

N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

Form 3160-3  
(August 1999)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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JUL 11 2005

OMB No. 1004-0136  
Expires November 30, 2000

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>NM-28171</b>	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>Not Applicable</b>	
2. Name of Operator <b>Yates Petroleum Corporation</b>		7. If Unit or CA Agreement, Name and No. <b>Not Applicable</b>	
3A. Address <b>105 South Fourth Street Artesia, New Mexico 88210</b>		8. Lease Name and Well No. <b>29701 Spear OA Federal Com. #9</b>	
3b. Phone No. (include area code) <b>(505) 748-1471</b>		9. API Well No. <b>30-005-63761</b>	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>1980' FSL and 1980' FWL, NESW</b> At proposed prod. Zone <b>same as above</b>		10. Field and Pool, or Exploratory <b>Section 4, T9S-R26E</b>	
14. Distance in miles and direction from nearest town or post office* <b>Approximately fifteen (15) miles northeast of Roswell, New Mexico</b>		11. Sec., T., R., M., or Blk. and Survey or Area <b>Section 4, T9S-R26E</b>	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>660'</b>		12. County or Parish <b>Chaves County</b>	
16. No. of Acres in lease <b>1399.95</b>		13. State <b>NM</b>	
17. Spacing Unit dedicated to this well <b>320 acres - W/2</b>		18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>2640'</b>	
19. Proposed Depth <b>6380'</b>		20. BLM/BIA Bond No. on file <b>NM-2811</b>	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3812' GL</b>		22. Approximate date work will start* <b>ASAP</b>	
23. Estimated duration <b>30 Days</b>		24. Attachments	

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

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification.
- Such other site specific information and/or plans as may be required by the authorized office.

25. Signature **Robert Asher** Name (Printed/Typed) **Robert Asher** Date **6/9/05**

Title: **Regulatory Agent**  
Approved by (Signature) **(ORIG. SGD.) ARMANDO A. LOPEZ** Name (Printed/Typed) **(ORIG. SGD.) ARMANDO A. LOPEZ** Date **JUL 07 2005**  
Title **Acting Assistant Field Manager, Lands And Minerals** Office **ROSWELL FIELD OFFICE** **APPROVED FOR 1 YEAR**

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)

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS ATTACHED

District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources  
Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C  
March 12,

For drilling and production facilities, submit appropriate NMOC District Office.  
For downstream facilities, submit to Santa Fe office

105 South Fourth Street, Artesia, NM 88210

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: **Yates Petroleum Corporation** Telephone: **505-748-4376** e-mail address: **boba@ypcnm.com**  
Address: **104 South 4<sup>th</sup> Street, Artesia, New Mexico 88210**  
Facility or well name: **Spear OA Federal Com. #9** API # **30-005-63761** or L or Qtr/Qtr **NESW Sec 9 T 9S R 26E**  
County: **Chaves** Latitude: **N.33°33'36.2"** Longitude: **W.104°18'16.8"** NAD: 1927 ☒ 1983 ☐ Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

<b>Pit</b> Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <b>12</b> mil Clay <input type="checkbox"/> Volume <b>bbl</b>	<b>Below-grade tank</b> Volume: <b>bbl</b> Type of fluid: <b></b> Construction material: <b></b> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. <b></b>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)

District I  
1625 N. French Dr., Hobbs, NM 88240  
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1301 W. Grand Avenue, Artesia, NM 88210  
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1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-144  
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.  
For downstream facilities, submit to Santa Fe office

105 South Fourth Street, Artesia, NM 88210

**Pit or Below-Grade Tank Registration or Closure**

Is pit or below-grade tank covered by a "general plan"? Yes ☒ CheckBox1

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: Yates Petroleum Corporation Telephone: 505-748-4376 e-mail address: boba@vpcnm.com

Address: 104 South 4<sup>th</sup> Street, Artesia, New Mexico 88210

Facility or well name: Spear OA Federal Com. #9 API #: 30-005-63761 or L or Qtr/Qtr NESW Sec 9 T 9S R 26E

