



**N.M. Oil Cons. DIV-Dist. 2**  
**1301 W. Grand Avenue**  
**Artesia, 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 checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM10588
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. GEORGE QJ FEDERAL COM. 13
3a. Address 105 S. 4TH ARTESIA, NM 88210	3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572	9. API Well No. 30-005-63584
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface SENE 1980FNL 1250FEL At proposed prod. zone SENE 1980FNL 1250FEL		10. Field and Pool, or Exploratory WILDCAT PRECAMBRIAN
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 34 MILES NE OF ROSWELL, NM.		11. Sec., T., R., M., or Blk. and Survey or Area Sec 34 T6S R25E Mer NMP SME: FEE
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 70'	16. No. of Acres in Lease	12. County or Parish CHAVES
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1500'	19. Proposed Depth 5300 MD	13. State NM
21. Elevations (Show whether DF, KB, RT, GL, etc.) 3728 GL	22. Approximate date work will start	17. Spacing Unit dedicated to this well 320.00
		20. BLM/BIA Bond No. on file
		23. Estimated duration 45 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.  | 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 06/20/2003
Title REGULATORY AGENT		
Approved by (Signature) /S/LARRY D. BRAY	Name (Printed/Typed) /S/LARRY D. BRAY	Date JUL 17 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 #23477 verified by the BLM Well Information System**  
**For YATES PETROLEUM CORPORATION, sent to the Roswell**  
**Committed to AFMSS for processing by Linda Askwig on 06/26/2003 (03LA0115AE)**

DISTRICT I  
1635 N. French Dr., Hobbs, NM 88249  
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, 1989  
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 Precambrian
Property Code	Property Name GEORGE "OJ" FEDERAL	Well Number 13
OGED No. 025575	Operator Name YATES PETROLEUM CORPORATION	Elevation 3728

Surface Location

UL or lot No. H	Section 34	Township 6S	Range 25E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 1250	East/West line EAST	County CHAVES
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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
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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

NM-10588			
FEE		FEE	1980' 3729 3729 1250' 3728 3724 N 33° 45' 12.5" W 104° 23' 04.0"

**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  
Cy Cowan  
Printed Name  
Regulatory Agent  
Title  
June 18, 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.

4/24/2003  
Date Surveyed  
Signature of Professional Surveyor  
HERMAN E. JONES  
NEW MEXICO  
3640  
Certificate No. Herman E. Jones RLS 3640  
GEORGE 13 LAND SURVEYING COMPANY

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

**YATES PETROLEUM CORPORATION**  
**George QJ Federal Com. #13**  
1980' FNL and 1250' FEL  
Section 34, T6S-R25E  
Chaves County, New Mexico

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

San Andres	635'
Glorieta	1435'
Yeso	1545'
Tubb	2970'
Abo	3615'
Wolfcamp	4350'
Cisco	4950'
Strawn	5150'
Basement	5150'
TD	5300'

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 11 3/4" 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>
14 3/4"	11 3/4"	42#	H-40	ST&C	0-925'
11	8 5/8"	24#	J-55	ST&C	0-1600'
7 7/8"	5 1/2"	15.5#	J-55	ST&C	0-5300'

\*8 5/8" will only be set if lost circulation is encountered

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.8
2. Yates Petroleum Corporation requests that 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 to do the testing. Also, the maximum shut-in bottom hole pressure is 1100 PSI. Pressure at the surface is much less. Most of the time the Abo formation requires treatment before it flows.

## A. CEMENTING PROGRAM:

Surface Casing: 350 sx Lite "C" (YLD 2.0 WT 12.5). Tail in 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: 500 sx Pecos Valley Lite (YLD 1.34 WT 13.0). TOC 3100'.

## 5. MUD PROGRAM AND AUXILIARY EQUIPMENT:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-925'	FW Gel, Paper, LCM	8.6 - 9.0	32-34	N/C
925'-1600'	Cut Brine/Brine	9.3 - 9.4	28	N/C
1600'-3550'	Brine	10	28	N/C
3550'-5300'	Starch/Salt Gel	9.6 - 9.9	45-55	<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: Sch: Plat form Express; CNL/LDT/NGT TD-Surf csg; with CNL/GR up to Surf;  
DLL/MSFL TD-Surf csg; BHC-Sonic TD to Surf csg; FMI-TD top of Wolfcamp.

Coring: Sidewall cores possible

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 925'	Anticipated Max. BHP: 375 PSI
From: 925'	TO: 5300'	Anticipated Max. BHP: 2100 PSI

Abnormal Pressures Anticipated: None

Lost Circulation Zones Anticipated: None.

