

EC

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0136
Expires November 30, 2000UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMNM82904	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input 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. ADELINE ALN FEDERAL 13	
3a. Address 105 S 4TH STREET ARTESIA, NM 88210		9. API Well No. 30-015-32942	
3b. Phone No. (include area code) Ph: 505.748.4364 Fx: 505.748.4572		10. Field and Pool, or Exploratory WILDCAT	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SWSW 330FSL-330FWL At proposed prod. zone SWSW 330FSL-330FWL		11. Sec., T., R., M., or Blk. and Survey or Area Sec 6 T24S R31E Mer NMP SME: BLM	
14. Distance in miles and direction from nearest town or post office* APPROXIMATELY 24 MILES NE OF LOVING, NM.		12. County or Parish EDDY	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 330'		13. State NM	
16. No. of Acres in Lease 688.29		17. Spacing Unit dedicated to this well 40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1980'		20. BLM/BIA Bond No. on file	
19. Proposed Depth 8200 MD		21. Elevations (Show whether DF, KB, RT, GL, etc.) 3461 GL 3458'	
22. Approximate date work will start		23. Estimated duration	

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 officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) CY COWAN Ph: 505.748.4347	Date 06/18/2003
Title REGULATORY AGENT		
Approved by (Signature) /s/ Linda S. C. Rundell	Name (Printed/Typed) /s/ Linda S. C. Rundell	Date 1 AUG 2003
Title STATE DIRECTOR	Office NM STATE OFFICE	

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 #23404 verified by the BLM Well Information System
For YATES PETROLEUM CORPORATION, sent to the Carlsbad
Committed to AFMSS for processing by Linda Askwig on 06/24/2003 (03LA0609AE)APPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

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

¹ API Number	² Pool Code	³ Pool Name Wildcat Delaware
⁴ Property Code	⁵ Property Name ADELINE ALN FEDERAL	⁶ Well Number 13
⁷ OGRID No. 025575	⁸ Operator Name Yates Petroleum Corporation	⁹ Elevation 3458'

¹⁰ Surface Location

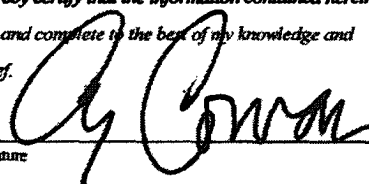
UL or lot no.	Section	Township	Range	Lot	Feet from the	North/South line	Feet from the	East/West line	County
M	6	24S	31E		330	South	530	West	Eddy

¹¹ 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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¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ 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

16					17 OPERATOR CERTIFICATION 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
					6/17/2003 Date
18					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. REFER TO ORIGINAL PLAT Date of Survey
					Signature and Seal of Professional Surveyor:
					Certificate Number

DISTRICT II
814 South First, Artonia, NE 68210

DISTRICT III
1000 E. Bruce Rd., Aztec, NM 87410

DISTRICT IV
3040 South Pacheco, Santa Fe, NM 87506

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 Delaware
Property Code	Property Name ADELINE "ALN" FEDERAL		Well Number 13
OGHD No. 025575	Operator Name YATES PETROLEUM CORPORATION		Elevation 3458


Surface Location

U/L or Lot No.	Section	Township	Range	Lot No.	Feet from the	North/South Line	Feet from the	East/West Line	County
N	6	24S	31E		330	SOUTH	530	WEST	EDDY

Bottom Hole Location If Different From Surface

[illegible]

**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**

				OPERATOR CERTIFICATION <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p><u>Cy Cowan</u> Signature</p> <p><u>Cy Cowan</u> Printed Name</p> <p><u>Regulatory Agent</u> Title</p> <p><u>June 20, 2001</u> Date</p>
				SURVEYOR CERTIFICATION <p><i>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.</i></p> <p><u>5/19/2001</u> Date Surveyed</p> <p><u>Herschell L. Jones</u> Signature & Seal of Professional Surveyor</p> <p></p> <p><u>ADLINE 13</u> Registered to Herschell L. Jones RLS 3640</p> <p><u>GENERAL SURVEYING COMPANY</u></p>
NM-82904 N.32°14'24.0" W.103°49'26.2" 3452 3450 530' 0" 3454 3457				

