

*Re-entry*  
N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Altesia, NM 88210  
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM93466 ✓
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 Contact: ROBERT ASHER E-Mail: basher@ypcnm.com		7. If Unit or CA Agreement, Name and No.
3a. Address 105 S. 4TH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	8. Lease Name and Well No. SEINFELD BBK FEDERAL 1
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface SWSW 660FSL 660FWL At proposed prod. zone SWSW 660FSL 660FWL		9. API Well No. 30-005-62117
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 26 MILES NE OF ROSWELL, NM.		10. Field and Pool, or Exploratory WILDCAT PRECAMBRIAN
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660'	16. No. of Acres in Lease 640.00	11. Sec., T., R., M., or Blk. and Survey or Area Sec 12 T6S R26E Mer NMP SME: BLM ✓
17. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 15840'	18. Proposed Depth 5795 MD	12. County or Parish CHAVES
19. Elevations (Show whether DF, KB, RT, GL, etc.) 3811 GL	20. Approximate date work will start	13. State NM
21. Estimated duration 30 DAYS		17. Spacing Unit dedicated to this well 320.00
22. BLM/BIA Bond No. on file		20. BLM/BIA Bond No. on file
23. Estimated duration 30 DAYS		23. Estimated duration 30 DAYS

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.
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 05/07/2003
Title REGULATORY AGENT		
Approved by (Signature) <i>/SLARRY D. BRAY</i>	Name (Printed/Typed) <i>/SLARRY D. BRAY</i>	Date JUL 02 2003
Title Assistant Field Manager, Lands And Minerals	Office ROSWELL FIELD OFFICE	APPROVED FOR 1 YEAR

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.

Additional Operator Remarks (see next page)

Electronic Submission #21544 verified by the BLM Well Information System  
For YATES PETROLEUM CORPORATION, sent to the Roswell  
Committed to AFMSS for processing by Armando Lopez on 05/08/2003 (03AL0227AE)

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

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

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Wildcat Pre-Cambrian	
<sup>4</sup> Property Code		<sup>5</sup> Property Name SEINFELD BBK FEDERAL			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 025575		<sup>8</sup> Operator Name Yates Petroleum Corporation			<sup>9</sup> Elevation 3811'

**<sup>10</sup> Surface Location**

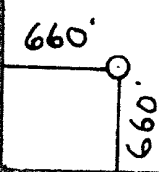
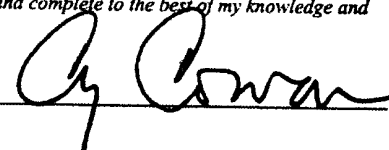
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	12	6S	26E		660'	South	660'	West	Chaves

**<sup>11</sup> 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> 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

<sup>16</sup> 				<sup>17</sup> <b>OPERATOR CERTIFICATION</b> 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 May 1, 2003 Date
NM-93466				<sup>18</sup> <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. REFER TO ORIGINAL PLAT Date of Survey Signature and Seal of Professional Surveyor: Certificate Number

**NEW MEXICO OIL CONSERVATION COMMISSION**  
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
 Supersedes C-121  
 Effective 1-1-65

All distances must be from the outer boundaries of the Section.