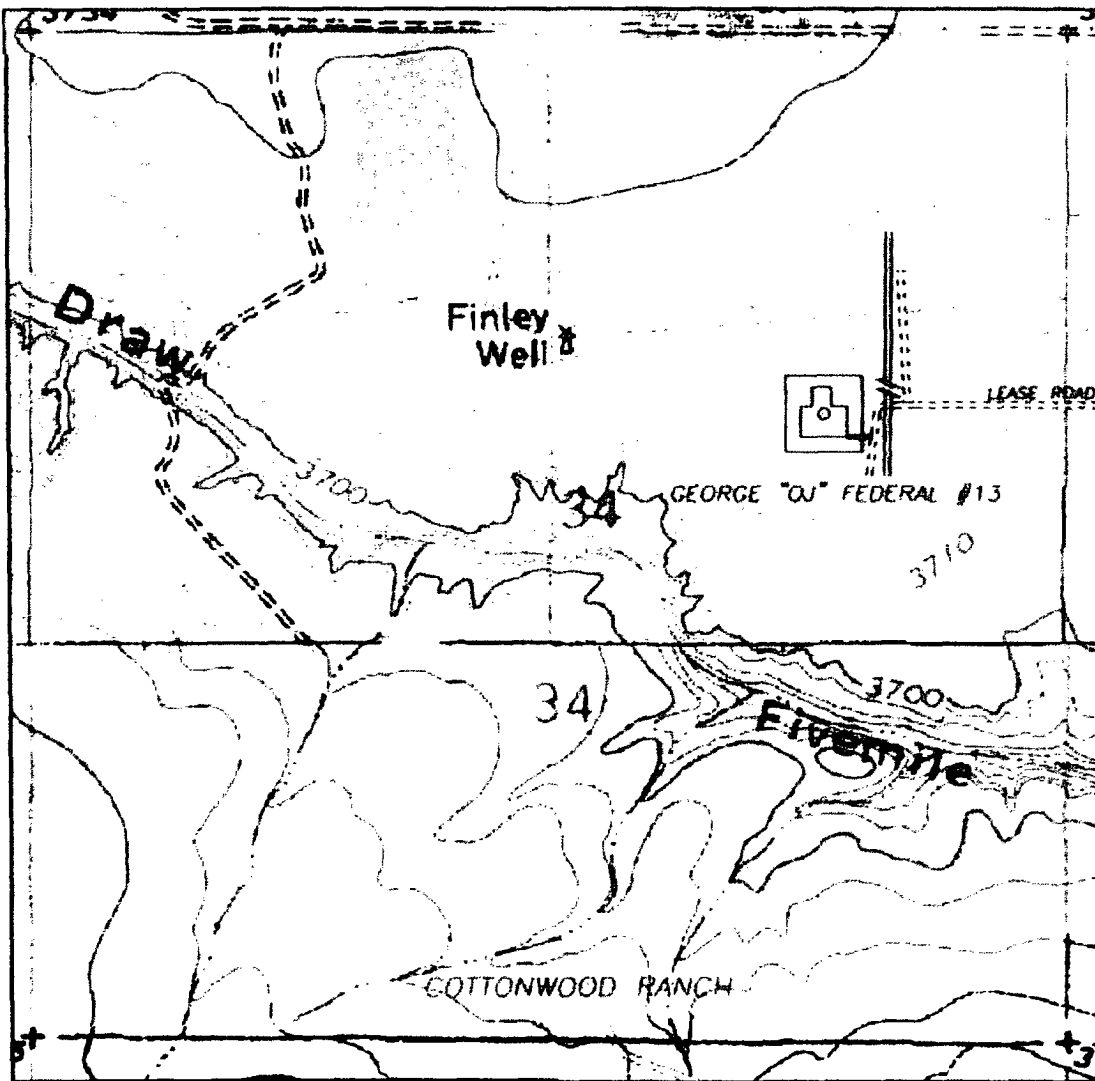
H<sub>2</sub>S Zones Anticipated: None Anticipated

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.

SECTION 34, TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



**YATES PETROLEUM CORPORATION**

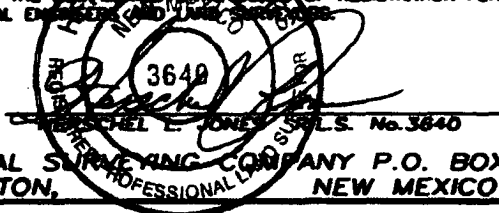
105 South 4<sup>th</sup> Street  
Artesia, NM 88210

**George QJ Federal Com. #13**

1980' FNL and 1250' FEL  
Section 34, T6S-R25E  
Chaves County, New Mexico  
Exhibit "A-1"

1000' 0 1000' 2000'  
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.