YATES PETROLEUM CORPORATION

Adeline ALN Federal #13

330' FSL & 330' FWL

Sec. 6-T24S-R31E

Eddy County, New Mexico

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

Rustler	580'
Top of Salt	950'
Base of Salt	3950'
Bell Canyon	4178'
Cherry Canyon	5200'
Brushy Canyon	6840'
Bone Spring Lime	8050'
TD	8200'

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

Water: Approx 150'
Oil or Gas: Canyon 5182' and Bone Spring 8032'

3. Pressure Control Equipment: BOPE will be installed on the 13 3/8" casing and rated for 3000 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>
17 1/2"	13 3/8"	48#	H-40	ST&C	0-750'	750'
11"	8 5/8"	32#	J-55	ST&C	0-4100'	4100'
7 7/8"	5 1/2"	17#	J-55	LT&C	0-100'	100'
7 7/8"	5 1/2"	15.5#	L-80	LT&C	100'-6900'	6800'
7 7/8"	5 1/2"	17#	J-55	LT&C	6900'-8200'	1300'

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

B. CEMENTING PROGRAM: *550*

Surface casing: Lead w/ *450* sx Lite (YLD 1.90 WT. 12.6) Tail in w/ 200 sx
Class "C" + 2% CaCl₂ (YLD 1.34 WT 14.8).

Intermediate Casing: Lead w/ 1000 sx Lite (YLD 2.5 WT 11.9); Tail in w/ 250 sx
"C" + 2% CaCl₂ (YLD 1.34 WT. 14.8)

Production Casing: TOC-3700'. 150 bbls nitrified mud ahead,
Lead w/ 300 sx Lite (YLD 2.5 WT. 11.9), tail in w/ 350 sx
Super "H" (Yld 1.62 Wt 13.2), followed by 50 sx Thixotropic
(YLD 1.4 WT 14.4).

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
<i>900'</i> 0-750' <i>900'</i>	FW/Native Mud	8.6-9.2	28-36	N/C
<i>900'</i> 750'-4100'	Brine	10.0-10.2	28	N/C
4100'-6500'	Cut Brine	8.6-9.1	28	N/C
6500'-8200'	Cut Brine/Starch	8.6-9.1	28-32	<15cc

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 TD to casing; GR w/CNL to Surface; DLL x/RXO TD to casing.

Coring: None Anticipated.

DST's: As warranted.

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

Anticipated BHP:

From: 0	TO: <i>900'</i> 750'	Anticipated Max.	BHP: <i>450</i> 300	PSI
From: <i>900'</i> 750'	TO: 4100'	Anticipated Max.	BHP: 1790	PSI
From: 4100'	TO: 8200'	Anticipated Max.	BHP: 4740	PSI

No abnormal pressures or temperatures are anticipated.

Lost Circulation Zones Anticipated: None.

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 198 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 20 days to drill the well with completion taking another 15 days.

MARTIN YATES, III
1912 - 1985
FRANK W. YATES
1936 - 1986



105 SOUTH FOURTH STREET
ARTESIA, NEW MEXICO 88210-2118
TELEPHONE (505) 748-1471

S. P. YATES
CHAIRMAN OF THE BOARD
JOHN A. YATES
PRESIDENT
PEYTON YATES
EXECUTIVE VICE PRESIDENT
RANDY G. PATTERSON
SECRETARY
DENNIS G. KINSEY
TREASURER

June 5, 2001

Attention: Mr. John Purcell, Chief Mining Engineer
IMC Carlsbad Potash Company
P.O. Box 71
Carlsbad, New Mexico 88221-0071

RE: Adeline ALN Federal #13
Township 24 South, Range 31 East
Section 6: 330' FSL & 330' FWL
Eddy County, New Mexico

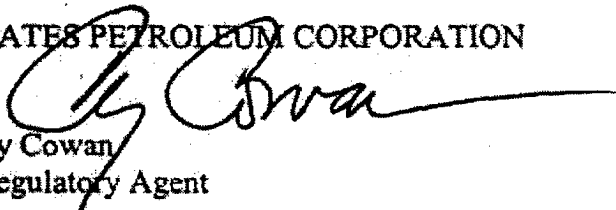
Dear Mr. Purcell:

Yates Petroleum Corporation wishes to place the captioned well on our list for future drilling operations. We are planning to drill this well to a total depth of 8,200' or 100' below the base of the Delaware Formation. We have been advised that your company is the owner of certain potash leases in this area. Therefore, we respectfully request that you waive any objections you may have to this proposed well location and so indicate by signing and returning one copy of this letter in the enclosed envelope.

