I-36 OCD-ARTESIA FORM APPROVED Form 3160-3 (August 1999) OMB No. 1004-0136 Expires November 30, 2000 UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT** Lease Serial No. NMNM82904 6. If Indian, Allottee or Tribe Name APPLICATION FOR PERMIT TO DRILL OR REENTER la. Type of Work: DRILL REENTER 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. ADELINE ALN FEDERAL 13 ☐ Multiple Zone 1b. Type of Well: Oil Well ☐ Gas Well Other Single Zone 2. Name of Operator YATES PETROLEUM CORPORATION Contact: ROBERT ASHER 9_API Well No. -015-0 3b. Phone No. (include area code) Ph: 505.748.4364 3a. Address 10. Field and Pool, or Exploratory 105 S 4TH STREET WILDCAT ARTESIA, NM 88210 Fx: 505.748.4572 4. Location of Well (Report location clearly and in accordance with any State requirements.*) 11. Sec., T., R., M., or Blk. and Survey or Area 23456789107720 13. W. SWSW 330FSL-350FWL Sec 6 T24S R31E Mer NMP SME: BLM At proposed prod. zone SWSW 330FSL 330FWL Distance in miles and direction from nearest town or post office⁴ APPROXIMATELY 24 MILES NE OF LOVING, NM. 13. State 12. County or Parish EDDY AUG 2003 NM 15. Distance from proposed location to nearest property or 16. No. of Acres in Lease RECEIVED 517. Spacing Unit dedicated to this well lease line, ft. (Also to nearest drig. unit line, if any) OCD - ARTESIA 688.29 40.00 20. BLM/BIA Bond No. on file 18. Distance from proposed location to nearest well, drilling, 19. Proposed Depth 101122232456 completed, applied for, on this lease, ft. 1980 8200 MD 21. Elevations (Show whether DF, KB, RT, GL, etc. 22. Approximate date work will start 23. Estimated duration 3467 GL 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. Bond to cover the operations unless covered by an existing bond on file (see A Drilling Plan.
 A Surface Use Plan (if the location is on National Forest System Lands, the Item 20 above) Operator certification SUPO shall be filed with the appropriate Forest Service Office). Such other site specific information and/or plans as may be required by the authorized officer. 25. Signatur

(Electronic Submission)	CY COWAN Ph: 505.748.4347	06/18/2003		
Title REGULATORY AGENT				
Approved by (Signaste Linda S. C. Rundell	Name (Printed/Typed) /s/ Linda S. C. Rundell	Date AUG 2009		
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 **

District I

1625 N. French Dr., Hobbs, NM 88240

State of New Mexico

Energy, Minerals & Natural Russurces Department

Form C-102 Revised August 15, 2000

District II

811 South First, Artesia, NM 88210

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

Submit to Appropriate District Office

State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		V	VELL LO	OCATIO	N AND ACR	EAGE DEDIC	CATION PLA	T		
¹ API Number				² Pool Code ³ Pool Name						
							Wildcat De	laware		
⁴ Property Code				⁵ Preperty Name				' Well Number		
					ADELINE ALN	FEDERAL				13
Operator Name						, Elevation				
0255	75	Yates Petroleum Corporation 345							3458'	
					10 Surface	Location				
UL or lot no.	Section	Township	Range	Lot lide	Feet from the	North/South line	Feet from the	East/We	st line	County

245 31E 330 South 530 M West Eddy Bottom Hole Location If Different From Surface North/South line UL or lot no. Section Township Range Lot Idn Feet from the Feet from the East/West line County 12 Dedicated Acres ¹³ Joint or Infill 14 Consolidation Code 15 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 **OPERATOR CERTIFICATION** Cy Cowan Regulatory Agent 6/17/2003 18SURVEYOR CERTIFICATION l hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by ne 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. NM-82904 Certificate Number

DISTRICT I
1865 E. Remain Br., Robbs, Mt Masso
DI TREICT II
814 South First, Artesia, Mf 88210
DISTRICT III
1600 Rie Brusse Rd., Antes, Mf 97410
DISTRICT IV
2010 South Pachece, Santa Fe, MK 87505

API Number

State of New Mexico

Form C-102 Revised March 17, 1999 Instruction on back It to Appropriate District Office