County: Chaves Latitude: N.33°33'36.2" Longitude: W.104°18'16.8" NAD: 1927 ☒ 1983 ☐ Surface Owner: Federal ☒ State ☐ Private ☐ Indian ☐

**Pit**

Type: Drilling ☒ Production ☐ Disposal ☐

Workover ☐ Emergency ☐

Lined ☒ Unlined ☐

Liner type: Synthetic ☒ Thickness 12 mil Clay ☐ Volume  
         bbl

**Below-grade tank**

Volume:          bbl Type of fluid:         

Construction material:         

Double-walled, with leak detection? Yes ☐ If not, explain why not.

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**JUN 01 2005**

Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)

Less than 50 feet

(20 points)

50 feet or more, but less than 100 feet

(10 points)

100 feet or more

( 0 points)

Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)

Yes

(20 points)

No

( 0 points)

Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)

Less than 200 feet

(20 points)

200 feet or more, but less than 1000 feet

(10 points)

1000 feet or more

( 0 points)

**Ranking Score (Total Points)**

**10**

**If this is a pit closure:** (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location:

onsite ☐ offsite ☐ If offsite, name of facility         . (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface          ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☒, or an (attached) alternative OCD-approved plan ☐.

Date: 5/31/2005

Printed Name/Title: Robert Asher/Regulatory Agent

Signature Robert Asher

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: **JUN 02 2005**

Printed Name/Title: Will Sep

Signature Will Sep

## 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

## OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORTUndos. Fear Ranch; Pre-Patrimony  
WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 76730	Pool Name <del>Wildcat Precambrian</del>
Property Code	Property Name SPEAR "OA" FEDERAL COM.	Well Number 9
OGRID No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3812

## 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	4	9S	26E		1980	SOUTH	1980	WEST	CHAVES

## 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 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 Robert Asher Printed Name Regulatory Agent Title 6/9/2005 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. 3/09/2005 Date Surveyed  Signature Michael H. Jones Professional Surveyor State of New Mexico Certificate No. Herchel Jones RLS 3640 SPEAR AND JONES GENERAL SURVEYING COMPANY	

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

**YATES PETROLEUM CORPORATION**  
**Spear OA Federal Com. #9**  
1980' FSL and 1980' FWL  
Section 4, T9S-R26E  
Chaves County, New Mexico

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

Queen	400'	Wolfcamp	4970'
Penrose	505'	WC B Zone	5065'
Grayburg	680'	Spear Zone	5320'
San Andres	915'	Cisco	5570'
Glorieta	1990'	Strawn	5695'
Yeso	2105'	Mississippian	5885'
Tubb	3550'	Siluro-Devonian	6000'
Abo	4290'	Precambrian	6230'
		TD	6380'

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 8 5/8" 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>
12 1/4"	8 5/8"	24#	J-55	ST&C	0-1100'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-6380'

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

## A. CEMENTING PROGRAM:

Surface Casing: 450 sx Lite "C" (YLD 2.0 WT 12.5). Tail in with 200 sx "C" with 2% CaCL<sub>2</sub> (YLD 1.33 WT 15.6).

Production Casing: 650 sx Pecos Valley Lite (YLD 1.41 WT 13.0). TOC 3800'. *See COA's*

## 5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1100'	FW Gel, Paper, LCM	8.6 - 9.5	32-34	N/C
1100'-4200'	Brine	10.0 -10.2	28	N/C
4200'-6380'	Starch/Salt Gel/4-6% KCL	9.3 -10.2	32-40	<6/cc

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/NGT TD-Surf Csg; CNL/GR TD – Surf Csg;  
 DLL/MSFL TD-Surf Csg; BHC Sonic TD-Surf Csg.  
 Coring: None.  
 DST's: None.

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

Anticipated BHP:

From: 0	TO: 1100'	Anticipated Max. BHP: 550 PSI
From: 1100'	TO: 6380'	Anticipated Max. BHP: 3250 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.