Your favorable consideration of this request will be greatly appreciated. Thank you.

Very truly yours,

YATES PETROLEUM CORPORATION


Cy Cowan
Regulatory Agent

☐ NO OBJECTION OFFERED
IMC Potash Company

By: _____

Title: _____

Date: _____

☐ OBJECTION OFFERED
IMC Potash Company

By: _____

Title: _____

Date: _____

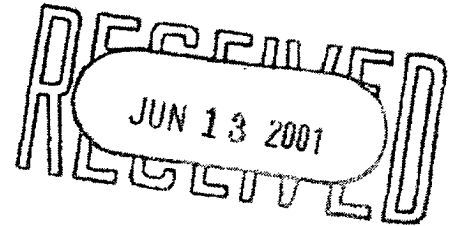


IMC Potash Carlsbad Inc.
P. O. Box 71
1361 Potash Mines Road
Carlsbad, New Mexico 88221-0071
505.887.2871
505.887.0589 Fax

June 7, 2001

Mr. Cy Cowan
Yates Petroleum Corporation
105 South Fourth Street.
Artesia, New Mexico 88210-2188

RE: Proposed Well Adeline ALN Federal #13
Section 6, T24S-R31E, N.M.P.M.
330' FSL & 330' FWL
Eddy County, New Mexico



Dear Mr. Cowan:

IMC Kalium Carlsbad Potash Company has received your notice that Yates Petroleum Corporation intends to the above referenced well. IMC Kalium has no objections to Yates drilling well Adeline ALN Federal #13 to depths no deeper than 100' below the base of the Delaware formation at the stated location. Based on the best available information, the location of the fore mentioned well would not interfere with the development of our potash resources.

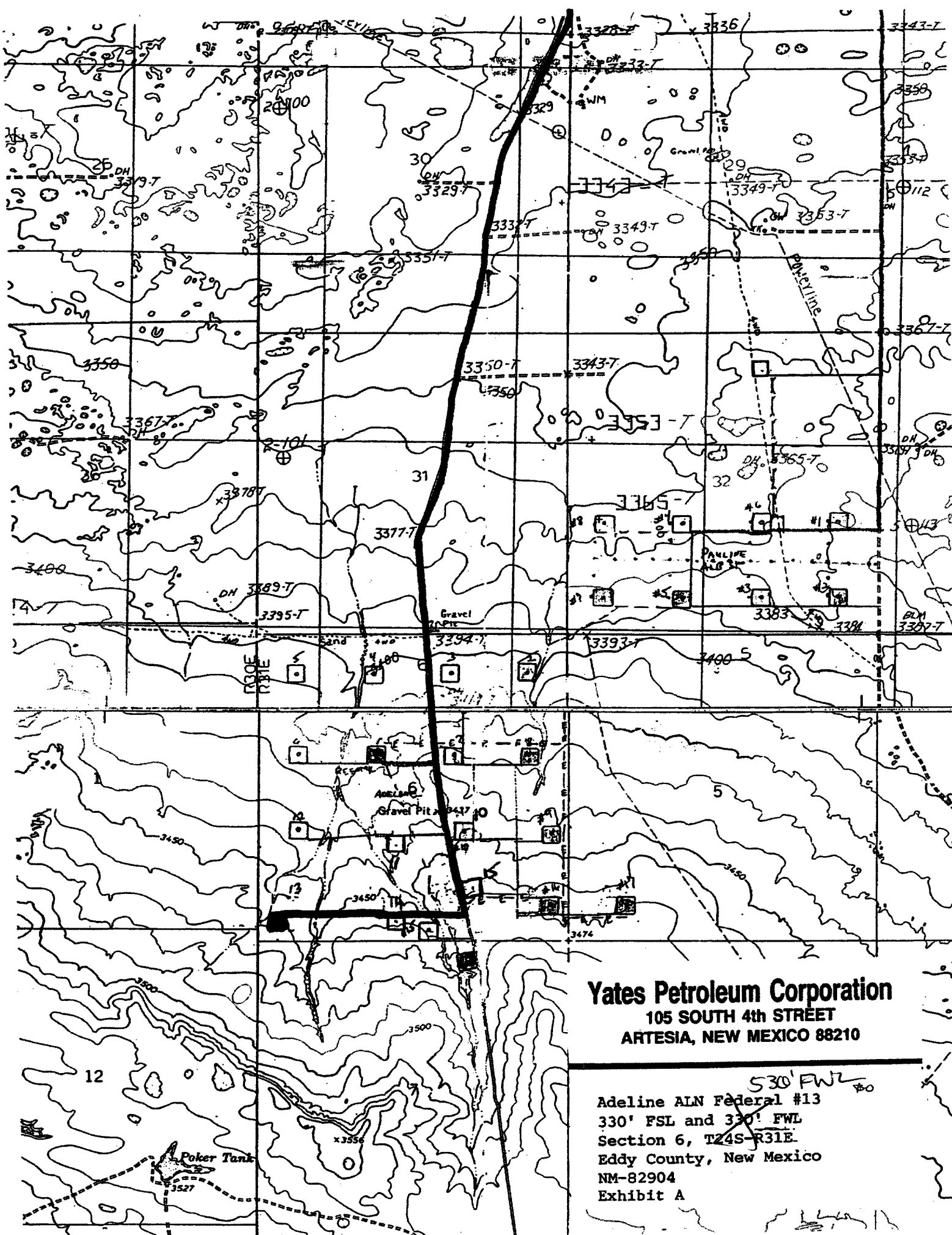
The above consideration is based on the best available information at this time; as more information becomes available our estimates of the extent of the potash resources in the area may change. Therefore, please consider the "objections offered" and "no objection offered" to the well locations to be valid for one year only. If you are still considering a well location that a potash operator has or has not objected to, more than one year prior, notify us again at that time so we can make the decision based on current information.

