

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Yates Petroleum Corporation

3. ADDRESS OF OPERATOR

105 South Fourth Street, Artesia, New Mexico 88210

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

At surface

1980' FNL and 660' FWL ; Unit Letter E

At proposed prod. zone

Same

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

Approximately 31 miles southwest of Artesia, 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

17. NO. OF ACRES ASSIGNED
TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

8200'

20. ROTARY OR CABLE TOOLS

Rotary

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

3649' GR

22. APPROX. DATE WORK WILL START*

ASAP

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14 3/4"	9 5/8"	36# J-55	1100'	1100 sacks (circulated)
8 3/4"	7"	23 & 26#	TD	As warranted (see slips)
		J-55 & N-80		tie back 500' above Wolfcamp @ ~5700'

Yates Petroleum Corporation proposes to drill and test the Canyon and intermediate formations. Approximately 1100' of surface casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented, will perforate and stimulate as needed for production.

MUD PROGRAM: FW gel/LCM to 1100'; FW to 5000'; cut Brine to 7200'; SW gel/Starch to TD.

BOP PROGRAM: BOP's and hydril will be installed on the 9 5/8" casing and tested daily.

Post ID-1
12-4-92
New Line & API

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

Ken Bandy

TITLE

Landman

DATE

8-13-92

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

DATE

11-25-92

CONDITIONS OF APPROVAL, IF ANY:

GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

*See Instructions On Reverse Side

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

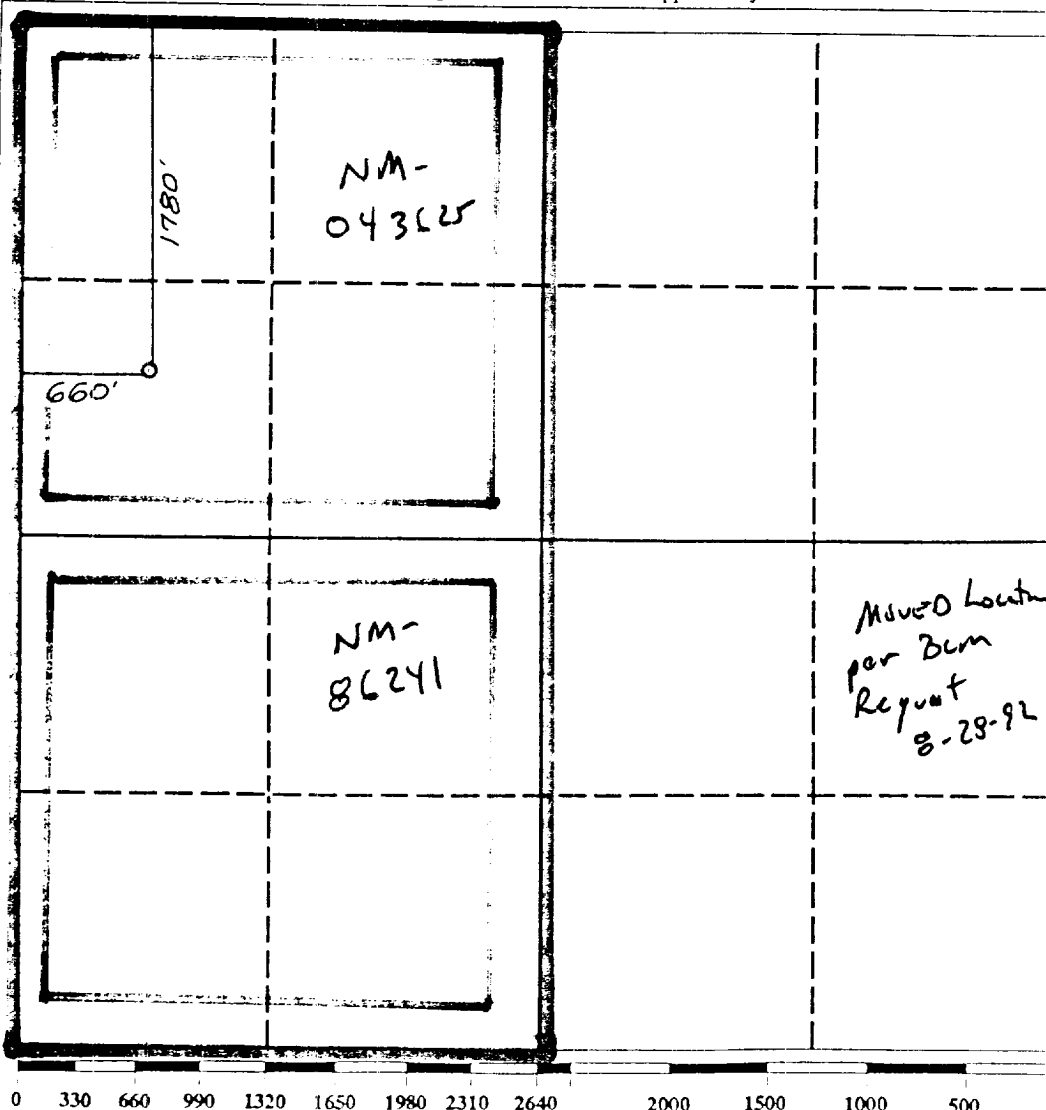
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator YATES PETROLEUM CORPORATION			Lease SAGUARO "AGS" FEDERAL COM		Well No. 15
Unit Letter E	Section 23	Township 20 South	Range 24 East	County Eddy County, NM	
Actual Footage Location of Well: 1780 feet from the NORTH line and 660 feet from the WEST line					
Ground level Elev. 3649	Producing Formation CISCO CANYON		Pool S. DRUGER DRAW UPPER PENNY	Dedicated Acreage: 320 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation **Communitization**
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Ken Beard
Printed Name
KEN BEARD
Position
LANDMAN
Company
YATES PET. CORP.
Date
9-9-92

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.