**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**YATES PETROLEUM CORPORATION**  
**Spear OA Federal Com. #9**  
1980' FSL and 1980' FWL  
Section 4, T9S-R26E  
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 wellsite is located approximately 20 miles northeast of Roswell, New Mexico and the access route to the location is indicated in green (existing) and red (new) on Exhibit A.

**DIRECTIONS:**

Drive northeast of Roswell on Highway 70 approximately 14 miles to Magdalena Road (across from Acme schoolhouse). Turn right (south) on Magdalena and drive approximately 4.3 miles, existing lease road is on the left, turn left (northeast), continue northeast for approximately 1.1 miles, the road curves to the left (north), continue north for approximately 0.2 of a mile to an existing lease road on the left (west), continue on lease road for approximately 0.6 of a mile (passing the Engwall RL Federal #1 well) to the Engwall RL Federal #4 well location, the new road is staked on the northwest corner of the pad, follow staking for new road west approximately 0.3 of a mile to the southeast corner of the well location.

2. **PLANNED ACCESS ROAD:**

- A. The proposed new access will be approximately 1,362' in length from the point of origin (NW corner of the Engwall RL Federal #4 location) to the southeast corner of the drilling pad. Approximately 856' of the new access is off lease in the SE/4 of Section 4, T9S-R26E. The road will lie in an east to west 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.