IMC Kalium submits this letter in lieu of the forms requested.

Sincerely,

John Purcell
Chief Mine Engineer

cc: Don Purvis Charlie High Leslie Theiss Lori Wroteneery
Dan Morehouse Tim O'Brien Craig Cranston



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

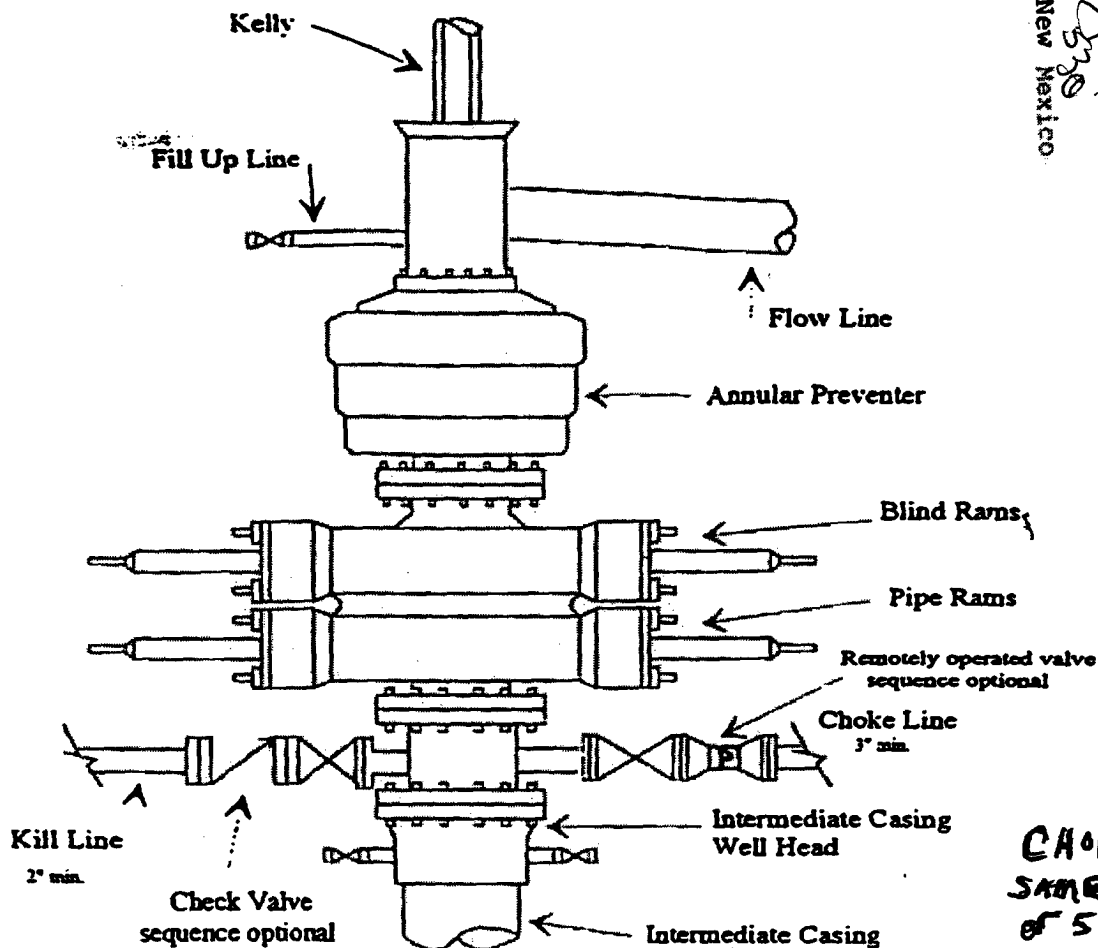
530' FWL
Adeline ALN Federal #13
330' FSL and 330' FWL
Section 6, T24S-R31E
Eddy County, New Mexico
NM-82904
Exhibit A