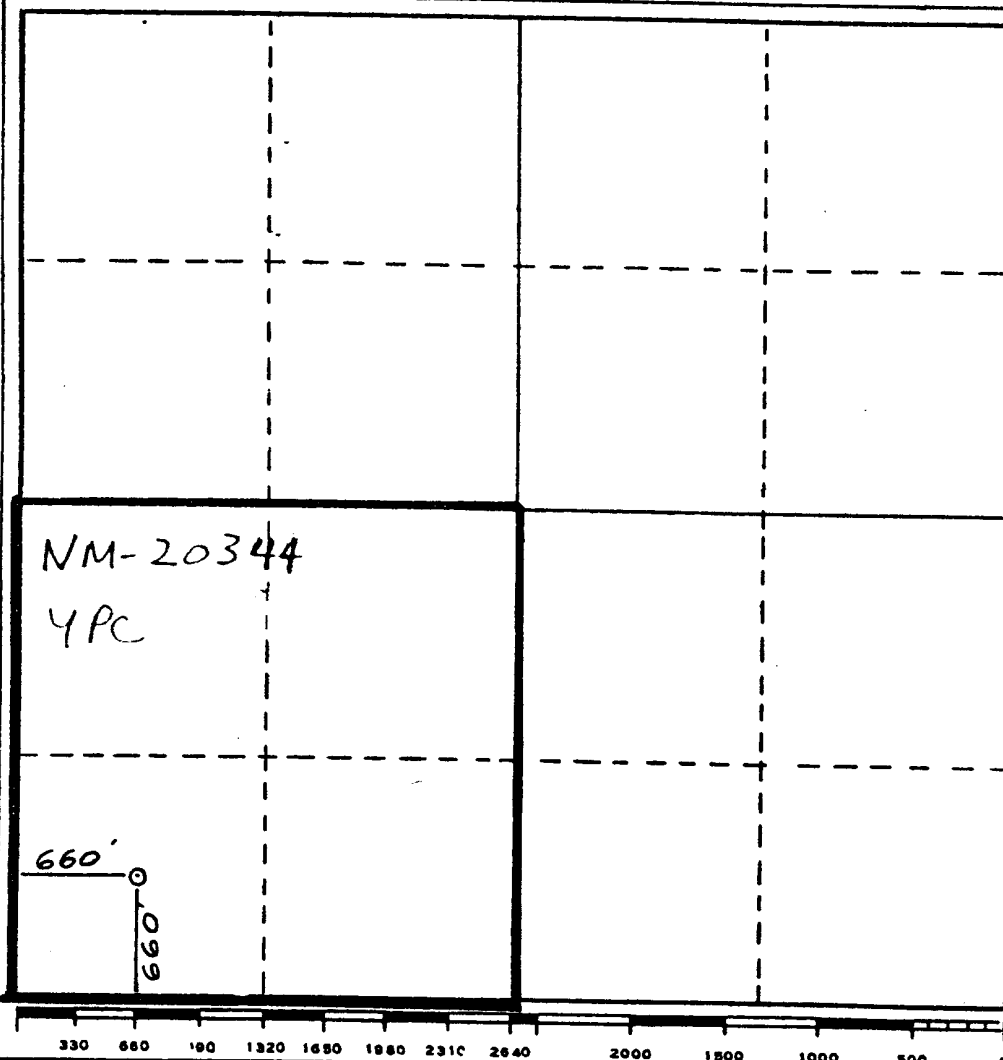
Operator <b>YATES PETROLEUM CORPORATION</b>			Lease <b>Cramer 7D Federal</b>		Well No. <b>1</b>
Unit Letter <b>M</b>	Section <b>12</b>	Township <b>6 South</b>	Range <b>26 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well:					
<b>660</b> feet from the <b>South</b> line and		<b>660</b> feet from the <b>West</b> line			
Ground Level Elev. <b>3811.</b>	Producing Formation <b>Abo</b>	Pool <b>Undes. Pecos Slope Abo</b>		Estimated Acreage: <b>160</b> Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes    ☐ No    If answer is "yes," type of consolidation \_\_\_\_\_

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 interests, has been approved by the Commission.



