459 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 40.00
23. Estimated duration		20. BLM/BIA Bond No. on file
24. Attachments Carlsbad 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.
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 officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4372	Date 06/12/2003
Title REGULATORY AGENT		
Approved by (Signature) <i>/s/ Richard A. Whitley</i>	Name (Printed/Typed) /s/ Richard A. Whitley	Date 8 JUL 2003
Title STATE DIRECTOR	Office NM STATE OFFICE	

ACTIN

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.

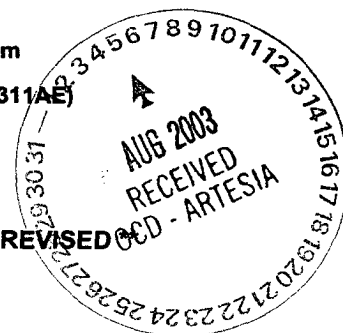
APPROVAL FOR 1 YEAR

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 #23170 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Armando Lopez on 06/12/2003 (03AL0311AE)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

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

State of New Mexico

Energy, Minerals & Natural Resources Department

Form C-102

Revised August 15, 2000

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number		² Pool Code		³ Pool Name Wildcat Delaware	
⁴ Property Code		⁵ Property Name ADELINE ALN FEDERAL			⁶ Well Number 14
⁷ OGRID No. 025575		⁸ Operator Name Yates Petroleum Corporation			⁹ Elevation 3459'

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	6	24S	31E		330	South	2310	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 40	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

¹⁶ 	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature Cy Cowan Printed Name Regulatory Agent Title 6/11/2003 Date			
	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			

DISTRICT I
1828 E. French Dr., Hobbs, NM 88240

DISTRICT II
811 South First, Artesia, NM 88210

DISTRICT III
1808 Nio Canyon Rd., Artesia, NM 87410

DISTRICT IV
2048 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Geology, Minerals and Natural Resources Department

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

Form C-102
Revised March 17, 1999
Instruction on back
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
		Wildcat Delaware
Property Code	Property Name	Well Number
	ADELIN "ALN" FEDERAL	14
OGED No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3459

Surface Location

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
N	6	24S	31E		330	SOUTH	2310	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot No.	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres				Order No.					
40									

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

				<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the information contained herein to be true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i> Signature Cy Cowan Printed Name Regulatory Agent Title 5-16-01 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>3/28/2001 Date Surveyed Signature of Professional Surveyor HERSCHEL JONES NEW MEXICO 3640 Certification No. Herschel Jones RLS 3640 ADELINE 14 GENERAL SURVEYING COMPANY</p>
	<p>NM-82904 N.32°14'24.0" W.103°49'05.5"</p> <p>3458 3459</p> <p>2310'</p> <p>3462 3463</p>			

YATES PETROLEUM CORPORATION**Adeline "ALN" Federal #14****330' FSL & 2310' FWL****Sec. 6-T24S-R31-E****Eddy County, New Mexico**

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

Rustler	580'
Top of Salt	950'
Base of Salt	3950'
Bell Canyon	4178'
Cherry Canyon	5200'
Brushy Canyon	6840'
Bone Spring Lime	8050'
TD	8200'

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

Water:	Approx 150'
Oil or Gas:	Canyon 5182' and Bone Spring 8032'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" 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	11 1/2"	13 3/8"	48#	H-40	ST&C	0-750'	750' 840'
	11"	8 5/8"	32#	J-55	ST&C	0-4100'	4100'
→	7 7/8"	5 1/2"	17#	J-55	LT&C	0-100'	100' ←
	7 7/8"	5 1/2"	17#	L-80	LT&C	100'-6900'	6800'
	7 7/8"	5 1/2"	17#	J-55	LT&C	6900'-8200'	1300'

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

B. CEMENTING PROGRAM:

Surface casing: 250 sx Lite (YLD 1.96 WT.12.5) Tail in w/ 200 sx Class "C" + 2% CaCl₂ (YLD 1.34 WT 14.8).

Intermediate Casing: 1150 sx Lite (YLD 2.5 WT 11.9); Tail in w/ 250 sx "C" w/ 2% CaCl₂ (YLD 1.34 WT. 14.8)

Production Casing: Circulate cement to the surface.

Stage I; 250 sx Super "H" (YLD 1.67 WT. 13.0).