Yates Petroleum Corporation

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

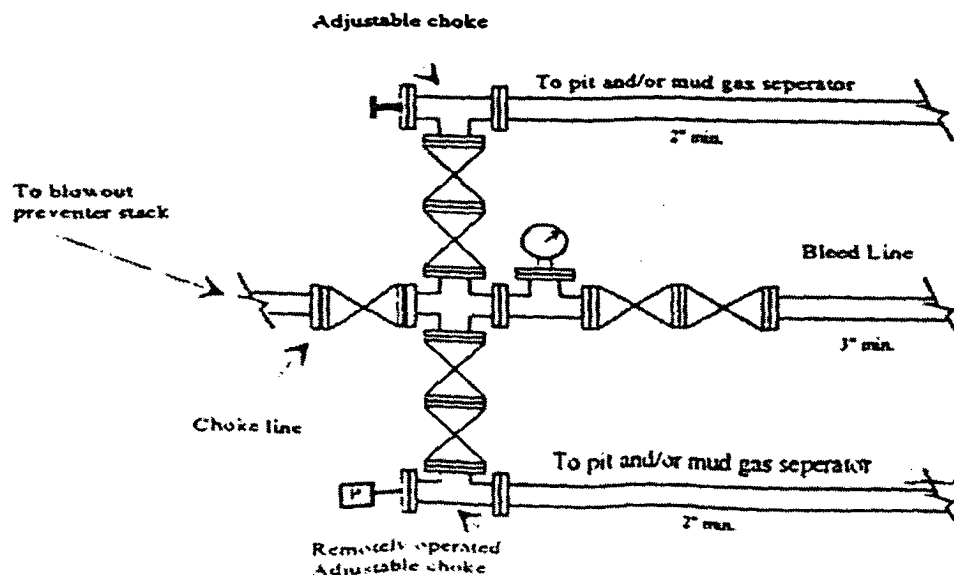
Adeline ALN Federal #13
330' FSL and 320' FWL
Section
Eddy County, New Mexico
NM-82904



CHOKER LINES
SAME AS 3M
OF 5 M.

3M REQUESTED IN A.

Typical 5,000 psi choke manifold assembly with at least these minimum features 3M APPROV
Schematic OK



PB - L1

Yates Petroleum Corporation

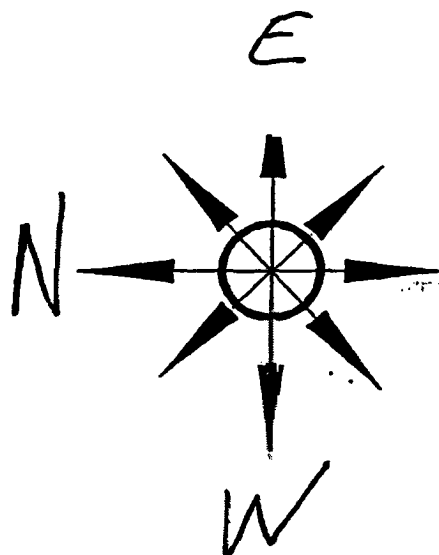
Location Layout for Permian Basin

Up to 12,000'