**CERTIFICATION**

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

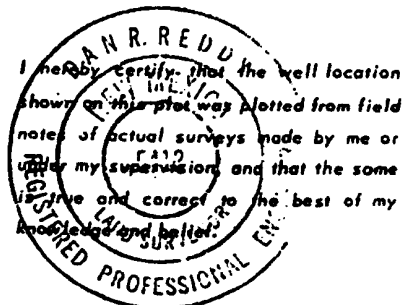
*Gliserio Rodriguez*  
 Name \_\_\_\_\_

**Gliserio Rodriguez**  
 Position \_\_\_\_\_

**Regulatory Agent**  
 Company \_\_\_\_\_

**Yates Petroleum Corp.**  
 Date \_\_\_\_\_

**2/16/84**



Date Surveyed \_\_\_\_\_

**February 12, 1984**

Registered Professional Engineer and/or Land Surveyor

*R. Redd*  
 Certificate No. \_\_\_\_\_

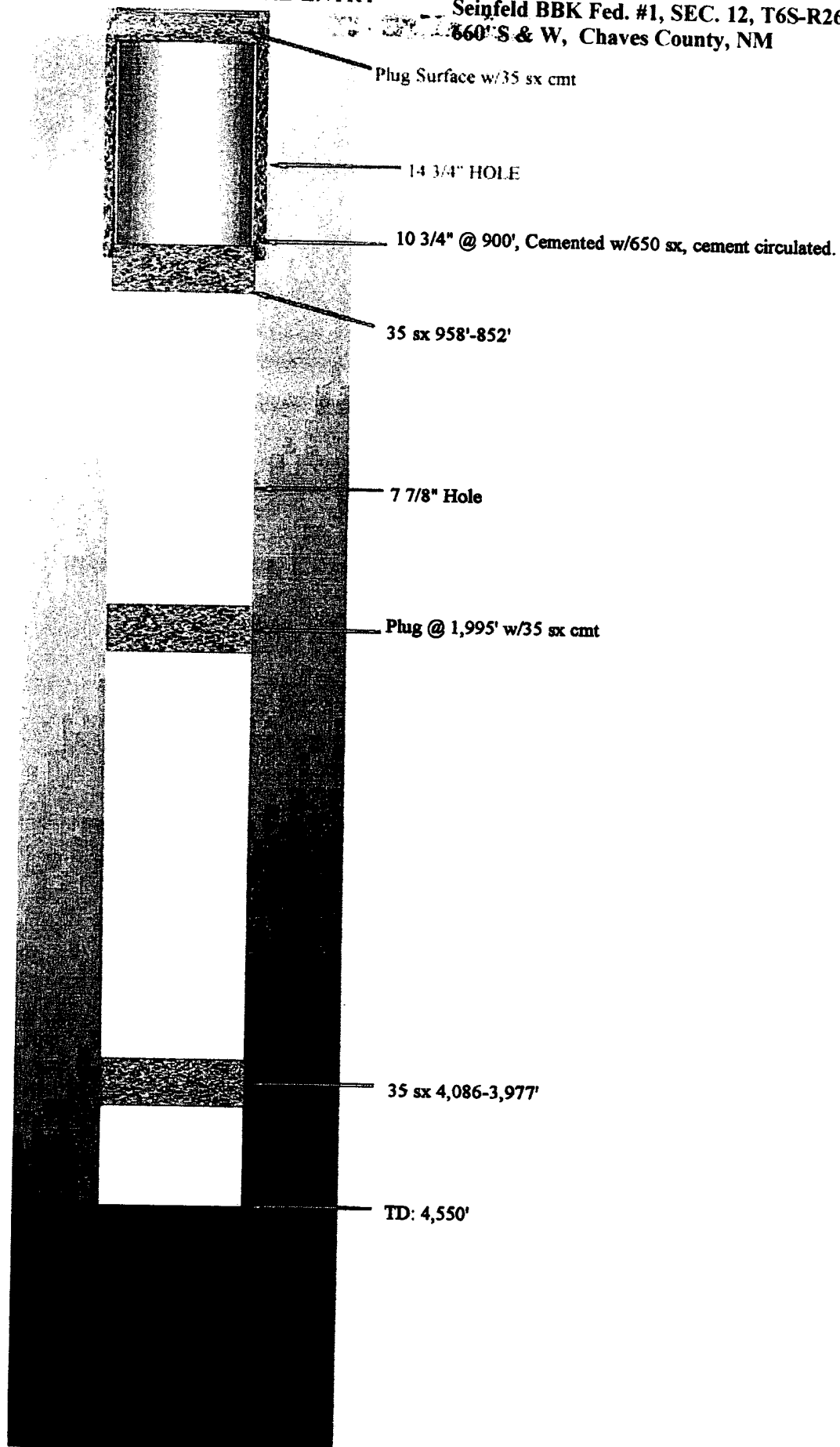
**NM PE&LS #5412**

**Drilling Prognosis  
Yates Petroleum Corporation  
Seinfeld BBK Federal #1  
660' FSL and 660' FWL  
Section 12, T6S-R26E  
Chaves County, New Mexico**

Yates Petroleum Corporation originally drilled this well in February 1984 as the Cramer ZD Federal #1 and was P/A'd on March 10, 1984. This well was drilled to a TD of 4550'. Yates Petroleum Corporation proposes to re-enter and deepen this well with a drilling rig and drill out all cement plugs then deepen the well to a TD of 5795'. A new string of 5 ½" casing well be set. We will then perforate and stimulate the Wolfcamp and all possible producing formations below the Wolfcamp.