State Leans - 4 Copies Fee Leans - 3 Copies

OIL CONSERVATION DIVISION P.O. Box 2088 Santa Fe, New Mexico 87504-2088

1

Pool Code

D AMENDED REPORT

Pool Name Wildcat Delaware

WELL LOCATION AND ACREAGE DEDICATION PLAT

	Stevetion 3458										
III. or lot No. Section Township Range Lot Mo. South South line Feet from the South											
M 6 24S 31E 330 SOUTH 530 WES Bottom Hole Location if Different From Surface III. or lot No. Section Township Range Lot ldm Post from the North/South line Fost from the East/Vo.											
Bottom Hole Location If Different From Surface UL or lot No. Section Township Range Let kim Feet from the North/South line Feet from the East/Ve	Fest Mas County										
We or lot No. Section Township Range Lot like Feet from the North/South line Feet from the East/Vo	EST EDDY										
	Bottom Hole Location If Different From Surface										
	Fost line County										
Bediested Acres Joint or Infill Committation Code Order No.	<u> </u>										
320											
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CON OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION	NSOLIDATED										
OPERATOR CERT	RIFICATION										
I havely certify if	the the information										
had of my humbries and											
$ \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad \qquad $	SWA										
Signature	Signature										
Printed Name	Cowan										
Regula	atory Agent										
June 2	20, 2001										
Date											
SURVEYOR CERT	TIFICATION										
I have arrive that the a											
on Side plat ware platfed it	y me or undermy										
augurulaen, and that the correct to the best of											
6/19/200	001										
Date Surveyed Signature & Seal of											
NM-82904 N.32*14*24.0"	5										
N.32*14*24.0" W.103*49*28.2"	AR.										
3452 3450	2021										
	E Jones RLS 3640										
3484 #3457	8										

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.

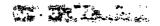
Auxiliary Equipment:

- 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>	Wt./Ft	<u>Grade</u>	Coupling	<u>Interval</u>	Length	
17 1/2"	13 3/8"	48#	H-40	ST&C	0-750'90	0' 750' GC	0
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 ½"	15.5#	L-80	LT&C	100'-6900'	6800'	
7 7/8"	5 ½"	17#	J-55	LT&C	6900'-8200'	1300'	

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

Adeline ALN Federal #13 Page 2



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>	_Type	<u>Weight</u>	<u>Viscosity</u>	Fluid Loss
0- 750' 0\00'	FW/Native Mud	8.6-9.2	28-36	N/C
୍ୟତ୍ତ ' 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:

450 Anticipated BHP: 9000 TO: 750 From: BHP: 300-PSI Anticipated Max. From: 900' -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

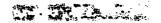
Township 24 South, Range 31 East Section 6: 330' FSL & 330' FWL Eddy County, New Mexico

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 **OBJECTION OFFERED** IMC Potash Company IMC Potash Company Title: Title:





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

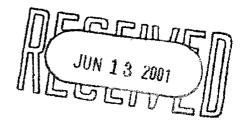
June 7, 2001

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

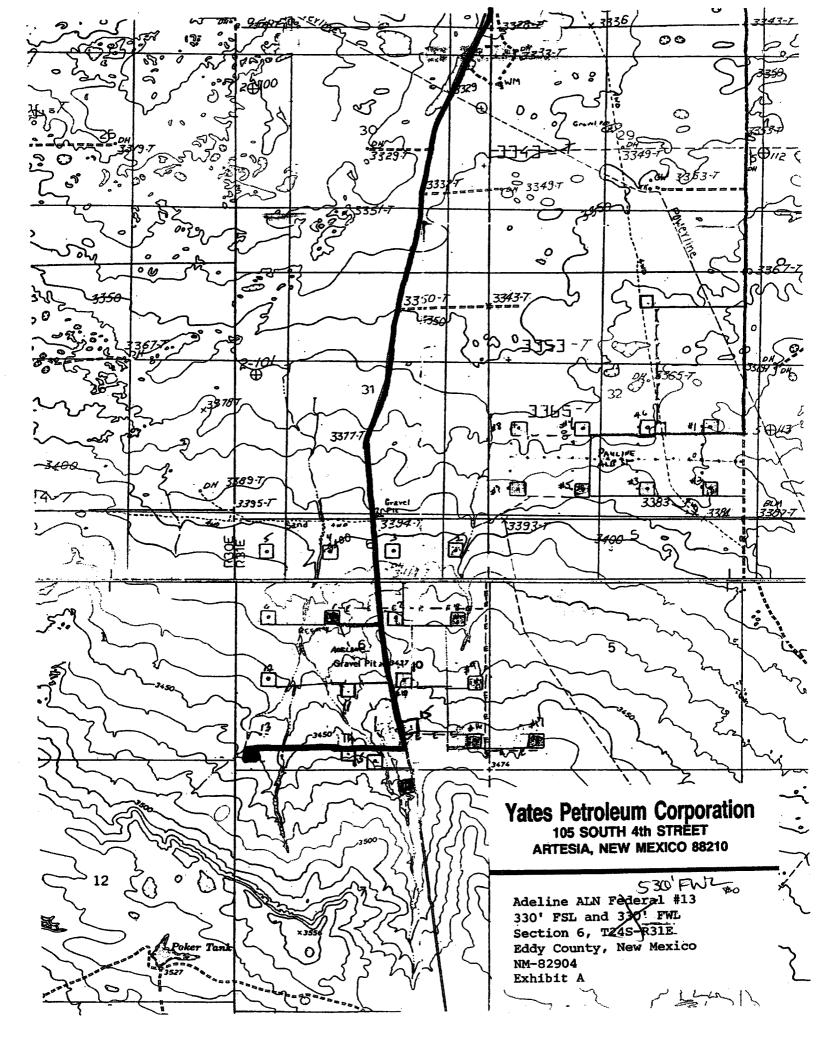
Charlie High

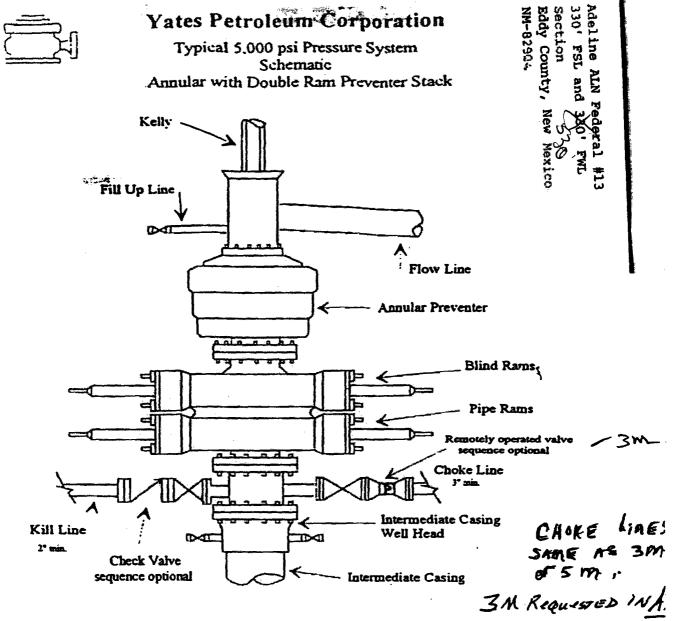