Yates Petroleum Corporation

105 SOUTH 4th STREET

ARTESIA, NEW MEXICO 88210



Pits North

Adeline ALN Federal #13

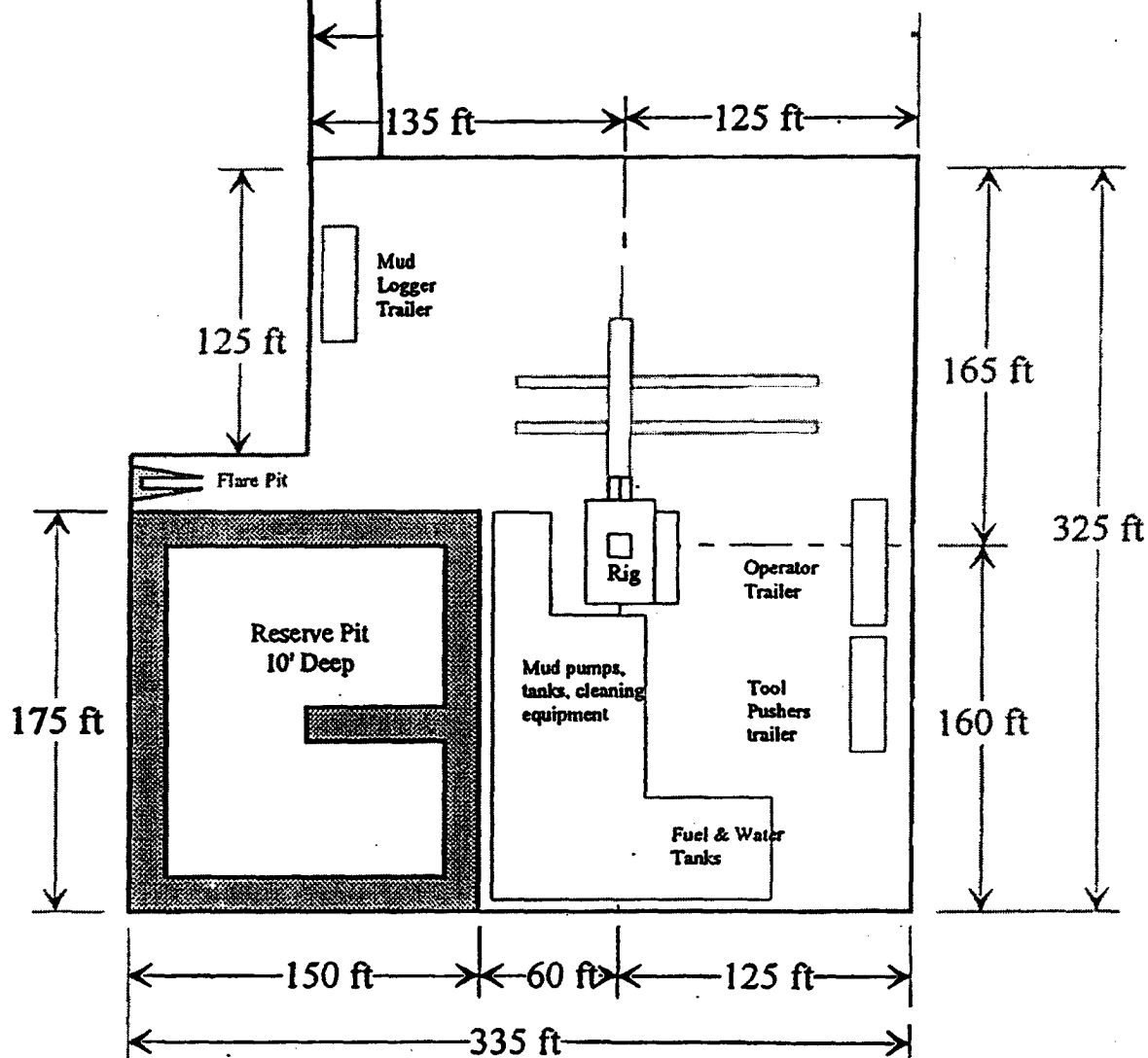
330' FSL and 240' FWL

Section 6, T24S-R31E-130

Eddy County, New Mexico