**"WELLBORE BEFORE RE-ENTRY"**

**YATES PETROLEUM CORPORATION**  
**Seinfeld BBK Fed. #1, SEC. 12, T6S-R26E**  
**660' S & W, Chaves County, NM**



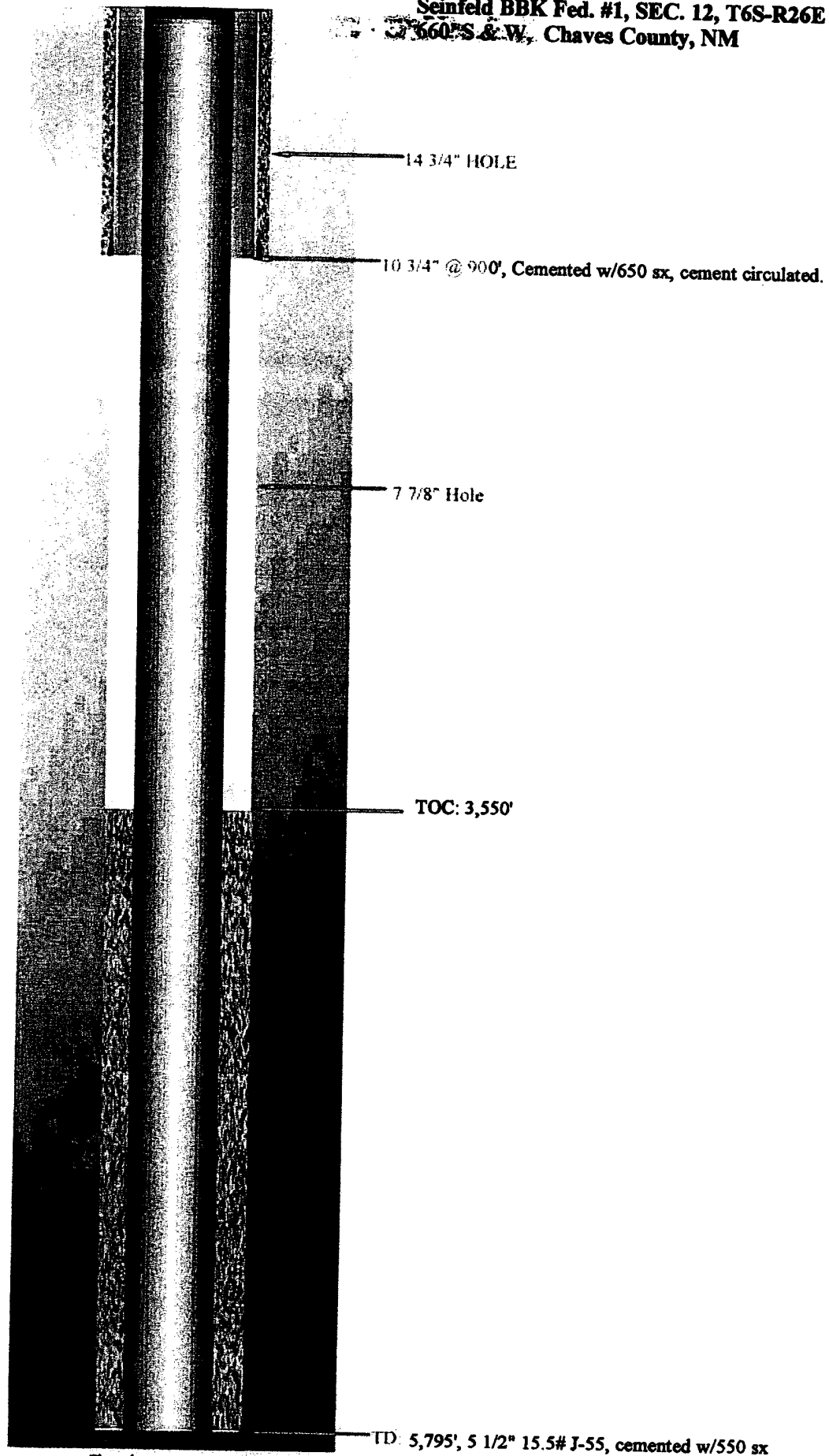
Sketch not to scale

**"WELLBORE AFTER RE-ENTRY"**

**YATES PETROLEUM CORPORATION**

**Seinfeld BBK Fed. #1, SEC. 12, T6S-R26E**

**360° S & W, Chaves County, NM**



Sketch not to scale.

