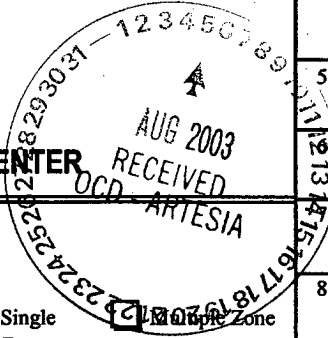


*Sam*  
N.M. Oil Cons. DIV-Dist. 2  
1301 W. Grand Avenue  
Artesia, NM 88210

*J-02*

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



OMB No. 1004-0136  
Expires November 30, 2000

1a. Type of Work: ☒ DRILL ☐ REENTER

b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☒ Multiple Zone

2. Name of Operator  
**Yates Petroleum Corporation**

3A. Address **105 South Fourth Street  
Artesia, New Mexico 88210**

3b. Phone No. (include area code)  
**(505) 748-1471**

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)

At surface **660' FSL & 660' FWL**  
At proposed prod. Zone **same as above**

14. Distance in miles and direction from nearest town or post office\*

**15 miles SE of Loco Hills, NM**

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  
**160.00**

17. Spacing Unit dedicated to this well  
**W/2 - 320**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft. **2640'**

19. Proposed Depth  
**12,250**

20. BLM/BIA Bond No. on file  
**NM-2811**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**3455' GL**

22. Approximate date work will start\*  
**ASAP**

23. Estimated duration  
**60 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 office.

25. Signature

Name (Printed/Typed)

Date

**Cy Cowan**

**7/1/03**

Title:

**Regulatory Agent**

Approved by (Signature)

Name (Printed/Typed)

Date

**/s/ Joe G. Lara**

**/s/ Joe G. Lara**

**1 JUL 2003**

Title

**ACTING FIELD MANAGER**

Office

**CARLSBAD FIELD OFFICE**

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.

**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.

\*(Instructions on reverse)

**APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS  
AND SPECIAL STIPULATIONS  
ATTACHED**

**CAPITAN CONTROLLED WATER BASIN**

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

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 <b>Wildcat Mississippian</b>
<sup>4</sup> Property Code	<sup>5</sup> Property Name <b>DOMINO AOJ FEDERAL COM.</b>	<sup>6</sup> Well Number <b>9</b>
<sup>7</sup> OGRID No. <b>025575</b>	<sup>8</sup> Operator Name <b>Yates Petroleum Corporation</b>	<sup>9</sup> Elevation <b>3455'</b>

<sup>10</sup> Surface Location

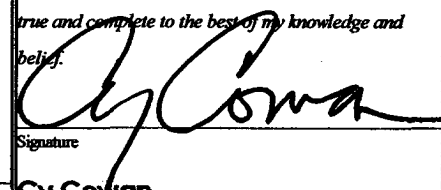
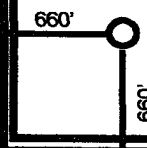
UL or lot no. <b>M</b>	Section <b>8</b>	Township <b>19S</b>	Range <b>31E</b>	Lot Idn	Feet from the <b>660</b>	North/South line <b>South</b>	Feet from the <b>660</b>	East/West line <b>West</b>	County <b>Eddy</b>
---------------------------	---------------------	------------------------	---------------------	---------	-----------------------------	----------------------------------	-----------------------------	-------------------------------	-----------------------

<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 <b>320</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
---	-------------------------------	----------------------------------	-------------------------

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>NM-101112</b>				<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature <b>Cy Cowan</b> Printed Name <b>Regulatory Agent</b> Title <b>6/27/2003</b> Date
	<b>NM-82902</b>			
<b>NM-94614</b>				<sup>18</sup> 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. <b>REFER TO ORIGINAL PLAT</b> Date of Survey Signature and Seal of Professional Surveyor:
				Certificate Number