Date Surveyed
SEPT. 8, 1992
Signature & Seal of Professional Surveyor
DAN R. REDDY
5412
REGISTERED LAND SURVEYOR
Certificate No.
5412

NM PE&PS NO. 5412

YATES PETROLEUM CORPORATION

**Saguaro "AGS" Federal Com #15
1980' FNL and 660' FWL
Section 23-T20S-R24E
Eddy County, New Mexico**

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information in accordance with BLM requirements.

1. The geological surface formation is Alluvium:
2. The estimated tops of geologic markers are as follows:

San Andres	580'
Glorieta	2,105'
Bone Spring Lime	3,344'
3rd Bone Spring Sand	5,343'
Wolfcamp Lime	5,864'
Canyon Lime	7,485'
Canyon Dolomite	7,585'
Base Dolomite	7,790'
TD	8,100'
3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water:	Approximately 250'
Oil or Gas:	Canyon
4. Proposed Casing Program: See Form 3160-3.
5. Pressure Control Equipment: See Form 3160-3 and Exhibit B.
6. Mud Program: See Form 3160-3.
7. Auxiliary Equipment: Kelly Cock; pit level indicators and flow sensor equipment sub with full-opening valve on floor, drill pipe connections.
8. Testing, Logging and Coring Program:

Samples:	10' samples from 400' to TD.
DST's:	As warranted by drilling breaks and shows.
Coring:	As warranted.
Logging:	CNL-LDT from TD to casing, with GR-CNL up to surface; DLL with RxO from TD to casing.
9. No abnormal pressures or temperatures are anticipated. No H₂S expected during drilling operations.
10. Anticipated starting date: As soon as possible after approval.

Drilling Plan
YATES PETROLEUM CORPORATION
Saguaro "AGS" Federal Com #15
1980' FNL and 660' FWL
Section 23-T20S-R24E
Eddy County, New Mexico

Anticipated Drilling Time 17 days.

Hole Size: 14 3/4" Depth To: 1150' Casing Size: 9 5/8" Setting Depth: 1150'

Casing Description: 9 5/8", 36#, 8R, J55, ST&C.

Cement Slurry: 700 sx. "Class C Lite" w/1/2# Cellocel, 10# Gilsonite and 3% CaCl₂. Wt 12.7 yield 1.84 + 200 sx. "Class C" and 2% CaCl₂. Wt. 14.8 yield 1.32. Cement circulated to surface.

All casing in New Minimum Design Factors: Collapse 1.125, Burst 1.0, Tensile Str. 1.80.

Hole size: 8 3/4" Depth To: 8200' Casing Size 7" Setting Depth: 8200'

Casing Description: 0 - 600', 7", 26#, N-80, 8R, LT&C, 600' - 3200', 7", 26#, J55, 8R, LT&C, 3200' - 6950', 7", 23#, J-55, 8R, LT&C, 6950' - 8200', 7", 26#, J55, 8R, LT&C.

All casing is New Minimum Design Factors: Tensile Strength 1.8, collapse 1.125, Burst 1.0

Cement Slurry: Will be cemented in two stages. Stage Tool set approximately 5500'.

First stage: 500 gals sure bond, 500 gals - WMWI, 700 sx. "Class H" w/5# sack CSE, .659.

CF-14, 1/2# Cellocel & 10# Gilsonite. Wt. 15.1, yield 1.34. Calculated to fill 2700 linear feet.

Second stage: 775 sx "Lite C" w/4% CF-14, 5# sack Salt. Wt. 12.4 yield 1.98. Tail w/100 sx. "H" neat Wt. 15.6. Yield 1.18, circulated to surface.

All casing is New Minimum Design Factors: Collapse 1.125, Burst 1.0, Tensile 1.80.

Anticipated Drilling Mud Program:

From spud to 1150' Minimum Properties: Mud Weight 8.6 - 9.6. Viscosity 32 sec./1000cc. Water loss N/C cc. Mud will be checked tourly by rig personnel. Sufficient quantities of mud will be kept on location to maintain minimum properties.

From 1150' to 4500' Fresh Water. Mud weight 8.4. Viscosity 28 sec./1000 cc mud. Water loss - No control. Mud to be checked tourly by rig personnel. Sufficient quantities of mud on hand to maintain mud properties listed.

From 4500' to 8200' Cut Brine, Mud weight 9.1 - 9.4 ppg. Viscosity 28 sec./1000cc. WL - No control. Mud to be checked tourly by rig personnel. Sufficient quantities of mud on hand to maintain minimum properties listed.

Drilling Plan
Saguaro AGS Federal Com #15
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Anticipated BHP:

From: <u>-0-</u>	TO <u>1150</u>	Anticipated Max. BHP: <u>600</u> PSI
From: <u>1150</u>	TO <u>8200</u>	Anticipated Max. BHP: <u>2500</u> PSI

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: Spud - 1150'.

H2S Zones Anticipated: H2S present in Canyon formation. Mud hydrastatic suppresses H2S during drilling.

Maximum Bottom Hole Temperature: 145° F