**YATES PETROLEUM CORPORATION**  
**Seinfeld BBK Federal #1**  
**660' FSL and 660' FWL**  
**Section 12-T6S-R26E**  
**Chaves County, New Mexico**

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

Abo	4059'
Wolfcamp	4685'
Spear Zone	5015'
Cisco	5285'
Strawn	5475'
Precambrian	5645'
TD	5795'

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

Water: 150'-300'  
Oil or Gas: Basement formations.

3. Pressure Control Equipment: BOPE will be installed on the 7 7/8" 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>	<u>Length</u>
14 3/4"	10 3/4"	40.5#	J-55	ST&C	In Place	900'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-5795'	5795'
TOC-3550'						

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, and Tensile Strength 1.8
2. A 2,000 psi BOP will be nipped up on the 11 3/4" casing and tested to 1000 psi. YPC requests a variance be granted in requiring the casing and BOPE to be tested to 2000 psi to testing the casing and BOPE to 1000 psi. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 1000 psi. We would have to go to the greater expense of hiring an independent service company to do the testing. Also, the bottom hole pressure in this field is proven to be near 2200 psi. A shut in surface pressure would be less than 1000 psi. We feel that a 1100 psi test will demonstrate that the BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well.

B. CEMENTING PROGRAM:

Surface Casing: 350 sx Lite "C" (YLD 2.0 WT 12.5). Tail with 200 sx C + 2% CaCl<sub>2</sub> (YLD 1.33 WT 15.6).

Intermediate Casing: 250 sx Class C + 2% CaCl<sub>2</sub> (YLD 1.32 WT 14.8)

Production Casing: 600 sx Pecos Valley Lite (YLD 1.34 WT 13.0). TOC 3550'.

5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-5795'	Brine	9.8-10.2	45-60	<8CC

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 to surf, CNL/GR TD to surface, DLLMSFL TD to surf, BHC Sonic TD to surf csg; FMI TD - top of Wolfcamp.

Coring: Sidewall

DST's: None

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

Anticipated BHP:

From: 0 TO: 5795' Anticipated Max. BHP: 2700 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 10 days to drill the well with completion taking another 20 days.



**MULTI-POINT SURFACE USE AND OPERATIONS PLAN**  
**YATES PETROLEUM CORPORATION**  
**Seinfeld BBK Federal #1**  
**660' FSL and 660' FWL**  
**Section 12-T6S-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 well site is located approximately 26 miles northeast of Roswell, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

**DIRECTIONS:**

Drive NE of Roswell on Hwy 70 approx. 15 miles to Acme Road. Turn north here and follow Acme Road for approx. 16.8 miles. South of corrals a new portion of road will be built around west side to avoid ranching operations. After this point the existing road will continue going north for approx. 1.2 miles. The access road will start here and will be upgraded going east for approx. 0.6 of a mile then northeast for approx. 0.2 of a mile to the SW corner of the location.

**2. PLANNED ACCESS ROAD:**

- A. The proposed new access will be approximately 0.8 of a mile in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a easterly 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. The new road will be bladed with drainage on both sides. No traffic turnout will be built.

**3. LOCATION OF EXISTING WELL:**

- A. There is no drilling activity within a one-mile radius of the well site.
- B. Exhibit E shows existing wells within a one-mile radius of the proposed well site.

**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.
-

07-07-2000

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources, and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will locate nearest pit and will obtain any permits and materials needed for construction.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit D shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach. Note: Pits to East Southeast.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.

10. PLANS FOR RESTORATION:

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

W. 372-111

11. SURFACE OWNERSHIP: Bureau of Land Management – Roswell, NM.
12. OTHER INFORMATION:
  - A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, and historical and cultural sites.
  - B. The primary surface use is for grazing.
13. OPERATOR'S REPRESENTATIVE:
  - A. Through A.P.D. Approval:  
Cy Cowan, Regulatory Agent  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471
  - B. Through Drilling, Completions & Prod.  
Pinson McWhorter, Operations Manager  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210  
Phone (505) 748-1471
14. CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