Leslie Theiss

Lori Wroteneery

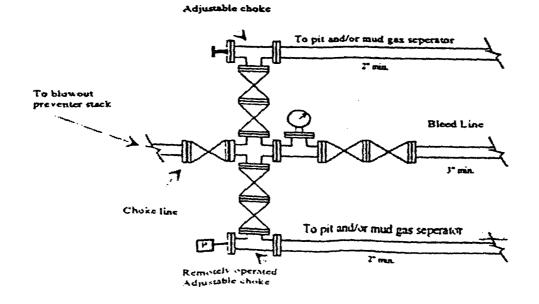
Dan Morehouse Tim O'Brien

Craig Cranston

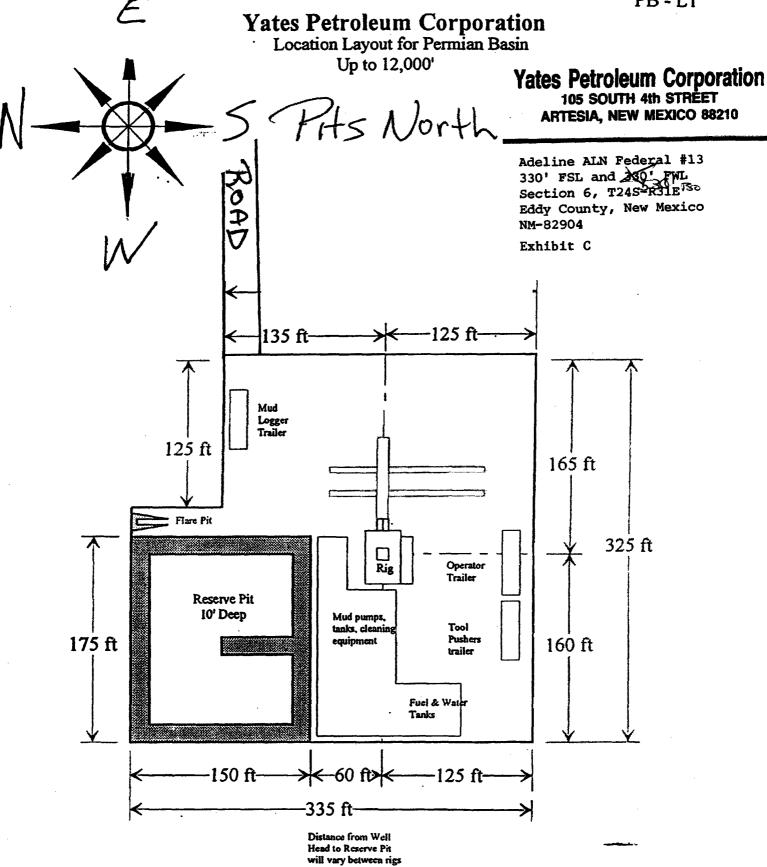




Typical 5,000 psi choke manifold assembly with at least these minimum features 3m Approximation ok