DISTRICT I  
2225 N. French Dr., Albuquerque, NM 87109

DISTRICT II  
811 South First, Artesia, NM 87010

DISTRICT III  
1800 Elie Brunos Rd., Aztec, NM 87410

DISTRICT IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised March 17, 1999  
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 Mississippian
Property Code	Property Name	Well Number
	DOMINO "AOJ" FEDERAL COM.	9
OGHD No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3455

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	8	19S	31E		660	SOUTH	660	WEST	EDDY

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	Joint or Infill	Consolidation Code	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

NM-101112	NM-82902								
NM-94614									
N.32°40'10.1" W.103°53'52.6" 3455.4 3460.4 660 3455.7 3452.8									

**OPERATOR CERTIFICATION**

I hereby certify that 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 6, 2001  
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.

5/16/2001  
Date Surveyed  
Signature & Seal of Professional Surveyor  
HERSCHEL L. JONES  
NEW MEXICO  
3648  
Certified to: Domino L. Jones, NLS 3640  
DOMINO L. JONES  
GENERAL SURVEYING COMPANY

# YATES PETROLEUM CORPORATION

Domino AOJ Federal Com. #9

660' FSL & 660' FWL

Section. 8 -T19S-R31-E

Eddy County, New Mexico

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

Rustler	518'	1st Bone Spring	7623'
Tansill	1946'	2 <sup>nd</sup> Bone Spring	8483'
Yates	2082'	3 <sup>rd</sup> Bone Spring	9293'
Seven Rivers	2378'	Wolfcamp	9773'
Queen	3000'	Strawn	10873'
Capitan	3833'	Atoka	11213'
Cherry Canyon	4150'	Morrow	11553'
Brushy Canyon	4426'	Mississippian	12113'
Bone Spring Lime	6146'	TD	12250'

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

Water: Approx 250' - 350'  
Oil or Gas: All Potential Zones

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 5000 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	* 17 1/2"	13 3/8"	48#	H-40	ST&C	0-550'	550'	* WITNESS
	12 1/4"	8 5/8"	32#	J-55	ST&C	0-3100'	3100'	
	7 7/8"	5 1/2"	17#	L-80	LT&C	0-3300'	3300'	
	* 7 7/8"	5 1/2"	17#	J-55	LT&C	3300-7400'	4100' *	
	* 7 7/8"	5 1/2"	17#	N-80	LT&C	7400-10400'	3000' *	
	7 7/8"	5 1/2"	20#	P-110	LT&C	10400-12250'	1850'	

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

\* 7/16/03

Discussed surface CSG Alternatives w/ Yates  
LB

\* Design factor for collapse (1.125) exceeded for 10.2 PPG mud

B. CEMENTING PROGRAM:

Surface casing: 250 sx Lite (Yld 2.01 Wt.12.4) Tail in w/200 sx "C" (Yld 1.34 Wt 14.8)

Intermediate Casing: 1300 sx Lite (Yld 2.06 Wt 12.4); Tail in w/200 sx "C"  
(Yld 1.32 Wt. 14.8)

Production Casing: TOC-9400'; 400 sx Super "C" (Yld 1.67 wt. 13.0).

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-550'	FW/Spud Mud	8.4-9.0	32-36	N/C
550'-3100'	Brine	10.0-10.2	28-34	N/C
3100'-10800'	Cut Brine	8.8-9.4	28	N/C
10800'-TD	Salt Gel/Starch/Drispac	9.5-10.2	32-40	<12

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: GR, NEUTRON, DENSITY, LATERLOG.

Coring: As warranted.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: 550'	Anticipated Max. BHP:	240	PSI
From: 550'	TO: 3100'	Anticipated Max. BHP:	1800	PSI
From: 3100'	TO: TD	Anticipated Max. BHP:	6400	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