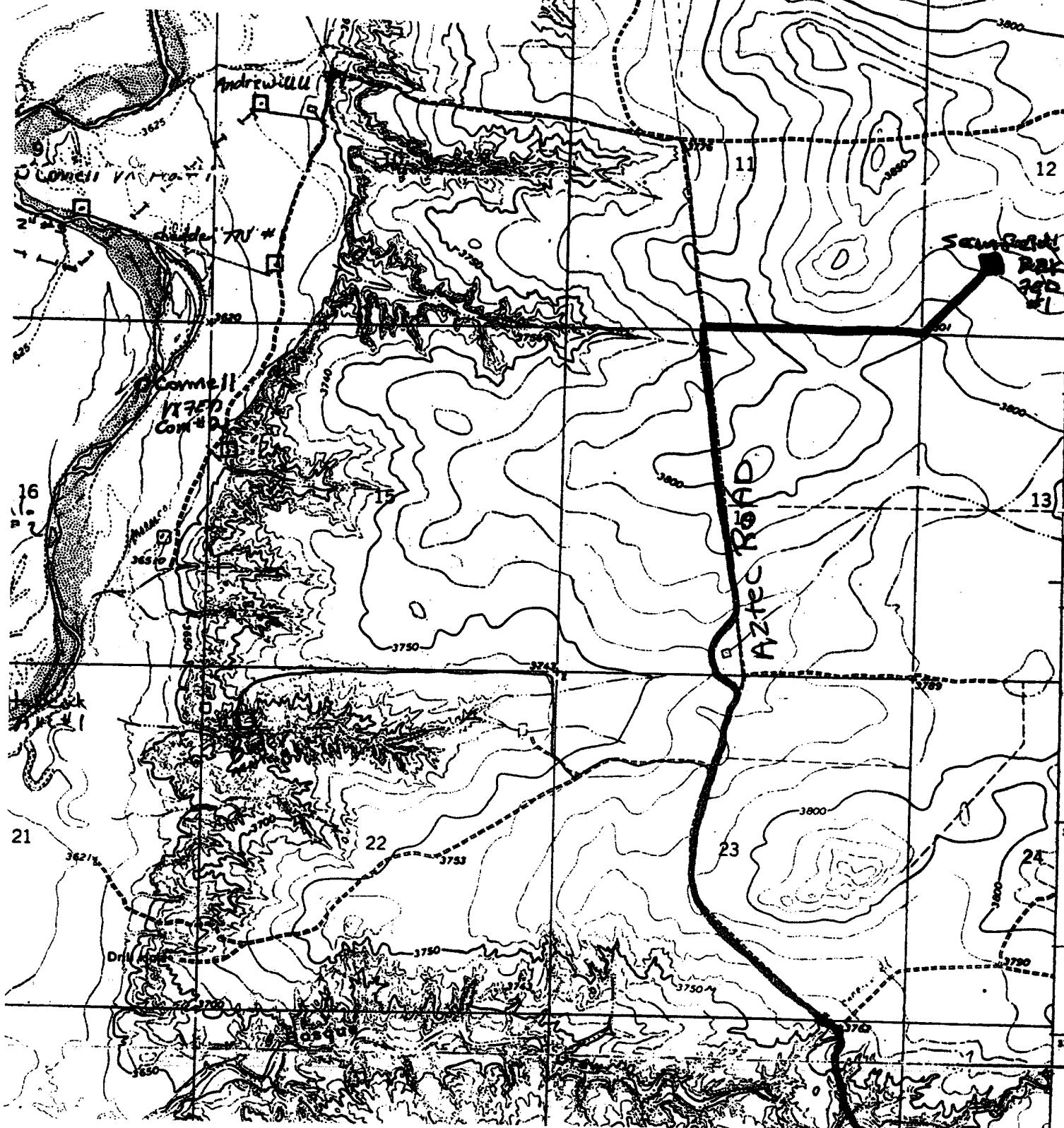
5/7/2003

  
Regulatory Agent

**YATES PETROLEUM CORPORATION**

105 South 4<sup>th</sup> Street  
Artesia, NM 88210

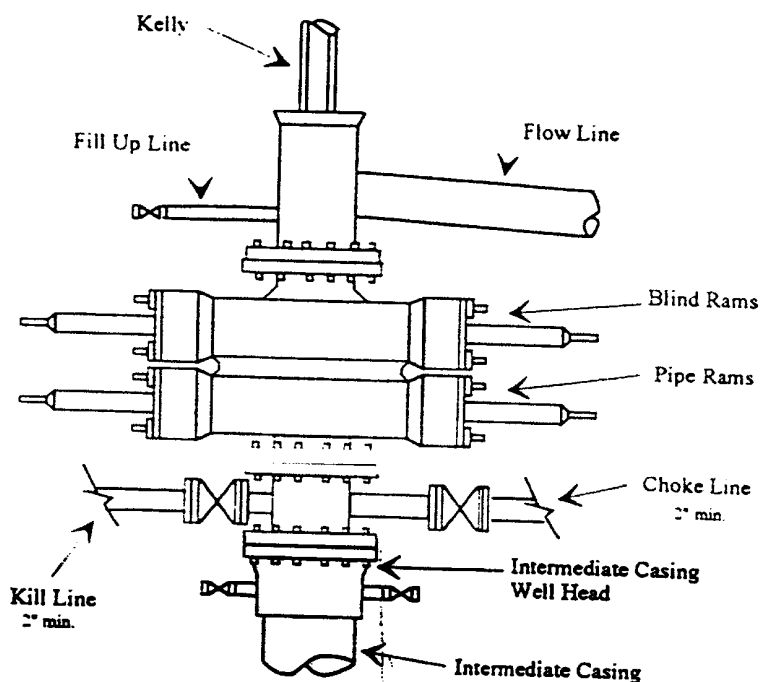
**Seinfeld BBK Federal #1**  
660' FSL and 660' FWL  
Section 12-T6S-R26E  
Chaves County, New Mexico  