GENERAL SURVEYING COMPANY P.O. BOX 1928  
LOVINGTON, NEW MEXICO 88260

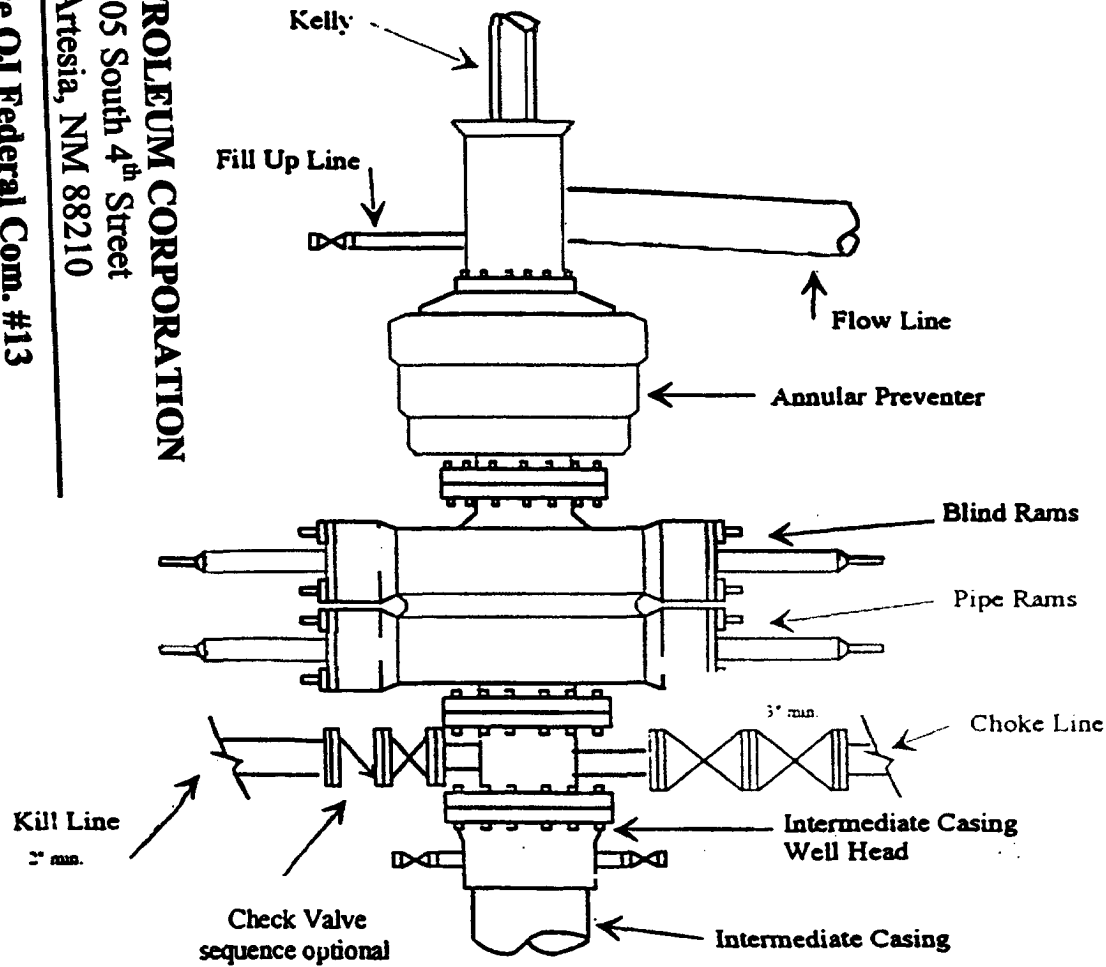
**YATES PETROLEUM CORP.**

LEASE ROAD TO ACCESS THE YATES GEORGE "QJ" FEDERAL #13 WELL, LOCATED IN SECTION 34, TOWNSHIP 6 SOUTH, RANGE 25 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

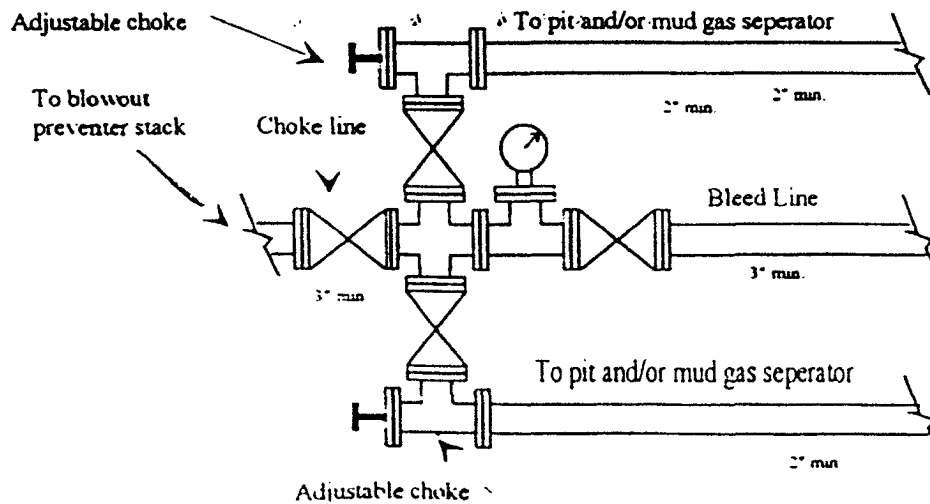
Survey Date: 4/24/2003	Sheet 1 of 1 Sheets
Drawn By: Ed Blawie	W.O. Number
Date: 4/25/03	Scale 1" = 1000' GEORGE 13

# Yates Petroleum Corporation

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



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



**YATES PETROLEUM CORPORATION**

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

George OJ Federal Com. #13  
1980' FNL and 1250' FEL  
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Chaves County, New Mexico  
Exhibit "B"