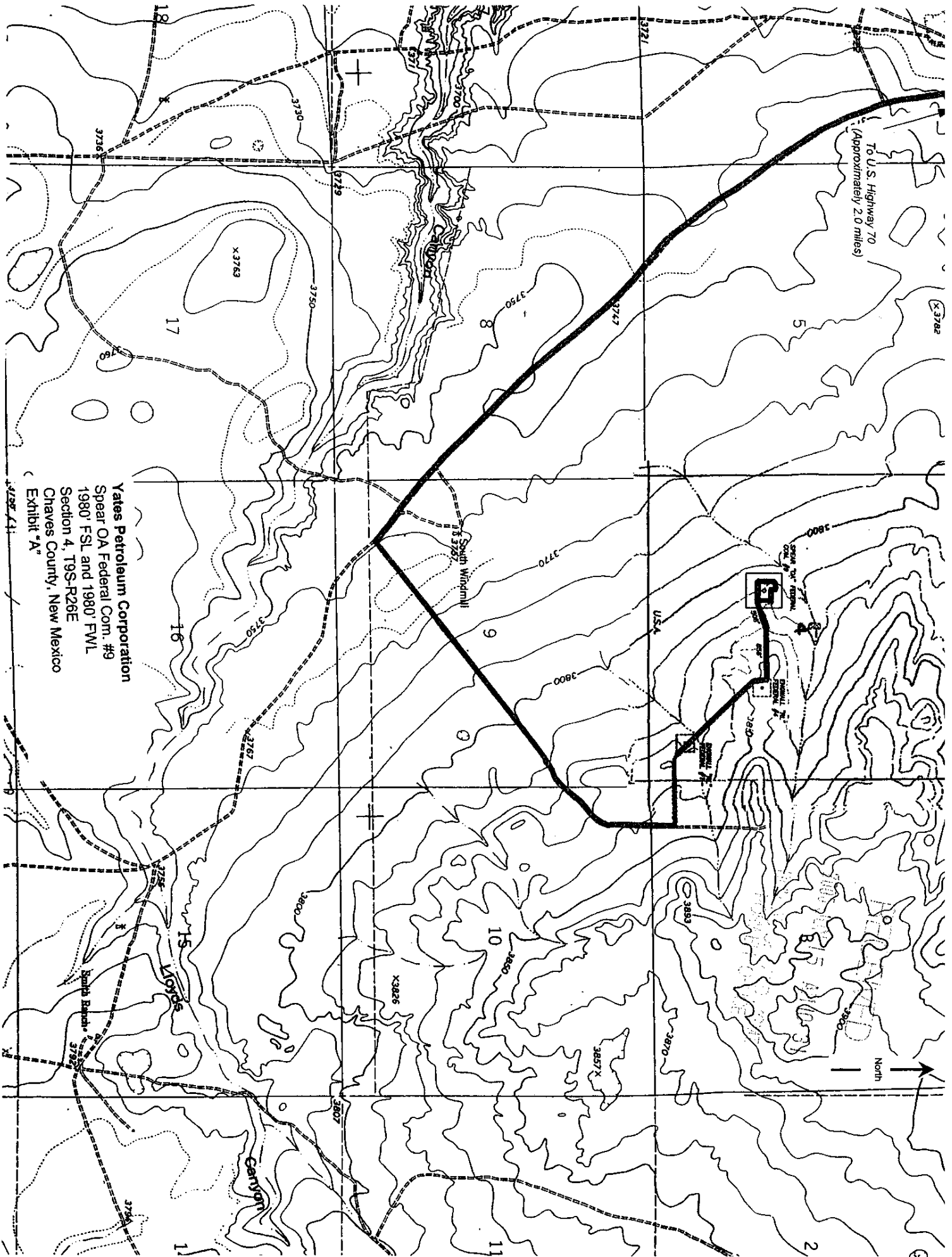
3. **LOCATION OF EXISTING WELL:**

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

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

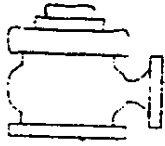
- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power.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

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U.S. DEPARTMENT OF THE INTERIOR



Yates Petroleum Corporation  
Soear OA Federal Com. #9  
1980 FSL and 1980 FWL  
Section 4, T9S-R26E  
Chaves County, New Mexico  
Exhibit "A"

4/28/84



# Yates Petroleum Corporation

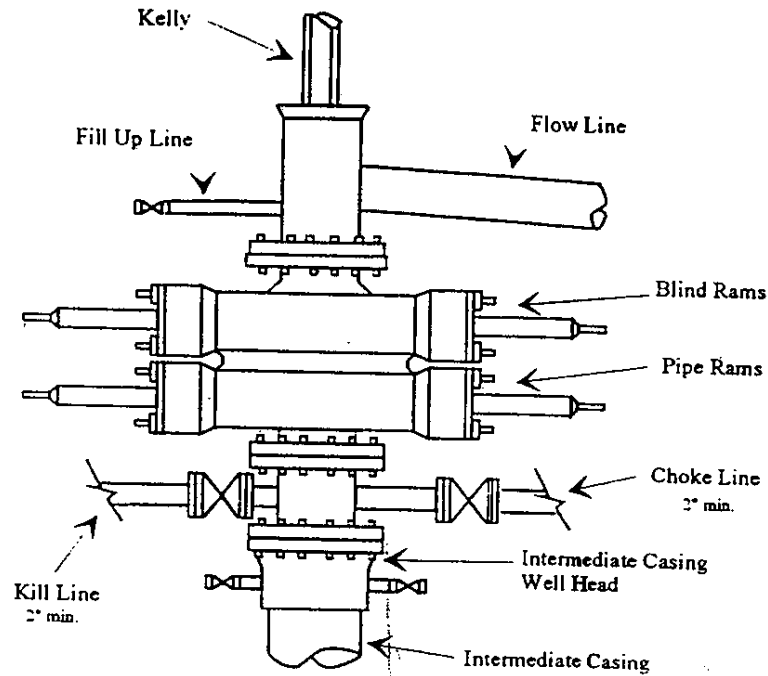
BOP-2

Typical 2,000 psi Pressure System

Schematic

Double Ram Preventer Stack

Yates Petroleum Corporation  
Spear OA Federal Com. #9  
1980' FSL and 1980' FWL  
Section 4, T9S-R26E  
Chaves County, New Mexico  
Exhibit "B"



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