PB-L1

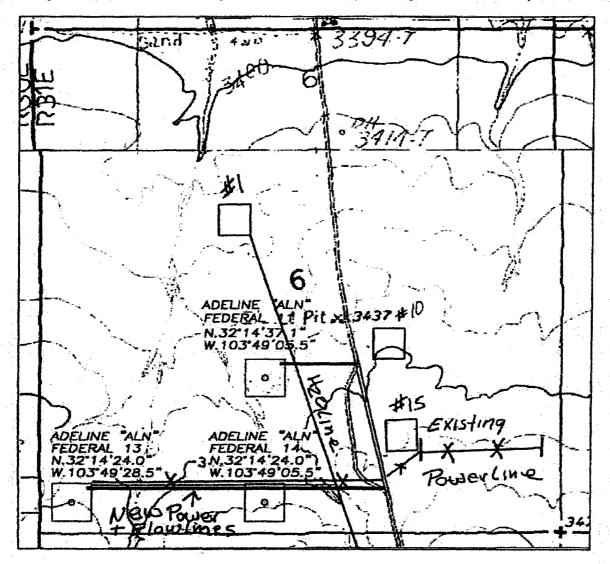


The above dimension should be a maximum

31		e i.	¥.44	Province* 5.15-24 c	10 - 10 - 10 - 10 - 10 - 10 - 10 - 10 -
Ĉ 0••≠ 129	27/73	Photo froit / Phillips Phillip	2000		(Acceptance of Contraction of Contra
22		23	Philips	E 05 Res	20 21 2:
		* * * * * * * * * * * * * * * * * * *	0532144 E1 Page Not	Day Trocky bear a	"Arrague fac"
224	1			Philips 8 2- 74 \$2,4527 8 \$	775 Card Co. 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
ing.		Philips Philips County To County Coun	•	Philips Philips 4 1 34 0532-77	Pogg (Mabis) 64 Mass Mass Mass (Micral Mass Mass) 0161482 Pogg (October 1779) Pogg (October 1779) Pogg (Micral Pogg (Micral Mass Mass Mass Mass Mass Mass Mass Ma
27	:		(Yules Project) (Revise 25	\$440 EAS	29 (1) (1) (2) (1) (2) (1) (2) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4
747	e ,	Programme (Phillips)		Bilde nes. 14 - g - 145 27 b b d Zer st - d ²	CAPE TO ASSESSED FEETS LAND MAN DE CHANGE THE THE THE THE THE THE THE THE THE TH
Gulf 1 Call	Earl Trans	Poss front 12	v. i Rich (Bass	#	Tradi U.S. Marie Com Plants (Borr U.S. Price Price)
312043	Caroes	And the state of t	E-5123 HBP	El Para Mat. Obies 12 Phillips Chair Tips 14 Hapher Fee.	Morel From: Cabel Green of Control Factor
34	entaria in	3. 3. 3. 3. 3. 3. 3. 3. 3. 3. 3. 3. 3. 3	36	3 Dun	Power Land Control of the Control of
•				20 21 T	Specime at 8 32 Specime Spec
rdam Oñ		CIT DOLLS JAKE PO	Company of the compan		on Sping has him the two u.s. tubed party and the second of the second o
*			रने स	3000	
3	;	** **** **** ****		/Mile :	Charlest Energy Comments of Control of Contr
		300%	4.8	Amelina For Action	
rardson Oil 1-Gicet 18905 HBU	:	Richardson Oil	EQG Set.		Michigan Eggl/s Serial Fe Comp Co
10:		HOU	17 0 1	Fogo frod. Bother	
			Marino ma		RSE Furthers
6 41 5 .		e j	1	And the second second	Land Trans.
igh inc.,et		HISTORY OF THE PERSON OF THE P	EDG Res. 03894 Page Prod.	EOG Res.	GO HAT THE PARTY TO THE PARTY T
15		14 F 18 1 1 1	12766 there		Yates Petroleum Corporation -15
64.50		o de de la companió d	Sorting For Company State Stat	ne de la company	105 SOUTH 4th STREET ARTESIA, NEW MEXICO 88210
S Cantuari I Mbis	fel	PR Busicali PBU	Est Est	42 to (Beckmondson See, what)	# 5 24.71 24.72 Artista (
i emen		福务报告报 上	D)GASA	275533 27.53 g Harr Ent. Front.	Adeline ALN Federal #13 " 330' FSL and 20' FWL 520' 750
2 S R B	ncighal	23-	24 19 88	Reference to 19	Section 6, T24S-R31E Eddy County, New Mexico
		*" LIA. 3	PowerLA U.S. Post 1923	Res IETA	NM-82904 Exhibit D
ingelal Bu Baz		Barr (nf Cert manus 480 61801	Furthern Co.	as (E choraten Gil)	Cinardson (III - Wicherson (III - Bichardson (III - III) - State - Chil - State - Chil - State
F37		26	Bors et all a service of the service	Translation -	COTT ON DRAW, SOLDING
PR Sees F MBC C1941)		Special Specia		Birt B. Brit warr sampled. Door	29 - 28
		<u> </u>		et in the second	Control of the second

SECTION 6, TOWNSHIP 24 SOUTH, RANGE 31 EAST, NAPM, EDDY COUNTY, NEW MEXICO.

الله المراجع المراجع المراجع



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

Exhibit showing proposed flowline and proposed powerline.
Exhibit E

CHELL	1 <u>000*</u> Ø	1000' 2000'
THE PREPARATION OF THE PLAT WAS THE PERFORMANCE OF THE SURVEY UPON WHICH ASSESS ASSESS VISIGE DONE UNDER MY DIRECTION AND THE SUAT ACCURATELY DIRECTION AND THE SUAT ACCURATELY DIRECTION THE RESULTS	YATES PETROL	
OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS. WERSCHELL JOHN S. No. 3640	LEASE ROAD TO ACCESS "ALN" FEDERAL #11, 13, IN SECTION 8, TOWNSHIP EAST, NIMPM, EDDY COUR	# 14 WELLS LOCATED 24 SOUTH, RANGE 31
	Survey Date: 5/22/2001	Sheet 1 - of 1 Sheets
GENERAL SURVEYING COMPANY P.O. BOX 1928	Drown By: Ed Shedus	EO. Number
LOVINGTON, NEW MEXICO 88260	Date: 5/23/01	Scale 1" = 1000" ADELINE