Stage II: Lead w/200 sx Lite (YLD 2.0 WT 12.0) Tail in w/ 200 sx Super "H" (Yld 1.67 Wt 13.0). DV tool at 6500'.

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-750' ^{890'}	FW/Native Mud	8.6-9.2	28-36	N/C
^{890'} 750'-4100'	Brine	10.0-10.2	28	N/C
4100'-6500'	Cut Brine	8.6-9.1	28	N/C
6500'-8200'	Cut Brine/Starch	8.6-9.1	28-32	<15cc

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: CNL/LDT TD to casing; GR w/CNL to Surface; DLL x/RXO TD to casing.

Coring: None Anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 750'	Anticipated Max.	BHP: 300	PSI
From: 750'	TO: 4100'	Anticipated Max.	BHP: 1790	PSI
From: 4100'	TO: 8200'	Anticipated Max.	BHP: 4740	PSI

No abnormal pressures or temperatures are anticipated.

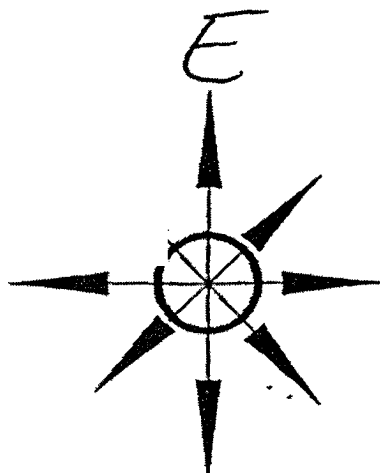
Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 198 F

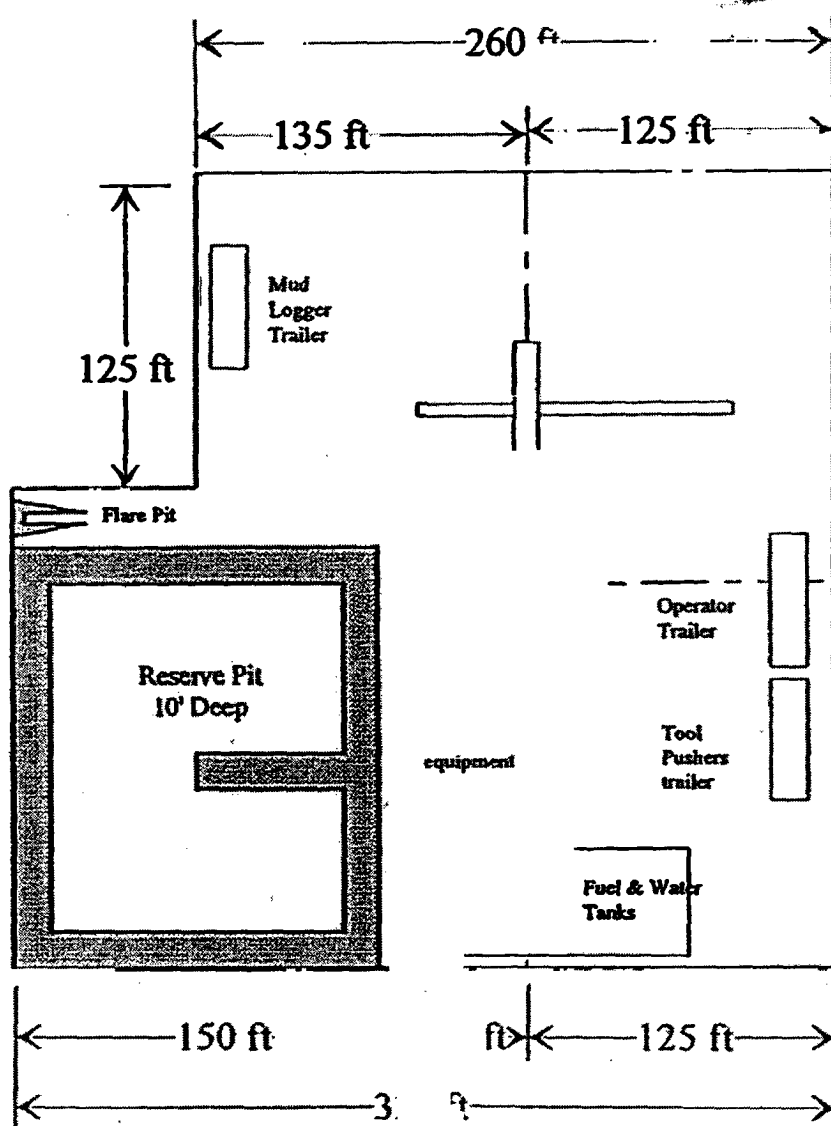
8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 15 days.