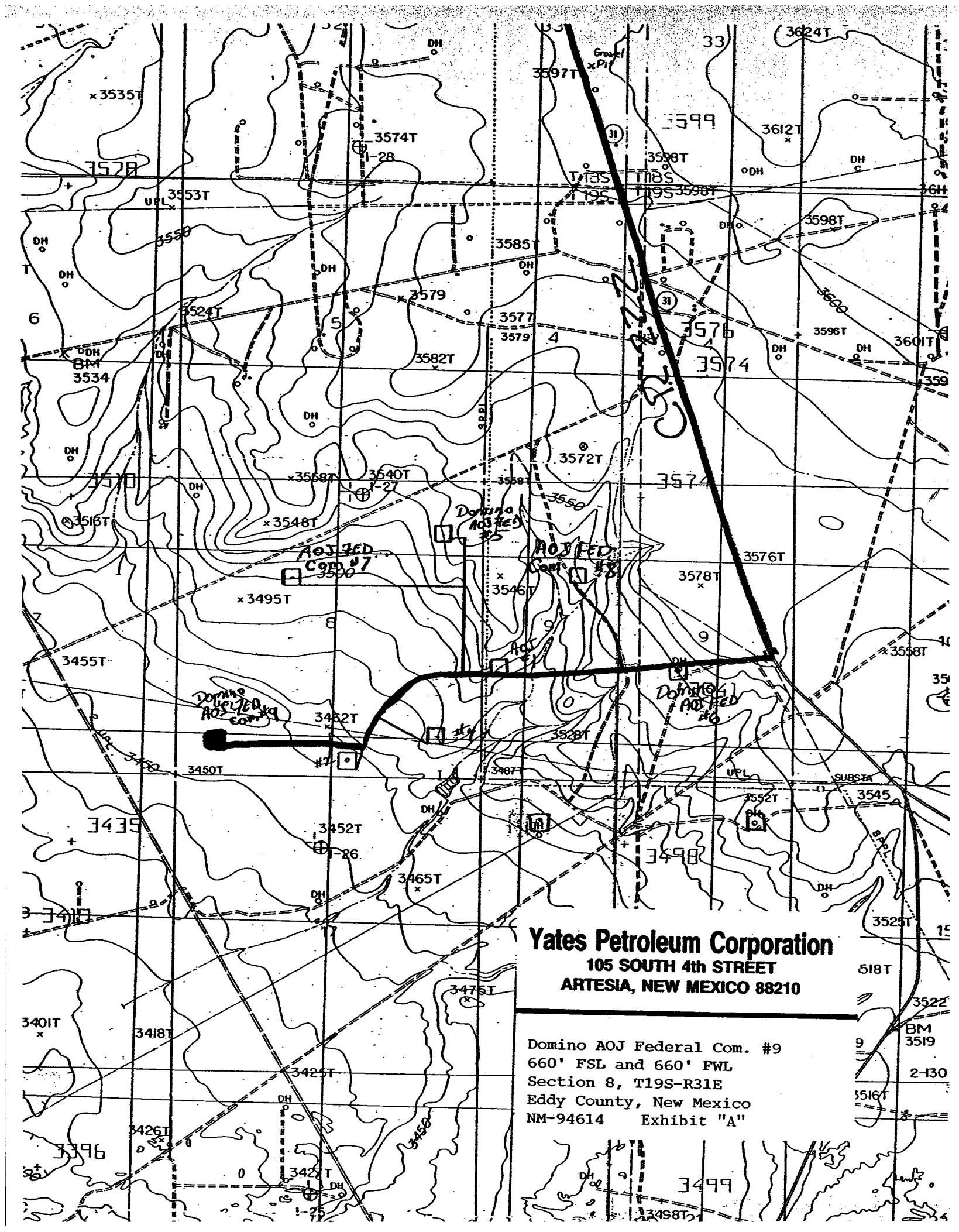
H2S Zones Anticipated: None

8. ANTICIPATED STARTING DATE:

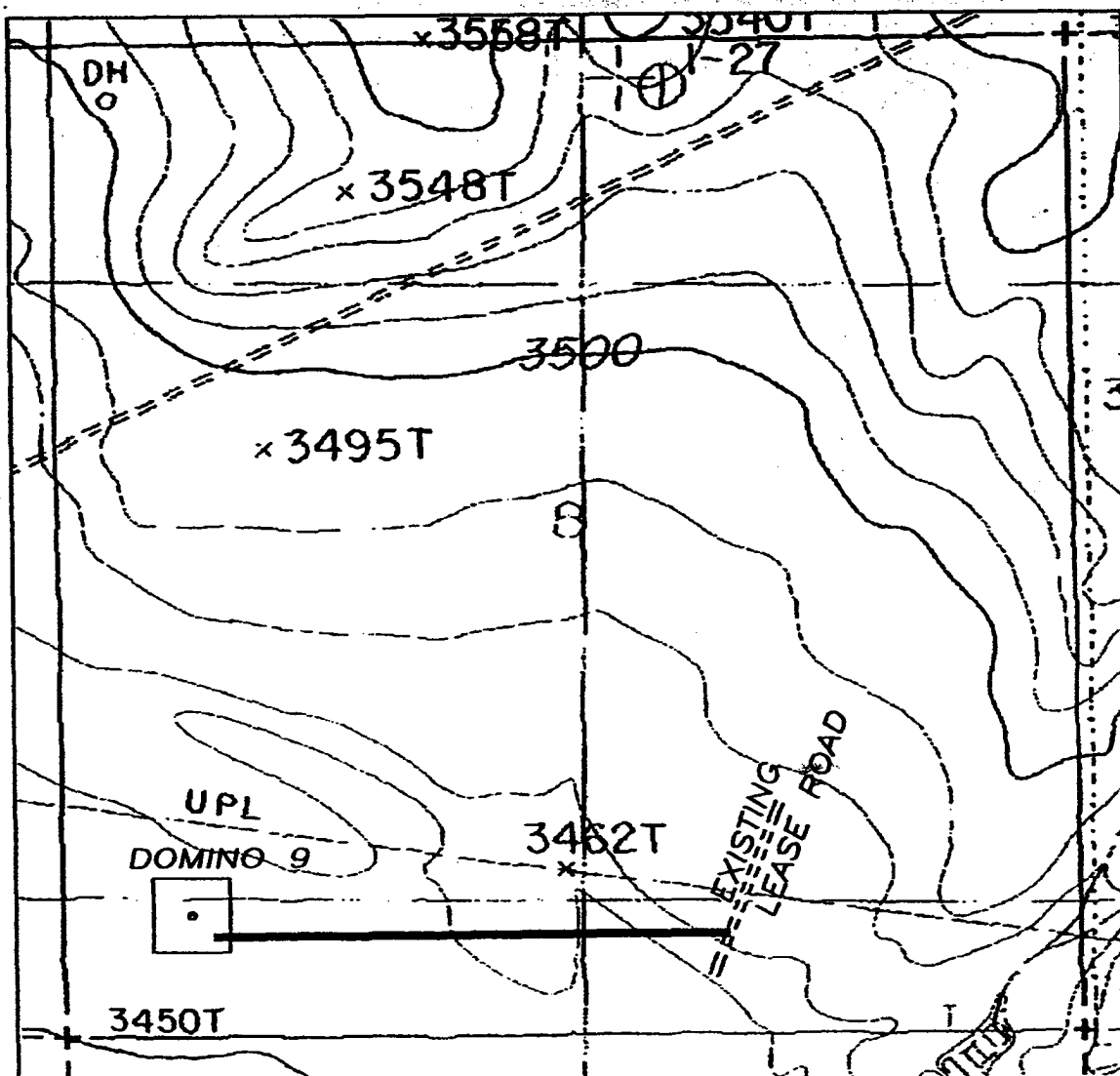
Plans are to drill this well as soon as possible after receiving approval. It should take approximately 45 days to drill the well with completion taking another 15 days.

**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

Domino AOJ Federal Com. #9  
660' FSL and 660' FWL  
Section 8, T19S-R31E  
Eddy County, New Mexico  
NM-94614 Exhibit "A"



SECTION 8, TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM, EDDY COUNTY, NEW MEXICO.