Exhibit "A"



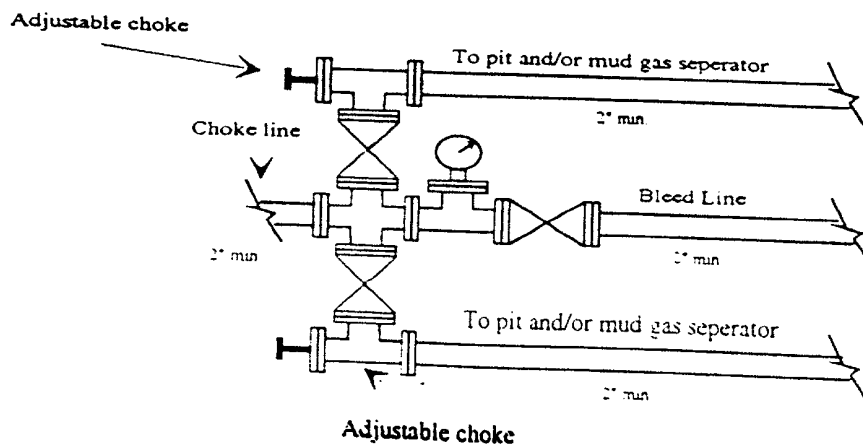
# Yates Petroleum Corporation

## Typical 2,000 psi Pressure System Schematic

### Double Ram Preventer Stack



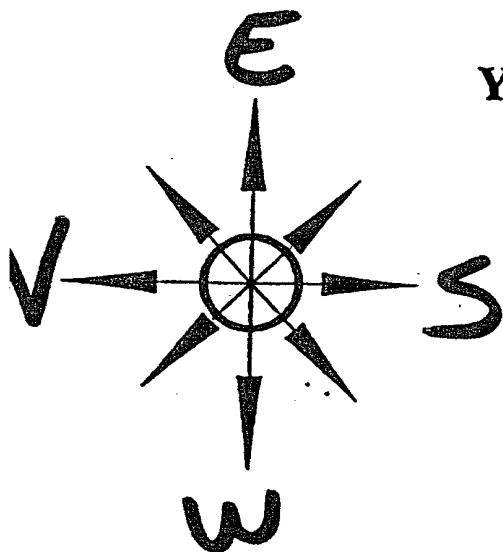
Typical 2,000 psi choke manifold assembly with at least these minimum features