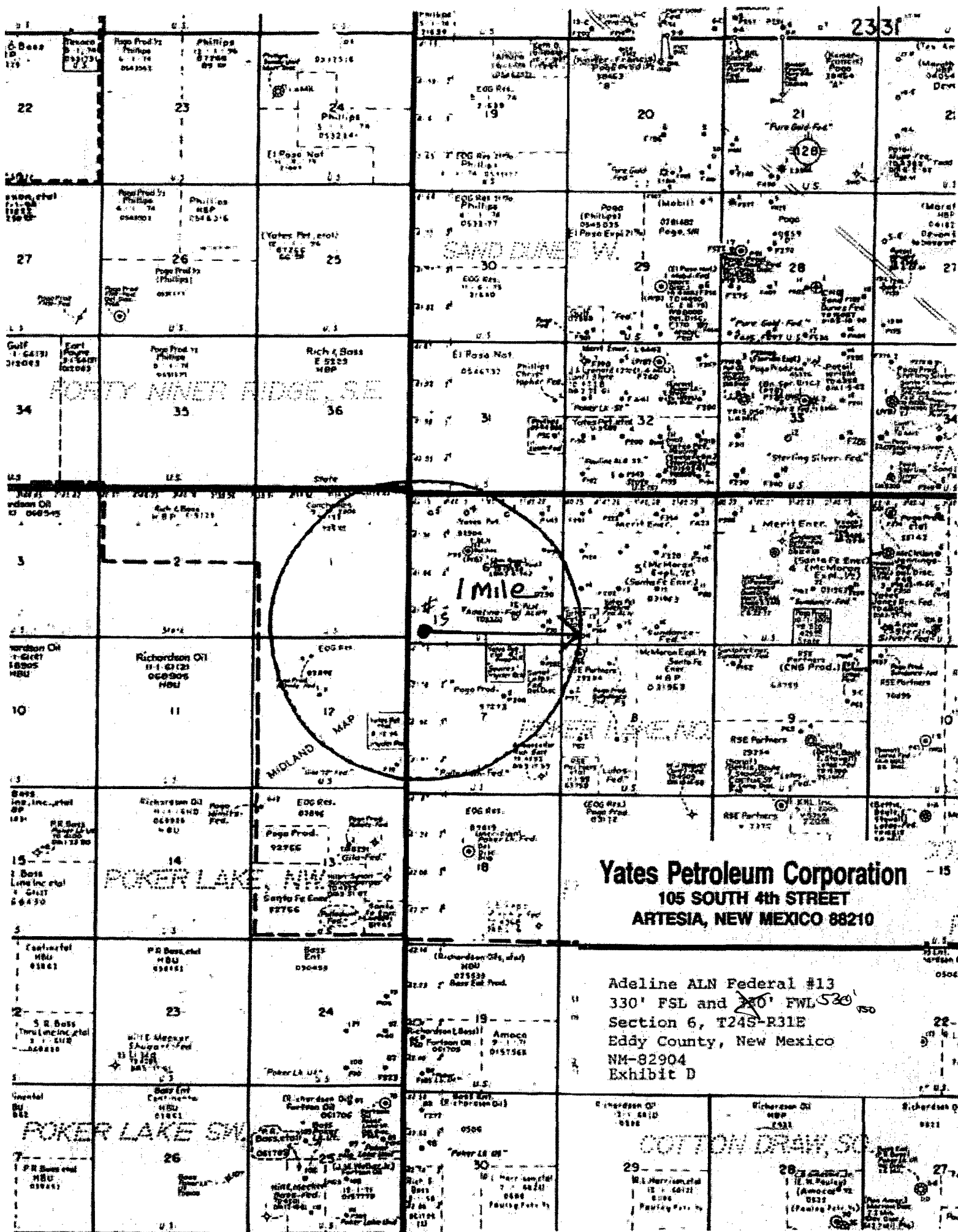
NM-82904

Exhibit C



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum



Survey Date: 5/22/2001	Sheet 1 - of 1 Sheets
Drawn By: Ed Blum	N.O. Number
Date: 5/23/01	Scale 1" = 1000' ADELINE