**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

Domino AOJ Federal Com. #9  
660' FSL and 660' FWL  
Section 8, T19S-R31E  
Eddy County, New Mexico  
NM-94614 Exhibit "A-1"

THE PREPARATION OF THIS PLAN AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAN ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEETS 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.

Herschel L. Jones, R.L.S. No. 3640

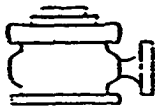
GENERAL SURVEYING COMPANY P.O. BOX 1928  
LOVINGTON, NEW MEXICO 88260

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

**YATES PETROLEUM CORP.**

LEASE ROAD TO THE YATES DOMINO "AOJ"  
FEDERAL COM. #9 LOCATED IN SECTION 8,  
TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM,  
EDDY COUNTY, NEW MEXICO.

Survey Date: 5/10/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blavins	W.O. Number
Date: 5/11/01	Scale 1" = 1000' DOMINO 9

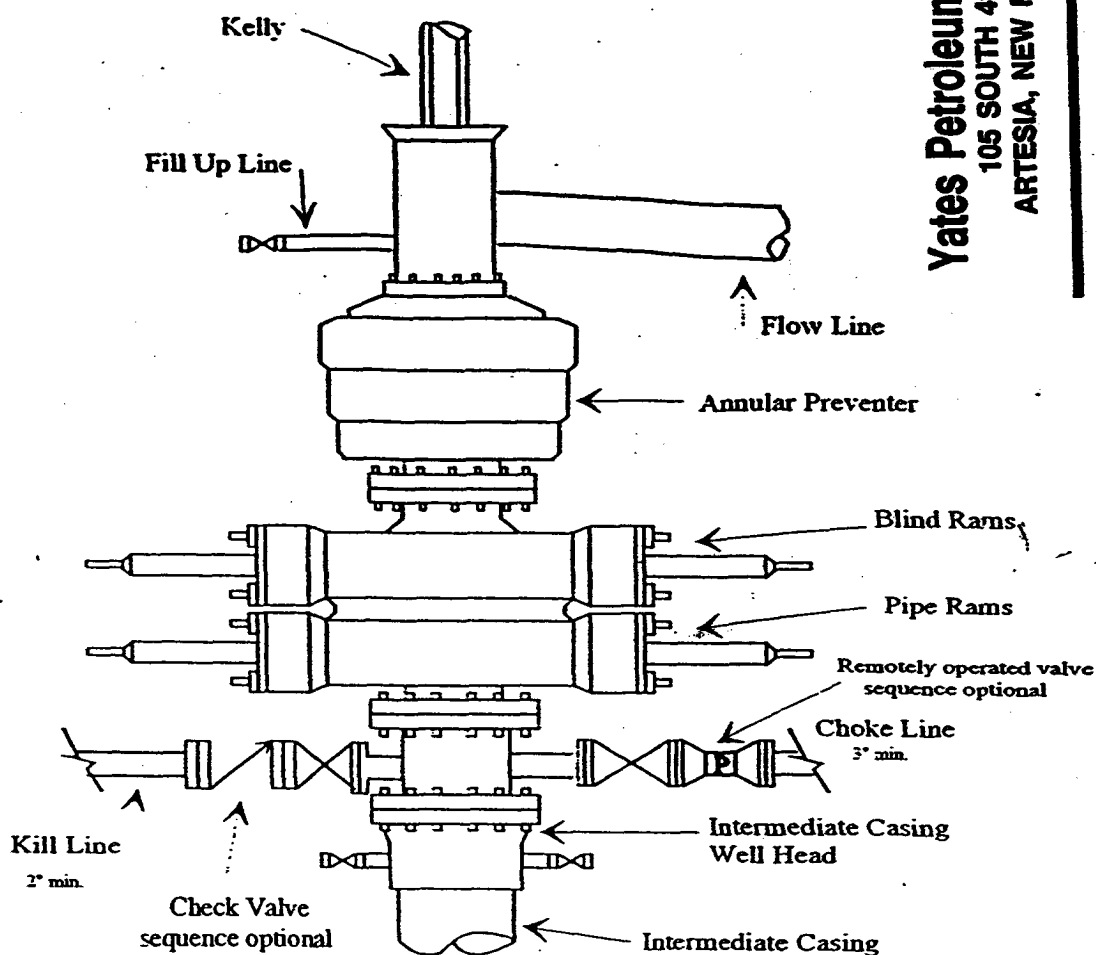


# Yates Petroleum Corporation

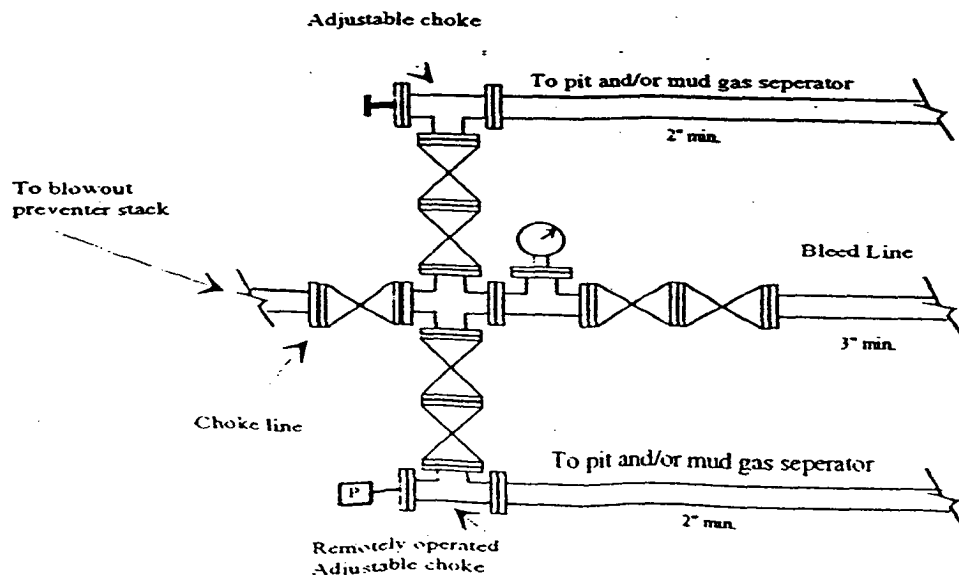
Typical 5,000 psi Pressure System  
Schematic  
Annular with Double Ram Preventer Stack

**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

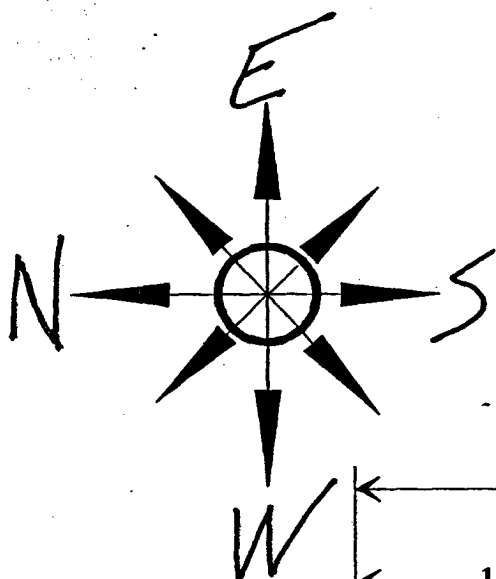
Domino AOJ Federal Com. #9  
660' FSL and 660' FWL  
Section 8, T19S-R31E  
Eddy County, New Mexico



Typical 5,000 psi choke manifold assembly with at least these minimum features







**Yates Petroleum Corporation**  
Location Layout for Permian Basin  
12,000' to 14,000'

*Pits North.*

**Yates Petroleum Corporation**  
105 SOUTH 4th STREET  
ARTESIA, NEW MEXICO 88210

Domino AOJ Federal Com. #9  
660' FSL and 660' FWL  
Section 8, T19S-R24E  
Eddy County, New Mexico  
NM-94614 Exhibit "C"