**YATES PETROLEUM CORPORATION**

105 South 4<sup>th</sup> Street  
Artesia, NM 88210

**Seinfeld BBK Federal #1**  
660' FSL and 660' FWL  
Section 12-T6S-R26E  
Chaves County, New Mexico  
Exhibit "B"



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

**Pits North**

**YATES PETROLEUM CORPORATION**

105 South 4<sup>th</sup> Street

Artesia, NM 88210

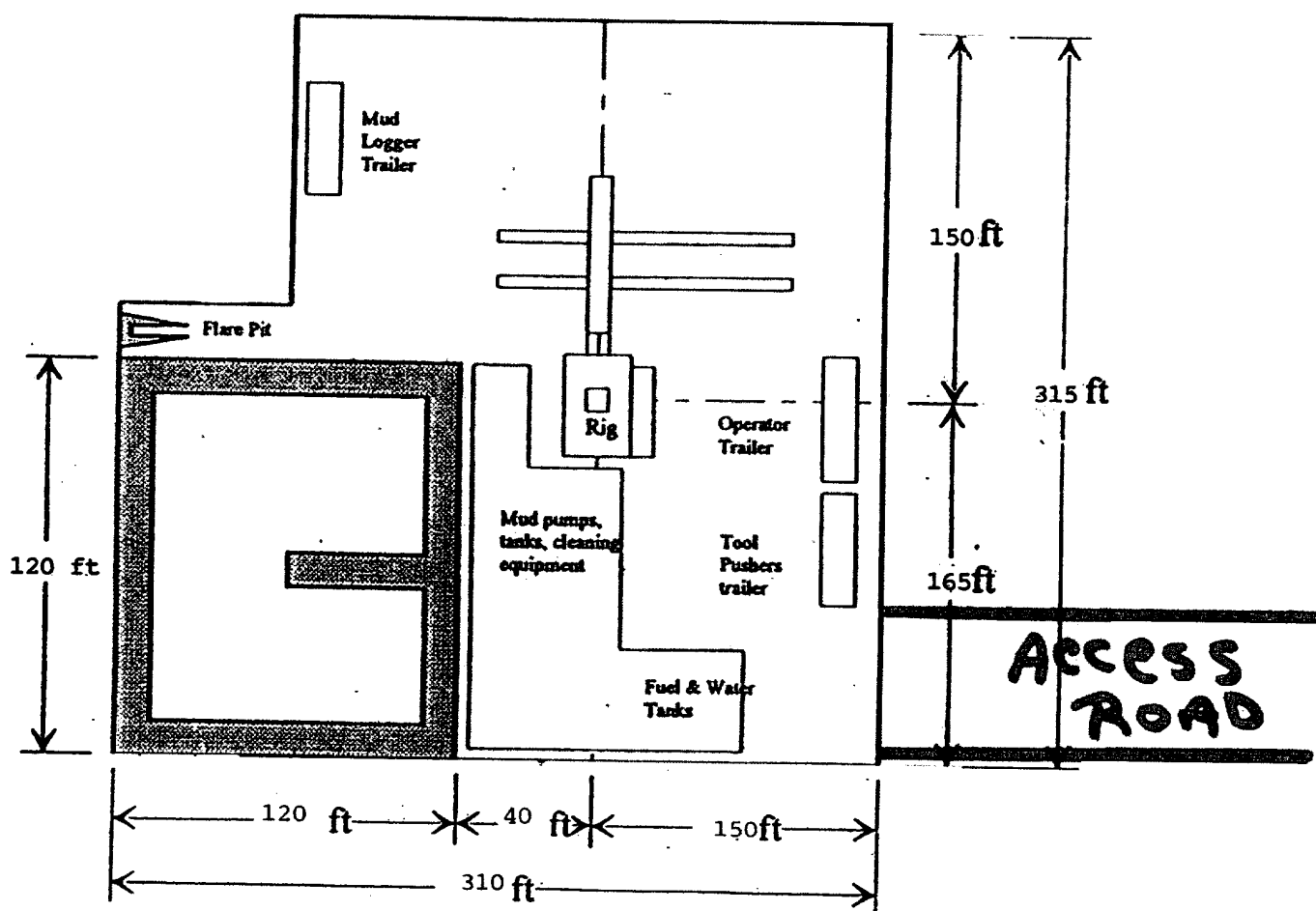
**Seinfeld BBK Federal #1**

660' FSL and 660' FWL

Section 12-T6S-R26E

Chaves County, New Mexico

Exhibit "C"



Distance from Well  
Head to Reserve Pit  
will vary between rigs

The above dimension  
should be a maximum

**Seinfeld BBK Federal #1**  
660' FSL and 660' FWL  
Section 12-T6S-R26E  
Chaves County, New Mexico  
Exhibit "D"