ates Petroleum Corporation
Location Layout for Permian Basin
Up to 12,000'

Pits North



Distance from
Head to Reserve
will be between

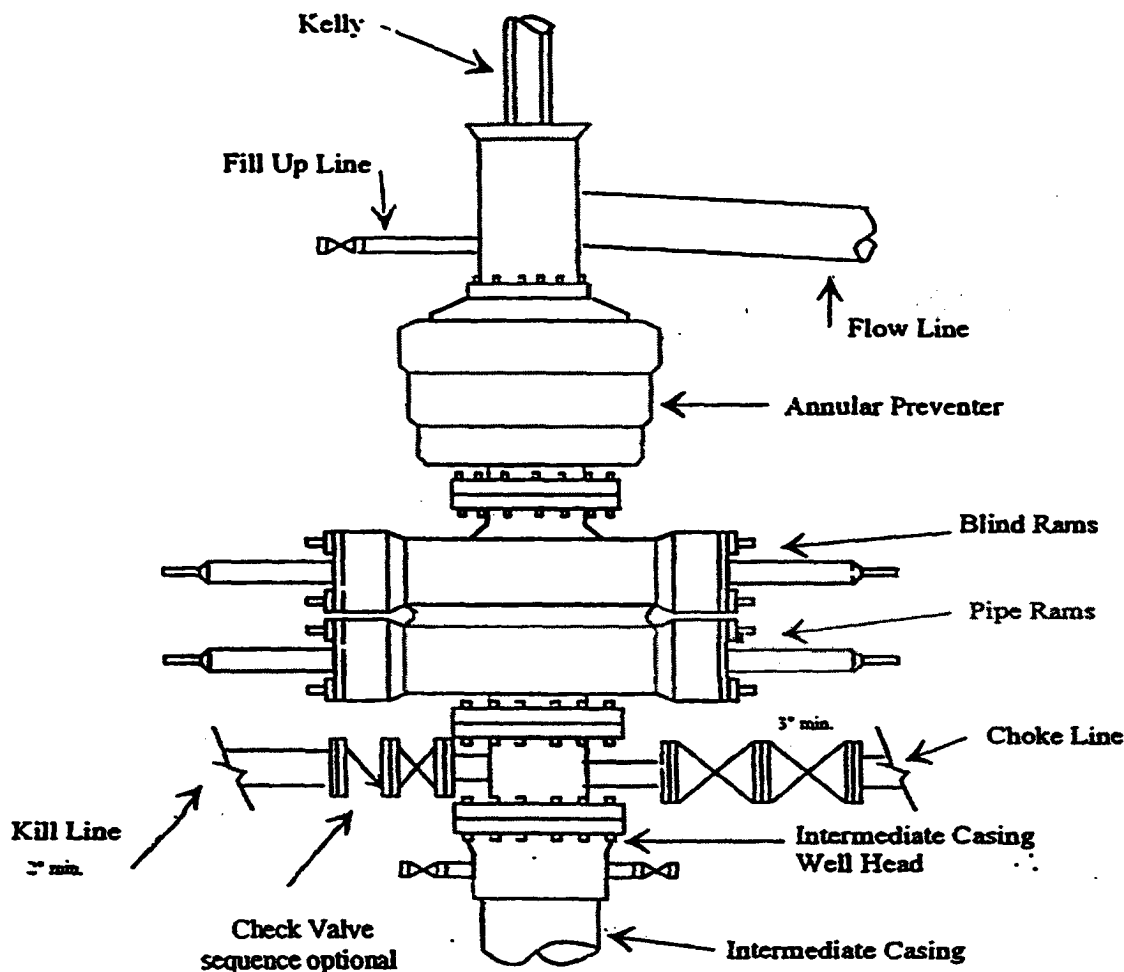
The above dimension
should be a maximum



Yates Petroleum Corporation

Typical 3,000 psi Pressure System
Schematic
Annular with Double Ram Preventer Stack

Yates Petroleum Corporation
Adeline ALN Federal #14
330' FSL and 2310' FWL
Section 6-T24S-R31E
Eddy County, New Mexico
NM-82904
Exhibit D



Typical 3,000 psi choke manifold assembly with at least these minimum features

